

L-J Midco Limited

Directors' report and financial statements
For the 16 month period ended 30 November 2017

Registered number 07943515



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 Midco Limited	6
Statement of comprehensive income for the period ended 30 November 2017	8
Statement of financial position	9
Statement of changes in equity for the period ended 30 November 2017	10
Notes	11

Strategic report

Principal activities

The principal activity of the company during the year was as an intermediate holding company.

The company changed its accounting period from 31 July to 30 November during the period and implemented Adopted IFRS to align its financial reporting with the parent company. Comparatives are for the year ended 31 July 2016.

The group provides legal education and training under The University of Law brand.

L-J Midco is a member of the L- J Holdco group.

The ultimate parent company of the L-J Holdco group is Global University Systems Holding B.V., a company incorporated in the Netherlands.

The three trading businesses within the L-J Holdco group are The University of Law Limited, College of Law Services Limited and ULAW (UK) Limited.

Business review and results

As an intermediate holding company, L-J Midco Limited did not trade throughout the year.

Our Strategy

The group will continue to focus on our existing strengths whilst looking at opportunities to grow our product offering to enable the group to deliver on our vision.

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 period ended 30 November 2017 are set out on page 8. The company recorded a loss of £3k (2016: 2k loss). No dividend is proposed, leaving the £3k loss (2016: £2k loss) to be transferred to reserves.

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 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.

Strategic report *(continued)*

Future developments

The overall objective of the L-J Holdco 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.



A Etingen
Director

Brabeouf Manor
Portsmouth Road
St Catherines
Guildford
Surrey, GU3 1HA
United Kingdom

20 March 2018

Directors' report

The Director presents the annual report and the audited financial statements for the 16 month period ended 30 November 2017.

Directors

The Director who held office during the year was:

A Etingen

Political and charitable contributions

The company made no political or charitable contributions during the period.

Disclosure of information to auditor

The Director who held office at the date of approval of this Directors report confirms that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and the Director has taken all the steps that he ought to have taken as a Director to make himself 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


A Etingen
Director

Brabeouf Manor
Portsmouth Road
St Catherines
Guildford
Surrey, GU3 1HA
United Kingdom

20 March 2018

Statement of Director's' 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 period. 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.

Independent auditor's report to the members of L-J Midco Limited

Opinion

We have audited the financial statements of L-J Midco Limited ("the company") for the period ended 30 November 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes In Equity, Statement of Cash Flows 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 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as 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.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent auditor's report to the members of L-J Midco Limited

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.

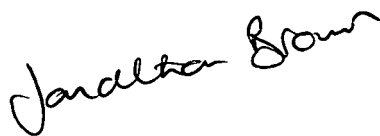
Auditor's responsibilities

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.

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
15 Canada Square
London, E14 5GL
21 March 2018

Statement of comprehensive income for the 16 month period ended 30 November 2017

	<i>Note</i>	16 month period ended 30 November 2017 £'000	Year ended 31 July 2016 £'000
Revenue		-	-
Administrative expenses		(3)	(2)
Loss before tax	3	(3)	(2)
Taxation	6	-	-
Loss after tax		(3)	(2)
Other comprehensive income for the period, net of tax		-	-
Retained loss for the period		(3)	(2)

All operations are continuing.

The notes on pages 11 to 15 form an integral part of these financial statements.


Statement of financial position

At 30 November 2017

	<i>Note</i>	30 November 2017 £'000	31 July 2016 £'000	1 August 2015 £'000
Non-current assets				
Investments	7	-	-	-
Total non-current assets		-	-	-
Current assets				
Trade and other receivables		-	-	120,001
Total current assets		-	-	120,001
Total assets		-	-	120,001
Current liabilities				
Trade and other payables	8	(13)	(10)	(120,009)
Total current liabilities		(13)	(10)	(120,009)
Total liabilities		(13)	(10)	(120,009)
Net liabilities		(13)	(10)	(8)
Shareholders' equity				
Share capital	9	-	-	-
Retained earnings		(13)	(10)	(8)
Total deficit		(13)	(10)	(8)

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 **20** March 2018 and were signed on its behalf by:


A Etingen
Director

Company registered number: 07943515

Statement of changes in equity for the period ended 30 November 2017

	Called up share capital £'000	Retained earnings £'000	Total Equity £'000
At 1 August 2015	-	(8)	(8)
Loss for the year	-	(2)	(2)
	<hr/>	<hr/>	<hr/>
At 31 July 2016	-	(10)	(10)
Loss for the 16 month period	-	(3)	(3)
	<hr/>	<hr/>	<hr/>
At 30 November 2017	-	(13)	(13)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

L-J Midco is a private company limited by shares and incorporated, domiciled and registered in the United Kingdom. The registered number is 07943515 and the registered address is Braboeuf Manor, St Catherines, Guildford, Surrey, GU3 1HA.

The Company is exempt by virtue of s400 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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, L-J Holdco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of L J Holdco are prepared in accordance with IFRS as adopted by the EU.

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.

Transition to Adopted IFRSs

This is the first year in which the financial statements have been prepared in accordance with Adopted IFRS and consequently has applied IFRS 1, it previously reported in accordance with FRS 102. An explanation of how the transition to Adopted IFRSs has affected the reported financial position and financial performance of the company is provided in note 13. Comparatives have been restated where necessary for any changes in accounting policy.

