# THE UNIVERSITY OF LAW LIMITED GROUP

## Directors' report and consolidated financial statements

**For the year ended 30 November 2020**


**Registered number 07933838**

# CONTENTS

# STRATEGIC REPORT

This section of the annual report and accounts reviews the Group's performance in 2019/2020.

## PRINCIPAL ACTIVITIES

The University of Law Group provides higher education programmes in Law, Business and related disciplines, together with professional development courses and apprenticeships.

The ultimate parent company within the group is The University of Law Limited (the University), which is a Higher Education provider. The group is made up of the University and its three subsidiary companies, which are as follows:

- College of Law Services Limited provides professional development courses.
- ULaw (UK) Limited is a regulated law firm which enables us to provide real-world legal experience to our students
- ULaw Hong Kong Limited is a business offering higher education programmes in Hong Kong.

Our business model is based on the principle that good educational outcomes, student satisfaction and employability deliver excellent value for money for our students, enabling the University to develop a successful and sustainable business.

The University operates through nine of its own campus locations plus the campuses of five partner universities in England, with courses also offered at campuses in Berlin and Hong Kong.

## PERFORMANCE IN 2019/20

Covid-19 has had a huge impact on universities and businesses around the world, and the University of Law Group is no exception.  Despite the very significant challenges posed by the pandemic, the Group has had a successful year.

Highlights of the year included the following:

- We were the highest ranking English university for overall satisfaction with the quality of the course – 91% in the 2020 National Student Survey.
- Student numbers grew by 19% to 13,168. Most of our campuses and programmes saw strong growth, with particularly rapid growth in online and international students.
- The University of Law was the largest provider of post graduate law courses in England, being the market leader for the Legal Practice Course (LPC), and number two for the Graduate Diploma in Law (GDL).
- We were also the largest provider of law undergraduate degrees, measured by UCAS new enrolments data, for the second year in succession.
- We were pleased to have reached an agreement with the University of Sheffield to deliver the LPC and GDL on their campus from September 2020.
- There has been a large uptake in the number of Bar trainees studying at the university on the new Bar Practice Course which we offered from September 2020.
- We launched our dedicated Online campus to provide tailored support to the growing numbers of students opting to study online programmes.

## KEY PERFORMANCE INDICATORS

The Group has a number of key performance indicators, used to monitor and drive performance. These include both financial and non-financial measures.

| | 2020 | 2019 |
|---|---|---|
| **Student numbers at 30 November** | 13,168 | 11,041 |
| **Revenue** | £114.1m | £93.0m |
| **Profit before tax** | £15.6m | £8.1m |
| **National Student Survey – undergraduates overall satisfaction with quality of course** | 91% | 88% |
| **LPC graduates - percentage in employment or further study, 9 months after graduation** | 95% | 97% |

## STREAMLINED ENERGY AND CARBON REPORTING

The University is committed to reducing its impact on the environment and has begun the process of embedding sustainability in everything we do and taking responsibility for our environmental impacts. Drawing on the diverse expertise of our students, staff and partners and adopting international standards ISO20400 and ISO14001 will assist the University in reducing further its environmental impact and contributing to sustainable solutions to global challenges.

Energy usage in our properties in the year was 8,032 MWh. This equates to 18 tonnes of $CO_2$ per £m of sales revenue. There are no comparatives for the previous year as this is the first year of reporting.

## SECTION 172(1) OF THE COMPANIES ACT 2006

Section 172 requires company directors, whilst promoting the success of the company for its shareholders, to also have regard for the interests of stakeholders such as employees, customers (in our case, students) and suppliers.

The University of Law regards the student voice as a key component of governance. This is achieved through regular surveys, class representatives, representation on the Academic Board and its committees, the Student Association and its Student Parliament. The President of the Student Association is attends Board meetings twice a year and is a member of the Academic Standards Committee of the Board.

This year the exceptional circumstances of the pandemic have made this dialogue ever more important. In response to the pandemic the University quickly published a "no detriment policy", to ensure that no student was disadvantaged by the changes in delivery and assessments. Generally our approach to streamed seminars and online assessments has been shaped and refined by valuable student feedback.

The University engages with employees through a partnership approach, and regular dialogue with the trade union which represents academic staff. The Vice-Chancellor communicates with the workforce via monthly all-staff emails. Prior to the pandemic, senior management visited all campuses at least once a year. Since the pandemic, monthly, well attended "drop in sessions" with the Vice-Chancellor and Executive team have been held on Skype or Teams.

Employee surveys are carried out by a specialist provider every two years.

## FUTURE PROSPECTS

In these challenging times we are seeing strong demand for the University's courses and the Board considers that the business outlook for the University is positive.

In February 2021 we have launched a full range of products to prepare students for the SQE (Solicitors Qualifying Examinations). These are the new central qualifying exams for solicitors in England and Wales, which will eventually replace the current LPC route to qualification. The University is well placed to lead the legal education sector at this time of change through our comprehensive offering for students.

We have also made some key appointments to our experienced Executive team, including a Pro Vice-Chancellor of the Business School plus our first Director of Equality, Diversity and Inclusion.

## RISK MANAGEMENT IN STRATEGY DELIVERY

The University has a mature risk management system, as is further explained in the Statement of Corporate Governance and Internal Control.

The key risks that the Board had focussed on during the year were the global pandemic, plus the transition to the SQE framework for solicitor training.

## CLOSING REMARKS

The Board is grateful for the huge efforts of colleagues who worked hard to successfully switch our teaching delivery online in March 2020, and to deliver classes, assessments and student support through our online platform. We are also immensely proud of the commitment and resilience of our students who continue to thrive and succeed in the current highly challenging context.

**By order of the board**

Andrea Nollent

**Professor Andrea Nollent**
Vice-Chancellor and CEO

Bunhill Row, London, EC1Y 8HQ United Kingdom

19 May 2021


Rt Hon the Lord Blunkett

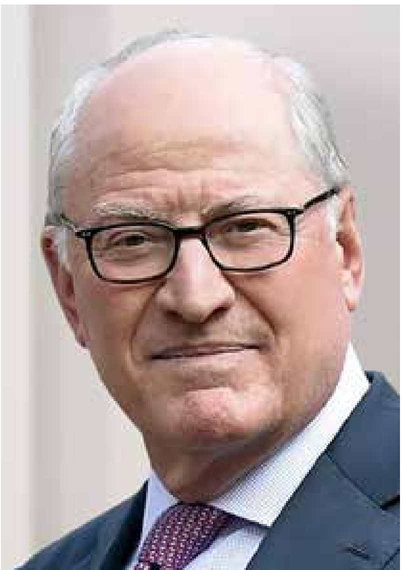

Professor Andrea Nollent


Elisabetta Ceragioli


John Headley


Alfred Morris


Carolyn Aitchison


Lord Grabiner


Aaron Etingen


Valery Kisilevsky

# STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Corporate Governance arrangements of the University of Law are set out below.

## BOARD OF DIRECTORS

The Board is comprised of a non-executive Chair, three executive directors, three independent non-executive directors and two shareholder directors. There have been no changes in Board membership over this year.

The Board has an appropriate mix of skills and experience. Biographical details of Board members can be seen below:

### Rt Hon the Lord Blunkett - Chair of the Board and Nominations Committee Chair

Over a distinguished 50 year career of public service, David Blunkett has built unrivalled experience of public policy and its implementation, to drive change and successful outcomes across the most important leadership roles in UK, European, and local political action.

