

COMPANY REGISTRATION NUMBER: SC311279

Discovery Education (Nominee) Limited
Annual Report and Financial Statements
31 March 2018



COMPANIES HOUSE
EDINBURGH

04 OCT 2018

FRONT DESK

Discovery Education (Nominee) Limited

Annual Report and Financial Statements

Year Ended 31 March 2018

| Contents | Page |
|---|-------------|
| Officers and Professional Advisers | 1 |
| Directors' Report | 2 |
| Directors' Responsibilities Statement | 4 |
| Independent Auditors' Report to the Members | 5 |
| Statement of Financial Position | 9 |
| Statement of Changes in Equity | 10 |
| Notes to the Annual Report and Financial Statements | 11 |

Discovery Education (Nominee) Limited

Officers and Professional Advisers

The Board of Directors

R Burge
J Gordon
M Stewart (Resigned 19 June 2017)
G Colgan (Appointed 19 June 2017)

Company Secretary

Infrastructure Managers Limited

Registered Office

11 Thistle Street
Edinburgh
EH2 1DF

Independent Auditors

Johnston Carmichael LLP
Chartered Accountants & Statutory Auditors
7-11 Melville Street
Edinburgh
EH3 7PE

Discovery Education (Nominee) Limited

Directors' Report

Year Ended 31 March 2018

The directors present their report and the audited Annual Report and Financial Statements of Discovery Education (Nominee) Limited ("the Company") for the year ended 31 March 2018.

Principal Activities

The principal activity of the Company during the year was that of an investment holding company for a minority shareholding in Discovery Education plc.

Performance Review

The profit for the financial year, after taxation, amounted to £– (2017: £–).

The profit for the financial year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

Directors

The directors who served the Company during the year and up to the date of this report were as follows:

| | |
|-----------|--------------------------|
| R Burge | |
| J Gordon | |
| G Colgan | (Appointed 19 June 2017) |
| M Stewart | (Resigned 19 June 2017) |

Dividends

The directors do not recommend the payment of a dividend.

Qualifying Third Party Indemnity Provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Small Company Provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Disclosure of Information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all 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 auditors are aware of that information.

The auditors are deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Discovery Education (Nominee) Limited

Directors' Report *(continued)*

Year Ended 31 March 2018

This report was approved by the board of directors on 02/08/2018 and signed by order of the board by:

A handwritten signature in black ink, appearing to read 'Sin Puh', is written over a horizontal line.

Infrastructure Managers Limited
Company Secretary

Discovery Education (Nominee) Limited

Directors' Responsibilities Statement

Year Ended 31 March 2018

The directors are responsible for preparing the Directors' Report and the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Annual Report and Financial Statements for each financial year. Under that law the directors have prepared the Annual Report and Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law).

Under company law the directors must not approve the Annual Report and Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing the Annual Report and Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the Annual Report and Financial Statements; and
- prepare the Annual Report and Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 Annual Report and Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Discovery Education (Nominee) Limited

Independent Auditors' Report to the Members of Discovery Education (Nominee) Limited

Opinion

We have audited the financial statements of Discovery Education (Nominee) Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and Chapter 1A Small Entities.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018, and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Discovery Education (Nominee) Limited

Independent Auditors' Report to the Members of Discovery Education (Nominee) Limited *(continued)*

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Discovery Education (Nominee) Limited

Independent Auditors' Report to the Members of Discovery Education (Nominee) Limited *(continued)*

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Discovery Education (Nominee) Limited

Independent Auditors' Report to the Members of Discovery Education (Nominee) Limited *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.

Johnston Carmichael LLP

**Irvine Spowart (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor**

14 August 2018

7-11 Melville Street
Edinburgh
EH3 7PE

Discovery Education (Nominee) Limited

Statement of Financial Position

As at 31 March 2018

| | Note | 2018 £ | 2017 £ |
|--|------|-----------|-----------|
| Fixed assets | | | |
| Investments | 6 | <u>2</u> | <u>2</u> |
| Total assets less current liabilities | | <u>2</u> | <u>2</u> |
| Capital and reserves | | | |
| Called up share capital | 7 | <u>2</u> | <u>2</u> |
| Retained earnings | 8 | <u>-</u> | <u>-</u> |
| Total shareholders' funds | | <u>2</u> | <u>2</u> |

These financial statements have been prepared and delivered in accordance with the provisions applicable to the small companies regime. The Statement of Comprehensive Income has not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime.

