

# **L-J Finco Limited**

Directors' report and financial statements  
For the year ended 30 November 2020

Registered number 07941976



## **Contents**

Strategic report	2
Directors' report	4
Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements	5
Independent auditor's report to the members of L-J Finco Limited	6
Statement of comprehensive income for the period year 30 November 2020	8
Statement of financial position	9
Statement of changes in equity for the year ended 30 November 2020	10
Notes	11

## **Strategic report**

### **Principal activities**

The company is dormant and did not trade during the year. Comparatives are for the year ended 30 November 2019.

L-J Finco is a member of the Global University Systems Group. The ultimate parent company of the L-J Finco Limited is Global University Systems Holding B.V, a company incorporated in the Netherlands.

### **Group restructure**

L-J Finco Limited was historically an intermediate holding company within the L-J Holdco UK Group. As part of the group simplification exercise, a number of transactions have occurred during the year to November 2019 that have impacted the company. The key transactions (as well as the settlement of a number of intercompany balances) that have impacted L-J Finco are as follows:

- On 27 June 2019, the company performed a capital reduction exercise by reducing its share capital from £3,104,001 to £1.00 by cancelling and extinguishing 3,104,000 shares of £1.00 each (each of which was fully paid up), as well as cancelling its share premium account. This resulted in a credit to reserves of £83.1 million
- On 10 July 2019, L-J Finco agreed to unconditionally release £17.2 million of debt owed to it by L-J Bidco resulting in a debit to reserves of £17.2 million;
- On 10 July 2019, L-J Finco performed a dividend in Specie to L-J Holdco of COL Newco Limited and of a receivable of £0.1 million from the University of Law Limited. This dividend reduced reserves by £41.7 million. L-J Holdco subsequently performed a dividend in specie of the shares in L-J Finco to Lake international Limited.

The result of the above transactions (and associated intercompany settlements) is that L-J Finco Limited is now a wholly owned subsidiary of Lake International Limited, and itself has no subsidiaries. As a result of these changes, the company no longer acts as a holding company and therefore these accounts are no longer prepared on a going concern basis. However, the trading businesses within the wider University of Law group identified above will continue to trade.

### **Business review and results**

L-J Finco Limited did own the whole issued share capital of L-J Midco Limited, a company incorporated in the United Kingdom. However, L-J Midco Limited was dissolved in February 2020 as part of the group restructure.

L-J Finco Limited did not trade during the year to 30 November 2020.

### **Our Strategy**

For further information on the group's strategy please refer to the University of Law Limited's financial statements.

### **Financial results**

The results for the year ended 30 November 2020 are set out on page 8. As no trading took place during the year, the company result was £0 (2019: £1,278 k loss). No dividend is proposed.

### **Key performance indicators**

The group has a number of key performance indicators to which it manages and monitors its performance. A summary of a selection of the key performance indicators for the group are shown in the University of Law's financial statements.

**Principal risks and uncertainties**

Information on the most significant categories of risks to the group's performance and the board strategies to manage these risks are given in the University of Law's financial statements.

Key risks are captured in the corporate risk register, which is subject to regular discussion at Audit Committee and in Board meeting.

**Future developments**

The overall objective of the University of Law group is the expansion of excellence in legal education and training, both in the UK and internationally. The group continues to prosper by retaining our commitment to deliver high quality teaching and learning focused on the needs and aspirations of our students and law firm clients.

  
**V Kisilevsky**  
Director

2 Bunhill Row  
Moorgate  
London  
EC1Y 8HQ  
United Kingdom

19 May 2021

## **Directors' report**

The Directors present their annual report and the audited financial statements for the year ended 30 November 2020. As discussed on page 2, the company is no trading and therefore these accounts have not been prepared on a going concern basis.

### **Directors**

The Directors who held office during the period were as follows:

V Kisilevsky  
R Cox (resigned 30 October 2020)  
A LeJune (appointed 29 October 2020)

### **Political and charitable contributions**

The company made no political contributions during the year.

### **Disclosure of information to auditor**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed to the Company's shareholder.

### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 Chapter 5 of the Companies Act 2006.

By order of the board

  
V Kisilevsky  
Director

2 Bunhill Row  
Moorgate  
London  
EC1Y 8HQ  
United Kingdom

19 May 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS]**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for ensuring that funds provided by the Office for Students have been applied in accordance with the terms and conditions attached.

## **Independent auditor's report to the members of L-J Finco Limited**

### **Opinion**

We have audited the financial statements of L-J Finco Limited ("the company") for the year ended 30 November 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Jonathan Brown (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol BS1 4BE

19 May 2021



## Statement of comprehensive income for the year ended 30 November 2020

	<i>Note</i>	<b>30 November 2020</b>	<b>30 November 2019</b>
		<b>£'000</b>	<b>£'000</b>
<b>Revenue</b>		-	-
Administrative expenses		-	-
<b>Operating Loss</b>		-	-
Finance expenses	6	-	(1,278)
<b>Loss before tax</b>	3	-	(1,278)
Taxation	7	-	-
<b>Loss after tax</b>		-	(1,278)
Other comprehensive income, net of tax		-	-
<b>Retained loss for the year</b>		-	(1,278)

The notes on pages 11 to 14 form an integral part of these financial statements.

## Statement of financial position

*At 30 November 2020*

	<i>Note</i>	<b>30 November 2020</b> <b>£'000</b>	<b>30 November 2019</b> <b>£'000</b>
<b>Current assets</b>			
Cash and cash equivalents		-	-
		<hr/>	<hr/>
Total current assets		-	-
		<hr/>	<hr/>
<b>Total assets</b>		-	-
		<hr/>	<hr/>
<b>Current liabilities</b>		-	-
		<hr/>	<hr/>
Total current liabilities		-	-
		<hr/>	<hr/>
<b>Non-current liabilities</b>		-	-
		<hr/>	<hr/>
Total non-current liabilities		-	-
		<hr/>	<hr/>
<b>Total liabilities</b>		-	-
		<hr/>	<hr/>
<b>Net (liabilities) / assets</b>		-	-
		<hr/>	<hr/>
<b>Shareholders' equity</b>			
Share capital	8	-	-
Share premium	8	-	-
Retained earnings		-	-
		<hr/>	<hr/>
<b>Total equity</b>		-	-
		<hr/>	<hr/>

The company registered number is 07941976.

The notes on pages 11 to 14 form an integral part of these financial statements.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 Chapter 5 of the Companies Act 2006.

These financial statements were approved by the board of Directors on 19 May 2021 and were signed on its behalf by:

  
**V. Kisilevsky**  
*Director*

## Statement of changes in equity for the year ended 30 November 2020

	Share premium £'000	Called up share capital £'000	Retained earnings £'000	Total Equity £'000
<b>At 1 December 2018</b>	<b>80,000</b>	<b>3,104</b>	<b>(55,565)</b>	<b>27,539</b>
Loss for the financial year	-	-	(1,278)	(1,278)
Group restructure (see page 2)	(80,000)	(3,104)	56,843	(26,261)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 November 2019</b>	-	-	-	-
Loss for the financial year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 November 2020</b>	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes form an integral part of the financial statements

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

L-J Finco is a private company limited by shares and incorporated, domiciled and registered in the United Kingdom. The registered number is 07941976 and the registered office address is 2 Bunhill Row, Moorgate, London, EC1Y 8HQ.

These financial statements present information about the Company as an individual undertaking. The company does not have any subsidiaries and therefore cannot prepare group accounts.

The company financial statements have been prepared and approved by the director in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and the Companies Act 2006.

The Company's parent undertaking, Lake International Ltd includes the Company in its consolidated financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### ***Basis of preparation***

The financial statements are prepared on the historical cost basis.