As one of the longest serving senior Cabinet Ministers of recent years, David led the Home Office (including Justice Ministry), Department of Education and Employment, and Department of Work and Pensions, with responsibility for priority setting and management of running highly sensitive Departments of State, employing tens of thousands of staff with budgets in the billions of pounds. David has held several non-executive positions advising a number of blue chip corporations on the impact of legislation and regulation and has a long-standing interest and deep personal understanding of equality and disability issues. David is a Professor of Politics in Practice at the University of Sheffield, and a Fellow of the Academy of Social Sciences and has over recent years produced a number of acclaimed policy papers as well as making regular appearances on radio and television, and contributing to the print media.

David plays a significant role with a number of national and local charities including the Royal National Institute of Blind People, Alzheimer's Society, Guide Dogs for the Blind Association and the Employers Network for Equality Inclusion. He has engaged with promoting the rights of disabled people internationally, including with Sightsavers International specifically in Africa, and the promotion of the 200th Anniversary of Louis Braille. In the 2015 Dissolution Honours he was conferred a peerage.

He was appointed to the Board on 1 June 2015.

### Professor Andrea Nollent - Vice-Chancellor and Chief Executive

Andrea joined the University of Law as a director in September 2014. Educated at the universities of Dundee and Durham, she began her university career with Sheffield Hallam University where she rose to become Head of the Law School and Assistant Dean of Faculty. In 2010, Andrea became the Dean of Nottingham Law School at Nottingham Trent University – one of the largest Law schools in the country.

Andrea's career has focused on the development of innovative academic and professional courses, securing growth (in both domestic and international markets) and enhancing the quality of the student experience. During her tenure at Nottingham Law School she grew student enrolments, forged new international partnerships and delivered a significant improvement in student satisfaction. This record of success has continued in her current role where under her leadership the University has seen continuous growth in student enrolment across a diversified portfolio whilst simultaneously enhancing student outcomes and teaching quality. A fluent French speaker, Andrea is Visiting Professor at leading European universities. Her research expertise is in the internationalisation of legal education and comparative legal education.

Andrea brings extensive experience and expertise in strategic leadership and innovation in higher education with a focus on the delivery of outstanding student outcomes.

### Elisabetta Ceragioli - Deputy Chief Executive Officer

Elisabetta joined The University of Law as Deputy CEO in January 2017 and is responsible for leading the marketing and operational areas of the business.

Elisabetta has a wealth of experience in business transformation and growth, having successfully established the first Asian campus for the London School of Business and Finance in Singapore. As interim CEO at GISMA Business School in Germany, she restructured the School achieving a high level of operational effectiveness. She was then appointed Director of Business Transformation at Global University Systems.

During her tenure at ULaw, the University has seen an 80% growth in student recruitment over the past 4 years, attracting a more diverse range of international and online students. She has also overseen the University's digital transformation in the wake of the pandemic and spearheaded innovations to ensure engagement with students remains high and that the University is well positioned in an increasingly digital world.

## John Headley - Chief Financial Officer

John joined the Board in November 2017 and he is responsible for all financial, property and business aspects of the University's operations. As a Chartered Management Accountant, John brings extensive experience of financial and general management from a variety of sectors.

A graduate of Oxford University, he has worked as a Finance Director within the Bupa group as well as within large NHS hospital trusts and a major modern university in London. John is a Non-Executive Director of Shoreham Port Authority.

## Alfred Morris (*) – Vice Chairman and Academic Standards Committee Chair

Appointed to the Board on 1 June 2015, Alfred Morris CBE is chairman of Higher Education Associates Limited and of Investors in Universities Limited. He left school at the age of 15, studied by correspondence course for his professional accounting qualification, and became a self-financing student at the University of Lancaster in his late twenties. He has served as vice-chancellor of three UK universities, is Honorary President of Hartpury University, has chaired a large NHS acute hospital trust and served as a non-executive director of several UK companies including a bank. Alfred brings corresponding experience to the board and his professional skills as a Chartered Accountant and former senior management consultant.

## Carolyn Aitchison (*) - Audit Committee Chair

Carolyn is currently a non-executive director of Social and Sustainable Capital, an investor in social enterprises and non-profits. On 20th February 2020 Carolyn joined the board of Planet Smart City a designer and builder of affordable housing in emerging markets. On 28th February 2020 Carolyn stepped down as a NED of Northern Trust Global Services SE and chair of the Audit Committee and Remuneration committee. She is also a member of Edinburgh University's Investment Committee responsible for corporate governance and investment strategy for a £600m fund. She held senior finance positions in Blackstone Group, Morgan Stanley and Donaldson Lufkin & Jenrette. She brings considerable experience in finance and risk management. Carolyn gained a degree in law at Edinburgh University and is an alumna of the University of Law. She was appointed to the Board on 22 July 2015.

## Lord Grabiner (*) - President and Remuneration Committee Chair

Appointed to the Board on 1 August 2015, Lord Grabiner has been a life peer of the House of Lords since 1999. Educated in Central Foundation Boys' School in Hackney, he graduated in 1966 with a Bachelor in Laws (LLB) from the London School of Economics (LSE), where he also completed a Masters of Laws (LLM) in 1967.

As well as an experienced practitioner, he has had a significant career in academia. He lectured in Law at LSE and Queen Mary College, University of London, in the late 1960s and early 1970s. From 1998 until 2007, Lord Grabiner was Chairman of LSE's Court of Governors. He is currently Master of Clare College, Cambridge.

Lord Grabiner is a commercial lawyer with a substantial court, arbitration and advisory practice. Specialising in banking and finance, oil and gas, civil fraud, competition and merger investigations and shareholder disputes, Lord Grabiner is highly experienced both as an advocate in the High Court and as arbitration counsel. He also sits as an arbitrator in domestic and international arbitrations.

## Aaron Etingen – Shareholder nominated Director

Aaron Etingen is the CEO of Global University Systems. He leads a team of over 2,000 employees, ensuring that innovation, creativity and a strong commitment to high standards are embedded across the entire group. With a background in the finance and banking sectors and strong management credentials, he led GUS to go from a small business school with 4 students to a global organisation with over 80,000 students and alumni from 180 countries and growing presence worldwide. His leadership is one of the key reasons behind the success of Global University Systems. GUS was named, 'Private Education Group of the Year 2019' by Education Investor magazine. Aaron was appointed to the Board on 1 June 2015

## Valery Kisilevsky – Shareholder nominated Director

Appointed to the Board on 1 June 2015, Valery is the Group Managing Director of GUS, responsible for group shared services and non-academic operations.

Valery is an alumnus of the University, having completed the Graduate Diploma in Law at the College of Law. Valery also holds a BA (Hons) Political Science, Ethics, Law and Economics from the University of Toronto, an MSc International Political Economy from the London School of Economics and Political Science (LSE). Outside GUS, Valery is involved with a number of charities.

Note: (*) Independent Non-executive directors are highlighted with asterisk.

In 2020 an experienced Clerk was appointed to support the Board in its work. The Clerk carried out an internal review of its effectiveness in 2020, highlighting certain areas where members felt the Board was working well whilst identifying some areas for improvement.

The Board delegates the day to day management of the University to the Vice-Chancellor and CEO and the Executive Board. Key decisions, such as property transactions, are taken by the Board. A Governance Agreement is in place with the parent company (Global University Systems BV) which defines and guarantees the continued operation of the governance structures set out in this report, whilst establishing how the shareholders can set direction and influence strategy.

The Board met eight times during the year. Meetings are sufficiently frequent to enable a close monitoring of the business and to take timely decisions. Unscheduled meetings are called outside the planned meeting cycle when there is urgent business to discuss.

