

Company registration number 11097679 (England and Wales)

LAKE FINCO II LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021
PAGES FOR FILING WITH REGISTRAR

LAKE FINCO II LIMITED

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LAKE FINCO II LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|--------------|--------------|--------------|--------------|
| Fixed assets | | | | | |
| Investments | 4 | | 1,435,183 | | 1,435,183 |
| Current assets | | | | | |
| Debtors | 6 | 76,543,325 | | 81,890,717 | |
| Creditors: amounts falling due within one year | 7 | (75,351,513) | | (79,950,273) | |
| Net current assets | | | 1,191,812 | | 1,940,444 |
| Total assets less current liabilities | | | 2,626,995 | | 3,375,627 |
| Creditors: amounts falling due after more than one year | 8 | (22,970,882) | | (24,390,627) | |
| Net liabilities | | | (20,343,887) | | (21,015,000) |
| Capital and reserves | | | | | |
| Called up share capital | | | 100 | | 100 |
| Profit and loss reserves | | | (20,343,987) | | (21,015,100) |
| Total equity | | | (20,343,887) | | (21,015,000) |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 20 June 2022 and are signed on its behalf by:

O Wehlau
Director

Company Registration No. 11097679

LAKE FINCO II LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2021

| | Share capital | Profit and loss reserves | Total |
|--|---------------|-----------------------------|--------------|
| | £ | £ | £ |
| Balance at 1 August 2019 | 100 | (21,558,800) | (21,558,700) |
| Year ended 31 July 2020: | | | |
| Profit and total comprehensive income for the year | - | 543,700 | 543,700 |
| Balance at 31 July 2020 | 100 | (21,015,100) | (21,015,000) |
| Year ended 31 July 2021: | | | |
| Profit and total comprehensive income for the year | - | 671,113 | 671,113 |
| Balance at 31 July 2021 | 100 | (20,343,987) | (20,343,887) |

LAKE FINCO II LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Company information

Lake Finco II Limited is a private company limited by shares incorporated in England and Wales. The registered office is Buchanan House, 30 Holborn, London, EC1N 2HS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis which the Director believes to be appropriate for the following reason. 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 Holding B.V. has agreed to continue to provide financial and other support to the company 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 Holding B.V. in light of its support and on the basis of his assessment of the company's financial position and Global University Systems Holding B.V. financial position, the Director has 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.

1.3 Turnover

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

LAKE FINCO II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

LAKE FINCO II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2020 - 3).

4 Fixed asset investments

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Shares in group undertakings and participating interests | 1,435,183 | 1,435,183 |

5 Undertakings

The company also has holdings in undertakings:

| Name of undertaking | Registered office | Class of shares held | % Held | |
|-------------------------------|-------------------|----------------------|--------|----------|
| | | | Direct | Indirect |
| Lake Bridge International PLC | England and Wales | Ordinary | 1.90 | - |

LAKE FINCO II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

6 Debtors

| | 2021 | 2020 |
|--------------------------------------|------------|------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | 76,543,325 | 81,890,717 |

Amounts owed by group undertakings comprise two loans of US\$15,697,820 and US\$87,823,200 and accrued interest thereon. The loans are unsecured and repayable on demand. The interest rates for the loans are 5.2% and 4% respectively.

7 Creditors: amounts falling due within one year

| | | 2021 | 2020 |
|------------------------------------|---|-------------------|-------------------|
| | | £ | £ |
| Loans from group undertakings | 9 | 66,817,234 | 71,303,024 |
| Trade creditors | | 3,074 | 1,824 |
| Amounts owed to group undertakings | | 8,522,755 | 8,638,805 |
| Accruals and deferred income | | 8,450 | 6,620 |
| | | <u>75,351,513</u> | <u>79,950,273</u> |

8 Creditors: amounts falling due after more than one year

| | Notes | 2021 | 2020 |
|-------------------------------|-------|------------|------------|
| | | £ | £ |
| Loans from group undertakings | 9 | 22,970,882 | 24,390,627 |

9 Loans and overdrafts

| | 2021 | 2020 |
|-------------------------------|------------|------------|
| | £ | £ |
| Loans from group undertakings | 89,788,116 | 95,693,651 |
| Payable within one year | 66,817,234 | 71,303,024 |
| Payable after one year | 22,970,882 | 24,390,627 |

Loans from group undertakings comprise of \$31,941,000 floating rate loan notes (the "Notes"), agreed on 22 December 2017 and accrued interest. The Notes are due for repayment on 18 December 2024. Interest rate for the Notes is LIBOR plus 3.75% margin.

The Notes are secured by fixed and floating charges over the Company and other group companies provided a guarantee in favour of the holders of the Notes.

LAKE FINCO II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Jonathan Isaacs and the auditor was Jeffreys Henry LLP.

11 Financial commitments, guarantees and contingent liabilities

The Company, along with other group companies, is named as a guarantor in the senior facilities agreement for Markermeer Finance B.V. A fixed and floating security shall be provided over the Company's assets. The various loans which total approximately €1 billion are due in 2027 and the revolving credit facility of £120m is to be repaid in 2026.

12 Events after the reporting date

The directors are of the opinion that there were no significant adjusting or non-adjusting events occurring after the reporting date.

13 Parent company

The immediate parent undertaking is Global University Systems Holding B.V., a company incorporated in The Netherlands.

The ultimate controlling party is The Heritage Trust, registered in Guernsey.

The smallest and largest group into which the entity is consolidated is Global University Systems Holding B.V., a company registered in The Netherlands. The registered office is Passeerdersgracht 23, 1016 XG, Amsterdam, the Netherlands.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.