Going concern

The company's business activities and factors likely to affect its future development and position, are set out on pages 2 of the Strategic report.

The accounts are prepared on a going concern basis notwithstanding net current liabilities and net liabilities of £13k which the Directors believe to be appropriate for the following reasons. The company is reliant on the support of other group companies as a result of the way that the group is financed. Global University Systems B.V. has agreed to continue to provide financial and other support to the company including not seeking repayment of amounts currently made available for the foreseeable future to enable it to continue to trade. As a result, having assessed the response of the directors of Global University Systems B.V., in light of its support and on the basis of their assessment of the company's financial position and Global University Systems B.V. financial position, the Directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing 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 reporting 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.

Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 9 Financial Instruments - effective date 1 January 2018 with early adoption permitted.
- IFRS 15 Revenue from Contract with Customers - effective date 1 January 2018 with early adoption permitted.
- IFRS 16 Leases - effective date 1 January 2019.
- Amendments to IAS7: Disclosure Initiative - effective date 1 January 2018.

2 Significant judgements and accounting estimates

The following accounting estimates have been made, which have a significant risk of causing a material amount to the carrying amounts of assets and liabilities within the next financial year:

- a) The tax rate used for deferred tax liabilities (see note 6).

3 Expenses and auditor's remuneration

Included in Loss is the following:

Auditors' remuneration

30 November 2017 £'000	31 July 2016 £'000
3	2

Notes (continued)

4 Remuneration of Directors

All Directors of the company were 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 an intermediary holding company and does not employ any staff directly.

6 Taxation

Current tax:

	16 months to 30 November 2017 £'000	12 months to 31 July 2016 £'000
Total tax per income statement	-	-

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

	16 months to 30 November 2017 £'000	12 months to 31 July 2016 £'000
Loss for the period- continuing operations	(3)	(2)
Tax on loss at standard UK tax rate of 19.5% (2016: 20.0%)	(1)	-
<i>Effects of:</i>		
Group relief	1	-
Total tax charge for the period	-	-

Factors that may affect future current and total tax charges

The UK Corporation tax rate was reduced to 20% effective from 1 April 2015. Further reductions to the corporation tax rate to 19% from 1 April 2017 and 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. These changes will reduce the company's future current tax charge accordingly. Any deferred tax expected to reverse in the period to 30 November 2017 has been remeasured accordingly using the rates substantively enacted at 30 November 2017.

7 Investments in subsidiaries

The company has the following investments in subsidiaries:

	Number	Class of shares held	Ownership 2017	Ownership 2016
L-J Bidco Limited	1	Ordinary	100%	100%

Notes (continued)

7 Investments in subsidiaries (contd)

Cost and valuation:

	£
At 1 August 2016	
And 30 November 2017	1
Additions in year	-
	<hr/>
At 30 November 2017	1
	<hr/>

L-J Bidco Limited is a company incorporated in the United Kingdom. The principal activity is of a holding company. The registered address is Braboeuf Manor, St Catherines, Guildford, Surrey, GU3 1HA.

8 Trade and other payables

	30 November 2017 £'000	31 July 2016 £'000
Current		
Other payables due to group undertakings	10	8
Non-trade payables and accrued expenses	3	2
	<hr/>	<hr/>
	13	10
	<hr/>	<hr/>

9 Capital and reserves

Share capital

	30 November 2017 £	31 July 2016 £
Allotted, called up and fully paid		
1 Ordinary equity share of £1	1	1
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

10 Related party disclosures

Identity of related parties with which the company has transacted:

Group subsidiary:
The University of Law Limited

Related party balances:

	Payables outstanding 30 November 2017 £'000	Payables outstanding 31 July 2016 £'000
Group subsidiary	10	8
	<hr/>	<hr/>
	10	8
	<hr/>	<hr/>

Notes (continued)

10 Related party disclosures (contd)

Related party transactions relate to recharges between the entities in respect of invoices settled on behalf of the other party.

11 Ultimate parent company

The immediate parent undertaking is L-J Finco Limited, a company incorporated in the United Kingdom.

The company's ultimate parent undertaking is Global University Systems Holding B.V., a company incorporated in the Netherlands.

The group in which the results of the company were consolidated is that headed by L-J Holdco Limited.

12 Contingent liabilities

At 30 November 2017, the company together with other group companies was guarantor of £311.7 million 8.000% Senior Secured Notes due 2020 issued by Lake Bridge International Plc, a subsidiary of Global University Systems Holding B.V. and a £15 million Revolving Credit Facility provided for a remaining period of two years by Nomura International Plc to Lake Bridge International Plc.

Subsequent to the reporting date the ultimate parent undertaking secured new credit facilities from HSBC, Bank of America Merrill Lynch, Citigroup, Goldman Sachs and BMO Capital Markets of £605 million. The financing consists of a £530 million senior secured loan facilities and a £75 million multi-currency RCF. The proceeds of the financing will be used to redeem in full the Lake Bridge International Plc Senior Secured Notes due 2020. The company together with other group companies is guarantor.

13 Transition to IFRS as adopted by the EU

The company has prepared the financial statements in accordance with Adopted IFRS for the period ended 30 November 2017 as stated in note 1. The company previously applied FRS 102 and amounts reported in previous financial statements require no adjustments on transition to Adopted IFRS.