**Attendance at Board and committee meetings is shown in the following table.**

| | Board (Chair DB) | Audit (Chair CA) | Remuneration (Chair AG) | Nominations (Chair DB) | Academic Standards (Chair AM) | Finance (Chair VK) |
|---|---|---|---|---|---|---|
| David Blunkett | 8 | ~ | 1 | 1 | ~ | ~ |
| Andrea Nollent | 8 | (3) | ~ | (1) | 2 | 7 |
| Elisabetta Ceraglioli | 8 | ~ | ~ | ~ | ~ | 6 |
| John Headley | 8 | (4) | ~ | ~ | ~ | 7 |
| Alfred Morris | 8 | 4 | ~ | ~ | 3 | ~ |
| Carolyn Aitchison | 8 | 4 | ~ | ~ | ~ | ~ |
| Anthony Grabiner | 8 | 4 | 1 | ~ | 3 | ~ |
| Aaron Etingen | 8 | ~ | 1 | (1) | ~ | ~ |
| Valery Kisilevsky | 8 | ~ | 1 | 1 | ~ | 7 |
| **Meetings held** | **8** | **4** | **1** | **1** | **3** | **7** |

**Notes:**
( ) = Directors in attendance although not a member of that sub-committee
~ = not a member.

External members to Sub-Committees
Marta Philips OBE attended Audit Committee on each occasion
Vikki Smith & Roger Burridge attended the Academic Standards Committee on each occasion.

**The Board operates a committee structure to enable a more effective discharge of its duties. Board committees are as follows:**

## Audit Committee

Composed of three independent Non-executive directors, plus one external member, the purpose of the Audit Committee is to advise the Board on financial reporting, risk management and audit matters.

## Remuneration Committee

The purpose of the Remuneration Committee is to advise the Board on the framework and policy of remuneration for the University's Directors, officers and senior management. The Vice-Chancellor and CEO does not attend meetings of this committee.

## Nominations Committee

The purpose of the Nominations Committee is to make recommendations to the Board in relation to the composition and performance of the Board, including the appointment and/or retirement of Directors.

## Academic Standards Committee

The purpose of the Academic Standards Committee is to safeguard and keep under review the standard of education provided by and of the degrees awarded by the University. The Academic Standards Committee works closely with the Academic Board.

## Finance Committee

The purpose of the Finance Committee is to advise the Board in respect of budgets, treasury and external financing matters.

The University of Law was registered by the Office for Students (OfS) from 10 January 2019 as a higher education provider. The University seeks to comply in full with the Regulatory Framework for Higher Education Providers in England. The University also complies with the Institute of Directors' corporate governance guidance for UK unlisted companies.

In 2020 the Board has reviewed the new Committee of University Chairs Higher Education Code of Governance. We decided that we will have regard for this code, but cannot comply in full, as we believe that certain aspects continue to conflict with directors' duties under company legislation.

# STATEMENT OF INTERNAL CONTROL

The Board is responsible for ensuring that University operates a system of internal control, and for reviewing its effectiveness. Such a system is designed to understand and manage risks of failure to meet business objectives, but cannot eliminate risk completely.

**The University's system of control includes the following elements:**

- The Executive Board is responsible for maintaining a risk register which is brought to each Board meeting. The Audit Committee also reviews the risk register in depth at its meetings.
- All key aspects of the University's operations are documented in agreed policies. Student facing and academic policies can be found on the website, whilst finance and HR policies are available to colleagues on the intranet.
- Financial plans and budgets are agreed each year by the Board. Management accounts and key operational KPIs are reported each month to the Executive Board, and considered at each meeting of the Board.
- The University has a Value for Money policy, and each year a student value for money statement is published on the website.
- Compliance with the OfS Regulatory Framework is reviewed regularly by the Board.
- The University contracts an internal audit service from RSM. Each year an internal audit plan is agreed by the Audit Committee, and throughout the year the Committee is updated on the delivery of the plan and the conclusions of the various internal audit reviews are reported to the Committee. At the end of the year the internal auditors produce an annual report.
- The Audit Committee reports to the Board each year on its activities and provides assurance to the Board about the effectiveness of the system of internal controls.

The Board considers that there is a sound system of internal control, and that it has been in place during the year ended 30 November 2020 and up to the date of approval of the financial statements. There were no significant internal control issues during the year.

### By order of the Board

**Rt Hon the Lord Blunkett**
Chair of the Board

# DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the period ended 30 November 2020.

## DIRECTORS

### The current Directors of The University of Law are:

Rt Hon the Lord D Blunkett

Professor A Nollent

E Ceragioli

J Headley

A Morris

C Aitchison

Lord A Grabiner

A Etingen

V Kisilevsky

## POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political contributions during the period.

## EVENTS AFTER THE BALANCE SHEET DATE

In December 2020, the University of Law acquired CLT Scotland Limited from Wilmington plc for the consideration of £0.4m. CLT Scotland is a specialist legal training provider, providing professional development programmes to solicitors in Scotland, and training courses for paralegals in England and Scotland.

## 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 appointment of PWC LLP as auditors of the company is to be proposed to the Company's shareholder.

**By order of the board**

Andrea Nollent

**Professor Andrea Nollent**
Vice-Chancellor and CEO

Bunhill Row
London
EC1Y 8HQ
United Kingdom

19 May 2021

# STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the consolidated 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 group's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 THE UNIVERSITY OF LAW LIMITED

## OPINION

We have audited the financial statements of The University of Law ("the company") for the year ended 30 November 2020 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 group's and of the parent company's affairs as at 30 November 2020 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and the Accounts Direction dated 25 October 2019 issued by the Office for Students.

## 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 group 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

### Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

## 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 11, 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 group and parent 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 group or the parent 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ("the Accounts Direction").

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students have been applied in accordance with the relevant terms and conditions.

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

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 4 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in Note 3 to the financial statements, has been materially misstated.

We have nothing to report in these respects.

## 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

**Jonathan Brown (Senior Statutory Auditor)**
**for and on behalf of KPMG LLP, Statutory Auditor**
Chartered Accountants

66 Queen Square, Bristol BS1 4BE

1 June 2021

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2020

| | Note | 30 November 2020 | 30 November 2019 |
|---|---|---|---|
| | | £'m | £'m |
| **Revenue** | 3 | 114.1 | 93.0 |
| Cost of sales | | (24.9) | (25.8) |
| Gross profit | | 89.2 | 67.2 |
| Administrative expenses | | (70.4) | (59.9) |
| **Operating Profit** | | **18.8** | **7.3** |
| Profit on disposal of property | | - | 0.7 |
| Finance income | 8 | 0.5 | 0.2 |
| Finance expenses | 8 | (3.7) | (0.1) |
| **Net finance income** | | **(3.2)** | **0.8** |
| **Profit before taxation** | 4 | **15.6** | **8.1** |
| Taxation | 9 | (2.9) | (0.7) |
| **Profit after taxation** | | **12.7** | **7.4** |
| Other comprehensive income | | - | - |
| **Total profit for the period** | | **12.7** | **7.4** |