#### ***Going concern***

In previous years, the financial statements have been prepared on a going concern basis. However, during the previous financial year to November 2019 the directors took the decision to simplify the structure of the group, reducing the number of non-trading subsidiaries. As part of the group simplification exercise, a number of transactions have occurred during the year that have impacted the company. The key transactions are set out in the Group Restructure section of the Strategic Report. As a result of these changes, the company no longer acts as a holding company and therefore these accounts are no longer prepared on a going concern basis. However, the trading businesses within the wider University of Law group and the parent Global University Systems Group continue to trade. There has been no impact on the carrying values within the financial statements.

## **Notes (continued)**

### **1 Accounting policies (contd)**

#### ***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### ***Expenditure***

Expenditure on both goods and services is recognised in the period that it is incurred. Where expenditure has been incurred but has not yet been invoiced for, the expenditure is accrued and a creditor for the relevant amount is recorded on the statement of financial position. Where expenditure has been incurred but that expenditure relates to a later period, the expenditure is deferred and a debtor for the relevant amount is recorded in the statement of financial position.

### **2 Significant judgements and accounting estimates**

There has been no significant judgement or accounting estimates made, which have a significant risk of causing a material amount to the carrying amounts of assets and liabilities within the next financial year.

### **3 Expenses and auditors' remuneration**

Included in profit/(loss) are the following:

	<b>30 November 2020 £'000</b>	<b>30 November 2019 £'000</b>
Auditors' remuneration	-	-

The remuneration of the auditors is borne by a fellow subsidiary undertaking, The University of Law Limited.

## Notes (continued)

### 4 Remuneration of Directors

The Directors of the company are remunerated by The University of Law Limited and therefore no charge in respect of Directors was recognised within these accounts.

### 5 Staff numbers and costs

The company is dormant and does not have any staff.

### 6 Finance expense

	30 November 2020 £'000	30 November 2019 £'000
Interest on intra-group loan	-	1,278
	<u>-</u>	<u>1,278</u>

### 7 Taxation

#### *Current tax:*

	30 November 2020 £'000	30 November 2019 £'000
Total tax per income statement	-	-
	<u>-</u>	<u>-</u>

The charge for the year can be reconciled to the income statement as follows:

	30 November 2020 £'000	30 November 2019 £'000
Loss for the year - continuing operations	-	(1,278)
	<u>-</u>	<u>(1,278)</u>
Tax on loss at standard UK tax rate of 19.0% (2019: 19.0 %)	-	(242)
<i>Effects of:</i>		
Expenses not deductible	-	242
Amounts not recognised	-	(23)
Rolled over gains	-	23
	<u>-</u>	<u>-</u>
Tax charge for the year	-	-
	<u>-</u>	<u>-</u>

#### *Factors that may affect future current and total tax charges*

The UK Corporation tax rate was reduced to 19% effective from 1 April 2017. Further reductions to the corporation tax rate to 19% from 18% from 1 April 2020 were substantively enacted on 26 October 2015. Subsequently, an additional reduction in the corporation tax rate to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

## Notes (continued)

### 8 Capital and reserves

#### Share capital

	30 November 2020	30 November 2019
	£	£
<i>Allotted, called up and fully paid</i>		
Equity:		
Ordinary Shares of £1 each	1	1
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

#### Share premium

	2020	2019
	£'000	£'000
At 1 December 2020	-	80,000
Conversion of share premium to reserves	-	(80,000)
	<hr/>	<hr/>
At 30 November 2020	-	-
	<hr/>	<hr/>

On 27 June 2019, the company performed a capital reduction exercise by reducing its share capital from £3,104,001 to £1.00 by cancelling and extinguishing 3,104,000 shares of £1.00 each (each of which was fully paid up), as well as cancelling its share premium account. This resulted in a credit to reserves of £83.1 million.

### 9 Ultimate parent company

On 13 February 2020 the immediate parent company changed from LJ Holdco Limited, a company registered in Guernsey to Lake International Ltd, 30 Holborn, Buchanan House, London, England, United Kingdom EC1N 2HS.

The ultimate parent of L-J Finco Limited is Global University Systems Holding B.V. Schiphol Boulevard 231, Luchthaven Schiphol, 1118 BH, Netherlands, a company incorporated in the Netherlands.