The Annual Report and Financial Statements were approved by the board of directors and authorised for issue on 02/08/2018, and are signed on behalf of the board by:

R Burge
Director

Company registration number: SC311279

The notes on pages 11 to 13 form part of the Annual Report and Financial Statements.

Discovery Education (Nominee) Limited

Statement of Changes in Equity

Year Ended 31 March 2018

| | Called up share capital | Retained earnings | Total |
|-------------------------------|--|------------------------------|--------------|
| | £ | £ | £ |
| At 1 April 2016 | 2 | – | 2 |
| Profit for the financial year | | – | – |
| At 31 March 2017 | 2 | – | 2 |
| Profit for the financial year | | – | – |
| At 31 March 2018 | <u>2</u> | <u>–</u> | <u>2</u> |

The notes on pages 11 to 13 form part of the Annual Report and Financial Statements.

Discovery Education (Nominee) Limited

Notes to the Annual Report and Financial Statements

Year Ended 31 March 2018

1. General Information

Discovery Education (Nominee) Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in Scotland. The address of its registered office is 11 Thistle Street, Edinburgh, EH2 1DF.

The principal activity of the Company during the year was that of an investment holding company for a minority shareholding in Discovery Education plc.

The Company's functional and presentation currency is the pound sterling. Monetary amounts in these financial statements are rounded to the nearest pound.

2. Statement of Compliance

The individual financial statements of Discovery Education (Nominee) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A have been applied, other than where additional disclosure is required to show a true and fair view.

3. Accounting Policies

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

(b) Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Discovery Education (Holdings) Limited which can be obtained from the Company Secretary at 11 Thistle Street, Edinburgh, EH2 1DF. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) No cash flow statement has been presented for the company.

In addition to the disclosure exemptions outlined above, which are applicable to qualifying entities, the Company has also taken advantage of the exemptions available for small companies, contained within Section 1A of FRS102.

Discovery Education (Nominee) Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2018

3. Accounting Policies *(continued)*

(c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

i) Impairment of assets

The carrying value of those assets recorded in the Company's Statement of Financial Position, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and/or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

(d) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

4. Auditor's Remuneration

The audit fee was borne by the subsidiary company Discovery Education plc. Auditor's remuneration is payable to Johnston Carmichael LLP.

5. Particulars of Employees and Directors

The average number of persons employed by the Company during the financial year, including the directors, amounted to nil (2017: nil). The directors did not receive any remuneration from the Company during the year (2017: £nil).

Discovery Education (Nominee) Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2018

6. Investments

| | Shares in group undertakings £ |
|-----------------------------------|---|
| Cost | |
| At 1 April 2017 and 31 March 2018 | <u>2</u> |
| Impairment | |
| At 1 April 2017 and 31 March 2018 | <u>-</u> |
| Carrying amount | |
| At 31 March 2018 | <u>2</u> |
| At 31 March 2017 | <u>2</u> |

Subsidiaries, associates and other investments

The Company owns 0.00042% of the issued share capital of Discovery Education plc.

7. Called Up Share Capital

Issued, called up and fully paid

| | 2018 | | 2017 | |
|----------------------------|----------|----------|----------|----------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

8. Reserves

Retained earnings - This reserve records retained earnings and accumulated losses.

9. Related Party Transactions

The Company is wholly owned by Discovery Education (Holdings) Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

10. Controlling Party

The immediate parent undertaking is Discovery Education (Holdings) Limited.

At the year end Discovery Education (Holdings) Limited is owned 49.25% by Elgin Infrastructure Limited, which is a joint venture between Cobalt Project Investments Limited and 3i Infrastructure Plc, and 49.25% by Crimson Project Investments Limited and 1.5% by Dundee City Council. There is no ultimate controlling party.