All operations are continuing.
There was no other comprehensive income.
The notes on pages 20 to 42 form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**Registered number 07933838**

| At 30 November 2020 | Note | 30 November 2020 | 30 November 2019 |
|---|---|---|---|
| | | £'m | £'m |
| **Non-current assets** | | | |
| Intangible assets | 10 | 52.6 | 52.3 |
| Right to use assets – Property | 12 | 73.5 | - |
| Property, plant and equipment | 13 | 4.8 | 5.0 |
| **Total non-current assets** | | **130.9** | **57.3** |
| **Current assets** | | | |
| Trade and other receivables | 14 | 41.6 | 40.0 |
| Deferred tax | 16 | 2.4 | 2.1 |
| Cash and cash equivalents | | 15.2 | 11.8 |
| Total current assets | | 59.2 | 53.9 |
| **Total assets** | | **190.1** | **111.2** |
| **Non-current liabilities** | | | |
| Lease liabilities | | (65.5) | (1.7) |
| Provisions | 23 | (1.6) | (1.2) |
| **Total non-current liabilities** | | **(67.1)** | **(2.9)** |
| **Current liabilities** | | | |
| Trade and other payables | 15 | (26.1) | (13.1) |
| Deferred income | | (22.5) | (35.3) |
| Deferred grant income | | (0.5) | (0.2) |
| Tax payable | | (3.2) | (1.7) |
| **Total current liabilities** | | **(52.3)** | **(50.3)** |
| **Total liabilities** | | **(119.4)** | **(53.2)** |
| **Net assets** | | **70.7** | **58.0** |
| **Non-current assets** | | | |
| **Shareholders' equity** | | | |
| Share premium | 17 | 40.3 | 40.3 |
| Retained earnings | | 30.4 | 17.7 |
| **Total equity** | | **70.7** | **58.0** |

The accompanying notes form an integral part of the financial statements.
These financials were approved by the Board of Directors on 19 May 2021 and are signed on its behalf by:

**Professor Andrea Nollent**
Vice-Chancellor and CEO

**Rt Hon the Lord Blunkett**
Chair of the Board

# COMPANY STATEMENT OF FINANCIAL POSITION

**Registered number 07933838**

| At 30 November 2020 | Note | 30 November 2020 | 30 November 2019 |
|---|---|---|---|
| | | £'m | £'m |
| **Non-current assets** | | | |
| Intangible assets | 10 | 50.2 | 49.9 |
| Investment in subsidiary | 11 | 3.5 | 3.5 |
| Right to use assets - Property | 12 | 73.5 | - |
| Property, plant and equipment | 13 | 4.8 | 5.0 |
| **Total non-current assets** | | **132.0** | **58.4** |
| **Current assets** | | | |
| Trade and other receivables | 14 | 37.0 | 35.5 |
| Deferred tax | 16 | 2.3 | 2.1 |
| Cash and cash equivalents | | 14.2 | 11.6 |
| **Total current assets** | | **53.5** | **49.2** |
| **Total assets** | | **185.5** | **107.6** |
| **Non-current liabilities** | | | |
| Lease liabilities | 12 | (65.5) | (1.4) |
| Provisions | 23 | (1.6) | (1.2) |
| **Total non-current liabilities** | | **(67.1)** | **(2.6)** |
| **Current liabilities** | | | |
| Trade and other payables | 15 | (26.2) | (14.8) |
| Deferred income | | (20.7) | (33.9) |
| Deferred grant income | | (0.5) | (0.2) |
| Tax payable | | (3.2) | (1.6) |
| **Total current liabilities** | | **(50.6)** | **(50.5)** |
| **Total liabilities** | | **(117.7)** | **(53.1)** |
| **Net assets** | | **67.8** | **54.5** |
| **Non-current assets** | | | |
| **Shareholders' equity** | | | |
| Share premium | 17 | 40.3 | 40.3 |
| Retained earnings | | 27.5 | 14.2 |
| **Total equity** | | **67.8** | **54.5** |

The accompanying notes form an integral part of the financial statements.
These financials were approved by the Board of Directors on 19 May 2021 and are signed on its behalf by:

Andrea Nollent

David Blunkett

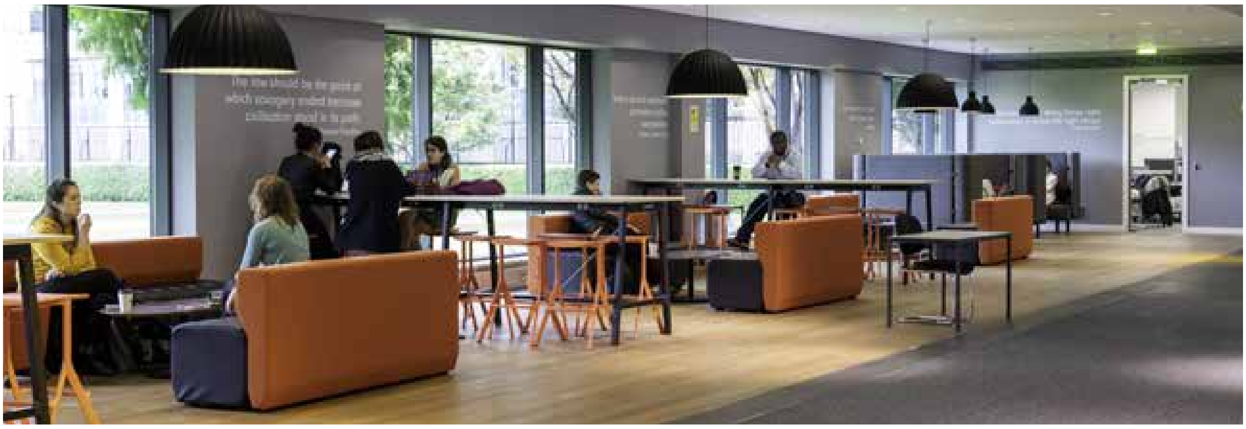
**Professor Andrea Nollent**
Vice-Chancellor and CEO

**Rt Hon the Lord Blunkett**
Chair of the Board

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 NOVEMBER 2020

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| **Profit for the period** | **12.7** | **7.4** |
| Adjustments: | | |
| Interest paid | 0.1 | 0.1 |
| Interest received | (0.5) | (0.2) |
| Taxation | 2.9 | 0.7 |
| Gain on disposal of assets | - | (0.7) |
| Operating profit / (loss) | 15.2 | 7.3 |
| Depreciation | 9.2 | 2.5 |
| Amortisation | 0.1 | 0.2 |
| Decrease/(Increase) in debtors | 1.2 | 63.2 |
| (Decrease) /Increase in creditors | (10.3) | (66.4) |
| Tax paid | (1.4) | (1.9) |
| Net cash flow from operating activities | 14.0 | 4.9 |
| **Cash flows from financing activities** | | |
| Interest paid | (3.7) | (0.1) |
| Intra-group loan | (6.3) | (5.3) |
| Consideration paid for group restructure | - | (1.5) |
| Net cash (out)/in flow from financing activities | (10.0) | (6.9) |
| **Cash flows from investing activities** | | |
| Purchase/Sale of fixed assets | (1.8) | 0.9 |
| Grant income received | 1.2 | 0.5 |
| Net cash (out)/in flow from investing activities | (0.6) | 1.4 |
| Net increase/(decrease) in cash | 3.4 | (0.6) |
| Cash at 1 December | 11.8 | 12.4 |
| **Cash at 30 November** | **15.2** | **11.8** |

The accompanying notes form an integral part of the financial statements



# COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 NOVEMBER 2020

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| **Profit for the period** | **13.3** | **6.9** |
| Adjustments: | | |
| Interest paid | 3.7 | 0.1 |
| Interest received | (0.5) | (0.2) |
| Taxation | 3.0 | 0.6 |
| Gain on disposal of assets | - | (0.7) |
| Operating profit / (loss) | 19.5 | 6.7 |
| Depreciation | 1.6 | 2.5 |
| Amortisation | 0.1 | 0.2 |
| Decrease/(Increase) in debtors | 2.6 | 63.5 |
| (Decrease) /Increase in creditors | (9.0) | (66.1) |
| Tax paid | (1.6) | (1.9) |
| Net cash flow from operating activities | 13.2 | 4.9 |
| **Cash flows from financing activities** | | |
| Interest paid | (3.7) | (0.1) |
| Intra-group loan | (6.3) | (5.3) |
| Consideration paid for group restructure | - | (1.5) |
| Net cash (out)/in flow from financing activities | (10.0) | (6.9) |
| **Cash flows from investing activities** | | |
| Purchase/Sale of fixed assets | (1.8) | 0.9 |
| Grant income received | 1.2 | 0.5 |
| Net cash (out)/in flow from investing activities | (0.6) | 1.4 |
| Net increase/(decrease) in cash | 2.6 | (0.6) |
| Cash at 1 December | 11.6 | 12.2 |
| **Cash at 30 November** | 14.2 | 11.6 |

The accompanying notes form an integral part of the financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2020

| | Share premium | Share capital | Retained earnings | Total Equity |
|---|---|---|---|---|
| | £'m | £'m | £'m | £'m |
| **At 1 August 2018** | **40.3** | - | **8.8** | **49.1** |
| Capital Contribution (release of intercompany creditor to Col Newco Limited as part of group restructure – see page 9) | - | - | 1.5 | 1.5 |
| Profit for the year | - | - | 7.4 | 7.4 |
| **At 30 November 2019** | **40.3** | - | **17.7** | **58.0** |
| Profit for the year | - | - | 12.7 | 12.7 |
| **At 30 November 2020** | **40.3** | - | **30.4** | **70.7** |

The accompanying notes form an integral part of the financial statements.

# COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 NOVEMBER 2020

| | Share premium | Share capital | Retained earnings | Total Equity |
|---|---|---|---|---|
| | £'m | £'m | £'m | £'m |
| **At 1 August 2018** | **40.3** | - | **5.8** | **46.1** |
| Capital Contribution (release of intercompany creditor to Col Newco Limited as part of group restructure – see page 9) | - | - | 1.5 | 1.5 |
| Profit for the year | - | - | 6.9 | 6.9 |
| **At 30 November 2019** | **40.3** | - | **14.2** | **54.5** |
| Profit for the year | - | - | 13.3 | 13.3 |
| **At 30 November 2020** | **40.3** | - | **27.5** | **67.8** |

The accompanying notes form an integral part of the financial statements.

# NOTES

(forming part of the financial statements)

## 1 ACCOUNTING POLICIES

The University of Law is a company limited by shares and incorporated, domiciled and registered in the United Kingdom. The registered number is 07933838 and the registered address is Bunhill Row, London, EC1Y 8HQ.

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

### Consolidated Financial Statements

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

Transactions eliminated on consolidation, Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

### Basis of preparation

The financial statements are prepared on the historical cost basis. Non-current assets held for sale are stated at the lower of previous carrying amount and fair value less costs to sell. The company's financial statements are presented in pounds sterling and all values are rounded to the nearest million pounds (£'0.1m) except where indicated otherwise.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption that the Group operates on a going concern basis. The group has applied the exemption to publish the parent company's profit and loss account and respective notes.

### Going concern

The accounts are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons. As at 30 November 2020, the University had net current assets of £6.9 million, total net assets of £70.7 million and cash of £15.2 million.

The main uncertainties clearly stem from the impact of the Covid pandemic. The University suspended face to face teaching and delivered its courses through online streaming between March 2020 and June 2020. Face to face classes resumed in September 2020 – with rigorous social distancing and other measures to reduce the risk of infection. However, since November 2021, and in line with Government guidelines, the university has once again moved to online teaching and expects to return again to face to face provision in May 2021. Our experience over the past 12 months has shown the University to be resilient in terms of adapting its teaching and student support to the online environment. At the same time, we have strong student recruitment through this period, and there has been no sign of an increase in student withdrawals. This has resulted in growth in turnover during the year to £114.1 million and corresponding operating profit growth to £18.8 million, as shown on page 14.

The Board of the University prepares a future 5 year plan each year that is submitted to its main regulator, the Office for Students. The latest plan was reviewed and approved by the Board during March 2021. The Board has also reviewed more detailed monthly cash flow forecasts for a period of at least 12 months from the date of approval of the financial statements, prepared under more cautious assumptions, which shows that the University will continue to operate within its current facilities with a reasonable amount of headroom.

Consequently, the Directors are confident that the University will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the reporting date and the gains or losses on translation are included in the income statement.

## Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

## Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful receivables, which approximates fair value.

## Trade and other payables

Trade and other payables are recognised initially at fair value.

## Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

## Loans and other borrowings

Loans and other borrowings are stated at the amount of net proceeds.

## Leased Assets

For any new contracts entered into on or after 1 January 2019, the University considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the University assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the University
- the University has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the University has the right to direct the use of the identified asset throughout the period of use.

The University assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

## Measurement and recognition of leases as a lessee

At lease commencement date, the University recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the University, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The University depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The University also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the University measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the University's incremental borrowing rate.

## Leased Assets (cont.)

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The University has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

## Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost less the estimated residual value of an item of plant, property and equipment by equal instalments over their estimated useful economic lives as follows:

| | | |
|---|---|---|
| Freehold buildings | - | 2% on cost per annum |
| Property improvements | - | 20% on cost per annum |
| Fixtures, Fittings and equipment | - | 20 - 50% on cost per annum |
| Motor vehicles | - | 25% on cost per annum |

No depreciation is provided on freehold land. Depreciation methods, useful economic lives and residual values are reviewed at each reporting date. An impairment loss is recognised for which the assets carrying amount exceeds its recoverable amount.

Capitalised assets include costs directly attributable to bringing the property, plant and equipment into working condition such as consultancy fees and the related irrecoverable value added tax.

## Intangible assets and goodwill

### Goodwill

Goodwill representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired, arising on business combinations in respect of acquisitions is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but tested annually for impairment.

Under IFRS goodwill cannot be amortised. Each year it is tested for impairment.

### Other intangible assets

Other intangible assets acquired by the company are stated at cost less accumulated amortisation and less accumulated impairment losses.

### Amortisation

Amortisation is charged to the income statement on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use. Computer software and websites are amortised on a straight line basis over the assets useful lives of 4 years.

## Impairment excluding inventories and deferred tax assets

### Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.  Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

### Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. The CGU for this purpose is the university as a whole.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### Employee benefits

#### Defined contribution plans

The company provides a defined contribution pension plan.  The assets of the scheme are held separately from those of the company in an independently administered fund.  Obligations for contributions to defined contribution pension

plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

## Revenue

Revenue represents amounts receivable in respect of course fees. Course fees received in advance are deferred and then recognised through the statement of comprehensive income on a straight line basis over the period to which they relate, and in line with the underlying delivery of performance obligations.

Course fees are recognised as receivable and are included in deferred income for current and future courses from the date on which a place on a course is accepted.

## Expenses

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.

## Finance income and expenses

Financing expenses comprises interest payable and net foreign exchange losses that are recognised in the statement of comprehensive income (see foreign currency accounting policy). Financing income comprise interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues. Foreign currency gains and losses are reported on a net basis.

## 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.

## Non-current assets held for sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

In accordance with IFRS 5, the above policy is effective from the start of the current period; no reclassifications are made in prior periods.

## 2 SIGNIFICANT JUDGEMENTS AND ACCOUNTING ESTIMATES

In applying the company's accounting policies, the following significant judgements have been made:

- Revenue is accounted for over the length of the course and in the period service is delivered.
- Classifying the company's leases between operating and finance leases.

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:

- Impairment of non-financial assets - goodwill.

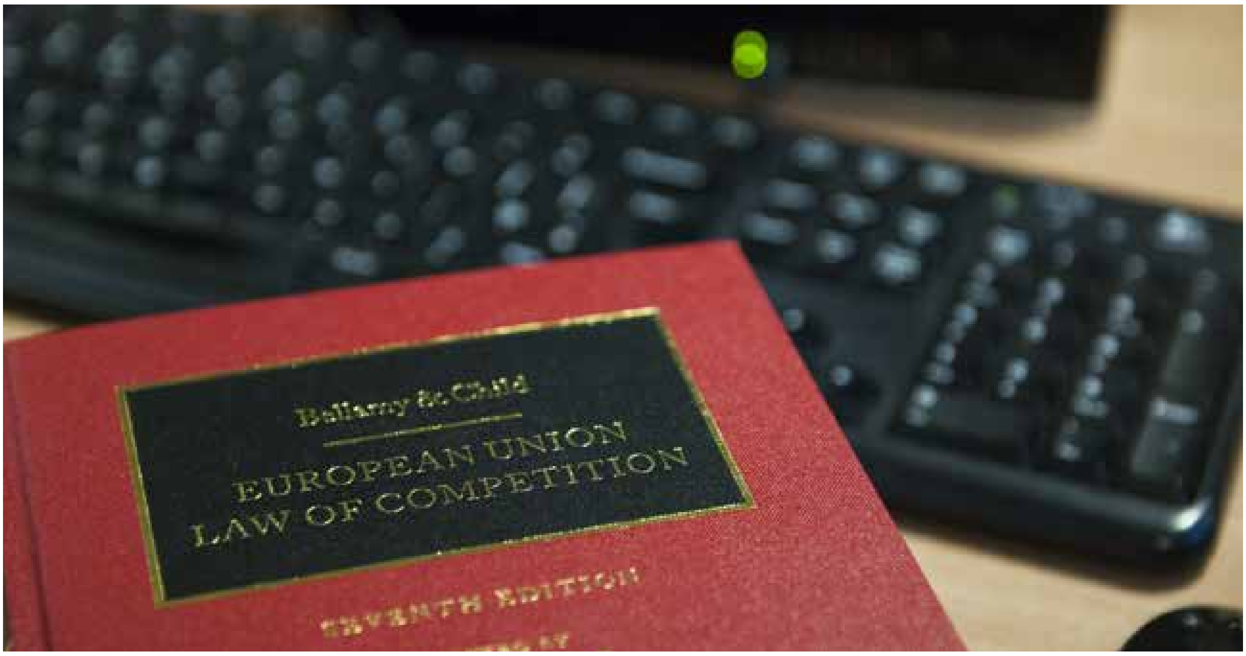
The company assesses whether there are any indicators of impairment at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. The recoverable amount of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as disclosed in note 10.

- The recoverable amount of debtors.
- The tax rate used for deferred tax liabilities (see note 9).
- Intangible assets (goodwill) are not amortised. All other intangible assets have finite lives and are amortised over their useful economic life. The lives used are based on period of use and in line with other group companies.

## 3 REVENUE

**All revenue is generated relates to continuing operations.**

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| Course fees from taught awards | 107.7 | 86.8 |
| Fee income from non-qualifying courses | 3.6 | 4.1 |
| Grant income received from OfS | 0.6 | 0.2 |
| Other income | 2.2 | 1.9 |
| Total Grant and fee income | 114.1 | 93.0 |
| Excluded from net revenue are certain awards given for scholarships | 0.4 | 0.3 |



## 4 EXPENSES AND AUDITOR'S REMUNERATION

**Included in the profit are the following:**

| | 30 November 2020 | 30 November 2019 |
|---|---:|---:|
| | £'000 | £'000 |
| Auditors' remuneration: | | |
| Audit of these financial statements | 74 | 62 |
| Depreciation of tangible fixed assets | 1,296 | 2,151 |
| Amortisation of computer software | 464 | 500 |
| Operating leases | 9,799 | 8,405 |

Amounts receivable by the company's auditor and its associates are in respect of the audit of the company's financial statements.

**The company incurred £1,032,261 on Access and Participation Plan initiatives in the year. The cost is shown in the following table**

| | 30 November 2020 |
|---|---:|
| | £'000 |
| Assess Investment | 355 |
| Financial Support | 622 |
| Support for disabled students | 55 |
| | **1,032** |

More information can be found at https://www.law.ac.uk/policies/ **Access and Participation statement**

## 5 REMUNERATION OF DIRECTORS

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | **£'000** | **£'000** |
| **Directors' emoluments** | 996 | 908 |
| **Pension contribution** | 28 | 10 |
| | **1,024** | **918** |

During the 12 month period to 30 November 2020, the university made contributions to money purchase pension schemes for three Directors (2019: three).

During this period, fees for services performed by two shareholder nominated directors and the Chairman were not re-charged from GUS to the company, (2019: £nil).

### Highest paid Director

The highest paid Director in the 12 month period to 30 November 2020 was Professor Andrea Nollent, Vice-Chancellor and CEO.

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | **£'000** | **£'000** |
| Salary | 279 | 264 |
| Discretionary bonus (contractual provision) | 50 | - |
| Allowance in lieu of pension contribution | - | 34 |
| Accommodation and travel allowance | 60 | 67 |
| Benefit in kind | 1 | 1 |
| **Total emoluments** | **390** | **366** |
| Pension contribution | 21 | 2 |
| | **411** | **368** |

The Vice-Chancellor and CEO's accommodation and travel allowance reflects the change in location of her role since joining the University and the multi-campus nature of the university. The payment in lieu of pension stopped in October 2019 and the Vice-Chancellor re-joined the University's Group Personal Pension Plan in November 2019.

### Pay Ratios

| | 30th November 2020 |
|---|---|
| | **£000s *(see note)** |
| Vice-Chancellor/CEO Basic Salary | 279 |
| Vice-Chancellor/CEO Total Remuneration | 411 |
| Median Basic Salary all other staff | 41 |
| Median Total Remuneration all other staff | 46 |

| | |
|---|---|
| Pay Multiple (Median Salary) | 7:1 |
| Pay Multiple (Median Total Remuneration) | 8.9:1 |

The median salary and remuneration ratio calculations are calculated in accordance with the methodology prescribed by the Office for Students and are based on all staff employed at any point during the respective financial year. All staff are treated as full-time equivalents in the calculation, independent of their actual full-time equivalence during the year.

The Vice-Chancellor/CEO's basic salary is 7 times the median basic salary of all staff, where the median basic salary is calculated on a full-time equivalent basis for the basic salaries paid by the University to its staff.

The Vice-Chancellor/CEO's total remuneration is 8.9 times the median total remuneration of all staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the University to its staff.

## 5 REMUNERATION OF DIRECTORS (contd)

The University of Law is one of the UK's largest and fastest growing private universities. The University offers a wide range of programmes across a number of locations in the UK and overseas. As Vice-Chancellor and CEO, Professor Nollent is the head of the institution and she is responsible for both academic and business matters of the University.

The Vice-Chancellor and CEO's basic salary and total remuneration package are determined by the University's Remuneration Committee. Professor Nollent is not a member of the Committee and is not present when her remuneration package is being discussed. In reviewing the Vice-Chancellor's basic salary, the Remuneration Committee considers a number of factors, including organisational and individual performance, general pay movements in the higher education sector, retention and any relevant market considerations. The committee reviews all available sector salary benchmarking data. Professor Nollent's performance is reviewed and considered by the committee for the purposes of the annual pay review process and the award of any bonus payment.

## 6 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The university's key management personnel are the members of the Executive Board, consisting of the following:

- Vice-Chancellor and CEO
- Deputy Chief Executive Officer
- Chief Operating Officer
- Pro Vice Chancellor, Academic Development
- Pro Vice Chancellor, International Development
- Chief Financial Officer
- Director - Academic Registry
- Pro Vice Chancellor, External

**Excluding the highest paid Director whose remuneration is set out in Note 5, compensation of key management personnel was as follows.**

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | **£'000** | **£'000** |
| Key management personnel emoluments | 1,144 | 1,047 |
| Pension contribution | 52 | 50 |
| | **1,196** | **1,097** |

**The following table shows the number of staff with a Basic Salary of £100,000 per annum or over, broken down into £5,000 bands for the period 1st December 2019 to 30th November 2020, with comparatives for the year to Nov 2019.**

| Basic Salary per annum | Number of Staff (2019/2020) | Number of Staff (2018/2019) |
|---|---|---|
| £100,000 to £104,999 | 1 | 1 |
| £105,000 to £109,999 | 3 | 1 |
| £115,000 to £119,999 | 1 | 1 |
| £125,000 to £129,999 | 0 | 1 |
| £130,000 to £134,999 | 0 | 1 |
| £135,000 to £139,999 | 2 | 1 |
| £145,000 to £149,999 | 1 | 0 |
| £155,000 to £159,999 | 0 | 1 |
| £160,000 to £164,999 | 1 | 0 |
| £165,000 to £169,999 | 1 | 1 |
| £175,000 to £179,999 | 0 | 0 |
| £180,000 to £184,999 | 0 | 1 |
| £185,000 to £189,999 | 2 | 1 |
| £260,000 to £264,999 | 0 | 1 |
| £275,000 to £279,999 | 1 | 0 |
| **Total** | **13** | **11** |

## 7 STAFF NUMBERS AND COSTS

**The average number of full time equivalent persons employed by the company (including Directors) during the 12 month period to 30 November 2020, analysed by category, was as follows:**

| | Number of employees 30 November 2020 | Number of employees 30 November 2019 |
|---|---:|---:|
| Teaching | 271 | 250 |
| Course design and production | 35 | 19 |
| Support | 381 | 332 |
| Sales and marketing | 64 | 62 |
| | **751** | **663** |

**The aggregate payroll costs of these persons were as follows:**

| | £'m | £'m |
|---|---:|---:|
| Wages and salaries | 38.4 | 31.9 |
| Social security costs | 3.8 | 3.3 |
| Other pension costs | 2.0 | 1.7 |
| | **44.2** | **36.9** |

**Severance Payments, all Staff**

| | 30th November 2020 |
|---|---:|
| | £000s*(see note) |
| Statutory Redundancy Pay | 7 |
| Payments in Lieu of Notice (PILON) | 42 |
| Payments in Lieu of Benefits | 2 |
| Ex-Gratia | 9 |
| Holiday Pay | 6 |
| Employers NI | 7 |
| **Total** | **73** |

*NB- All figures rounded to the nearest whole number

## 8 FINANCE INCOME AND EXPENSE

| Finance income | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £m | £m |
| Other interest | 0.5 | 0.2 |
| | **0.5** | **0.2** |

| Finance expense | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £m | £m |
| Interest expense on leased liabilities | 3.6 | - |
| Interest on finance leases | 0.1 | 0.1 |
| | **3.7** | **0.1** |

## 9 TAXATION

| | 30 November 2020 | | 30 November 2019 | |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| **Current tax:** | | | | |
| UK corporation tax on profit for the period | 3,380 | | 1,950 | |
| Adjustment in respect of previous periods | (103) | | 46 | |
| **Total current tax** | | **3,277** | | **1,996** |
| | | | | |
| **Deferred tax:** | | | | |
| Current year | (140) | | (1,452) | |
| Adjustment in respect of previous periods | 50 | | - | |
| Effect of changes in tax rates | (241) | | 153 | |
| Total deferred tax | | (331) | | (1,299) |
| **Total tax per income statement** | | **2,946** | | **697** |

## 9 TAXATION (contd.)

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

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'000 | £'000 |
| Profit for the period - continuing operations | 15,678 | 8,074 |
| Tax on profit at standard UK tax rate of 19.0% (2019: 19.0%) | 2,979 | 1,556 |
| **Effects of:** | | |
| Expenses not deductible/(deductible) for tax purposes | 241 | 218 |
| Adjustment from prior years | (53) | 46 |
| Recognition of previously unrecognised deferred tax | - | (1,276) |
| Effects of overseas tax rates | 21 | - |
| Tax rate changes | (242) | 153 |
| **Total current tax charge (see above)** | **2,946** | **697** |

Factors that may affect future current and total tax charges

The UK Corporation tax rate was reduced to 19% effective from 1 April 2017. The further expected reductions to the corporation tax rate have since been amended with the expectation that the corporation tax rate will rise to 25% in 2023. The tax assessed for the year is (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%).

## 10 INTANGIBLE ASSETS

| | Company Goodwill | Group **Goodwill | Computer Software | Websites | *Total |
|---|---|---|---|---|---|
| **Cost** | **£'m** | **£'m** | **£'m** | **£'m** | **£'m** |
| At 1 December 2019 | 114.5 | 120.0 | 2.0 | 0.1 | 122.1 |
| Additions | - | - | 0.4 | - | 0.4 |
| Disposals | - | - | - | - | - |
| **At 30 November 2020** | **114.5** | **120.0** | **2.4** | **0.1** | **122.5** |
| Amortisation<br>At 1 December 2019 | (64.9) | (68.0) | (1.7) | (0.1) | (69.8) |
| Charged in period | - | - | (0.1) | - | (0.1) |
| **At 30 November 2020** | **(64.9)** | **(68.0)** | **(1.8)** | **(0.1)** | **(69.9)** |
| **Net book value<br>At 30 November 2020** | **49.6** | **52.0** | **0.6** | **0.0** | **52.6** |
| **Net book value<br>At 30 November 2019** | **49.6** | **52.0** | **0.3** | **0.0** | **52.3** |

*Company goodwill not included in total.  All remaining intangible assets are held in the University of Law Ltd.

**Goodwill associated with the acquisition of the legal education and training activities of the Legal Education Foundation (formerly The College of Law charity number 271297) on 1 October 2012 of £114.5 million was previously capitalised and amortised to nil by equal instalments over its estimated useful life. In the transition to Adopted IFRS the company has elected to use the transitional provisions to set the goodwill as at the transition date (1 August 2015). Under Adopted IFRS goodwill is not amortised but tested annually for impairment.

An annual impairment review is conducted on goodwill. The impairment review is carried out at the level of a 'cash-generating unit' (CGU), defined as the smallest identifiable group of assets, liabilities and associated intangible assets that generate cash inflows that are largely independent of the cash flows from other assets or group of assets. The university is considered to be the CGU.

An impairment review involves the comparison of the carrying value of the CGU to the recoverable amount. An impairment charge is recognised to the extent that the carrying value exceeds the recoverable amount. The recoverable amount has been measured based on its value in use, using a discounted cash flow model. Cash flows for the next five years have been projected in line with expected growth using the university's 5 year plan. The discount rate applied to cash flow projections is derived from weighted average cost of capital.

At 30 November the carrying value of goodwill was £52.0 million, representing its value in use. No impairment charge was recognised for the 12 month period to 30 November 2020.

### Impairment review: Key assumptions

Financial projections were based on forecasts approved by the Board for submission to the Office for Students.  The discount rate applied was 14.5% and the long term revenue growth rate was capped at 2%.

## 11 INVESTMENT IN SUBSIDIARIES

**A summary of the company's investment in subsidiaries is set out below:**

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| Cost and valuation | 3.5 | 3.5 |
| | **3.5** | **3.5** |

**The following were subsidiaries of the company**

| | Registered office address | Principal activity | Class of shares held | Holding |
|---|---|---|---|---|
| **College of Law Services Limited** | Bunhill Row, Moorgate, London, United Kingdom, EC1Y 8HQ. | Legal training provider | Ordinary | 100% |
| **ULAW(UK) Limited** | Bunhill Row, Moorgate, London, United Kingdom, EC1Y 8HQ. | Legal training provider | Ordinary | 100% |
| **ULAW Hong Kong Ltd** | Unit 605-08, 6F Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong | Legal training provider | Ordinary | 100% |

## 12 LEASES

The University has leases for the main campus properties. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of sales) are excluded from the initial measurement of the lease liability and asset. The University classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 13).

The property leases have a lease term ranging from 3 years to 15 years depending on contract date. Lease payments are fixed for a specified period, generally for 5 year periods of the contract life. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

Five of the property leases have an option to extend the lease for a further term. The University is prohibited from selling or pledging the underlying leased assets as security. For leased premises must be kept in a good state of repair and return the properties in their original condition at the end of the lease. Further, the University must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

**The table below describes the nature of the University's leasing activities by type of right-of-use asset recognised on balance sheet:**

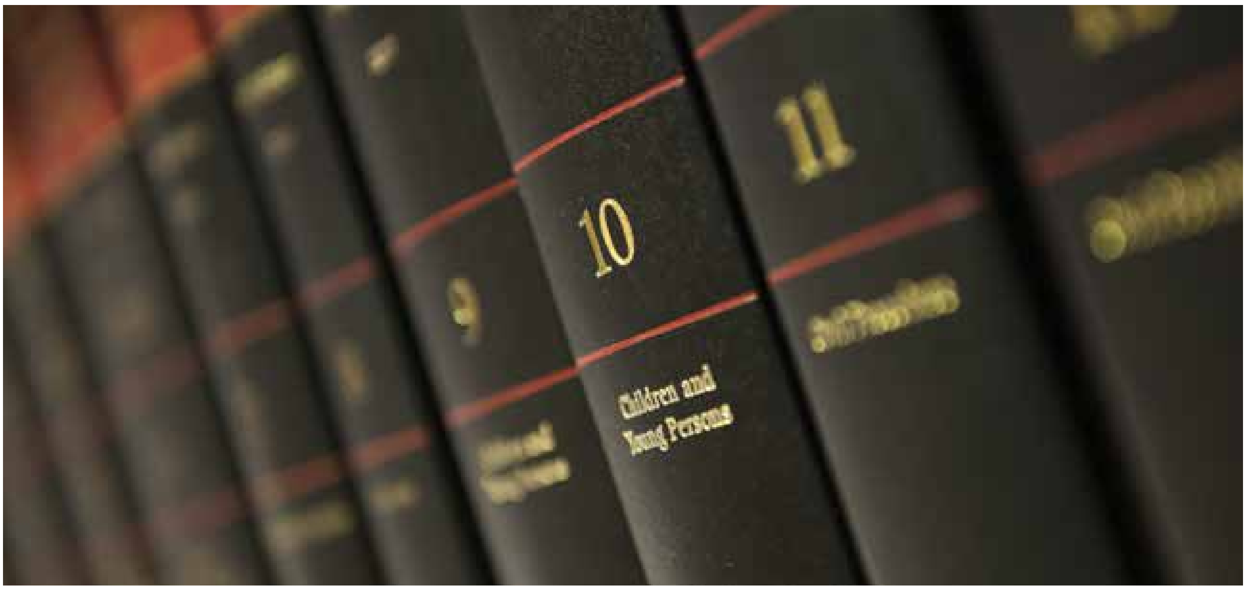
| Right of use asset | No of right of use assets leased | Range of remaining term | Average remaining term lease | No of leases with extension options | No of leases with terminations options |
|---|---|---|---|---|---|
| Property | 8 | 3-15 years | 9 | 5 | - |

**The carrying value of the leases shown in these financial statements are as follows:**

| | 30 November 2020 |
|---|---|
| | £m |
| Property | 73.5 |

**Lease liabilities are presented in the statement of financial position as follows:**

| | 30 November 2020 |
|---|---|
| | £m |
| Current | 65.5 |
| Non-Current | 10.1 |
| | **75.6** |



## 13 PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY

| | Property improvements | Fixtures, Fittings and equipment | Total |
|---|---|---|---|
| Cost | £'m | £'m | £'m |
| At 1 December 2019 | 7.9 | 10.3 | 18.2 |
| Additions | 0.4 | 1.0 | 1.4 |
| Disposals | - | - | - |
| **At 30 November 2020** | **8.3** | **11.3** | **19.6** |
| Depreciation | | | |
| At 1 December 2019 | 5.5 | 7.7 | 13.2 |
| Disposals | - | - | - |
| Charge in period | 0.6 | 1.0 | 1.6 |
| **At 30 November 2020** | **6.1** | **8.7** | **14.8** |
| **Net book value At 30 November 2020** | **2.2** | **2.6** | **4.8** |
| **Net book value At 30 November 2019** | **2.4** | **2.6** | **5.0** |

## 14 TRADE AND OTHER RECEIVABLES

| Group | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| Trade receivables from third parties | 20.0 | 25.8 |
| Other receivables from related parties | 16.1 | 9.3 |
| Other receivables | 0.5 | 0.6 |
| Prepayments and accrued income | 5.0 | 4.3 |
| | **41.6** | **40.0** |

| Trade and other receivables - Company | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| Trade receivables from third parties | 18.6 | 25.0 |
| Other receivables from related parties | 13.5 | 5.8 |
| Other receivables | 0.5 | 0.6 |
| Prepayments and accrued income | 4.4 | 4.1 |
| | **37.0** | **35.5** |

## 15 TRADE AND OTHER PAYABLES

| Less than one year - Group | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| Trade payables due to third parties | 2.3 | 3.6 |
| Other payables due to related parties | 2.2 | 1.5 |
| Non trade payables – operating leases | 10.1 | - |
| Non trade payables – finance leases | 0.4 | - |
| Non-trade payables and accrued expenses | 8.8 | 6.2 |
| Non-trade payables | 2.3 | 1.8 |
| | **26.1** | **13.1** |

| Less than one year - Company | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| Trade payables due to third parties | 2.2 | 3.3 |
| Other payables due to related parties | 2.2 | 2.0 |
| Non trade payables – operating leases | 10.1 | 0.3 |
| Non trade payables – finance leases | 0.4 | 0.3 |
| Non-trade payables and accrued expenses | 8.6 | 7.6 |
| Non-trade payables | 2.7 | 1.6 |
| | **26.2** | **14.8** |

## 16 DEFERRED TAX

| Deferred tax assets: | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| Asset at the start of the period | (2.1) | (0.8) |
| Adjustment in respect of prior years | 0.1 | |
| Deferred tax charge to income statement | (0.4) | (1.3) |
| **Asset at the end of the period** | **(2.4)** | **(2.1)** |

**The deferred tax consists of:**

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| Fixed Assets | (0.8) | (1.0) |
| Short term timing differences- trade | (1.5) | (1.1) |
| Losses | (0.1) | |
| | **(2.4)** | **(2.1)** |

## 17 CAPITAL AND RESERVES

### Share capital

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £ | £ |
| Shares in issue, allotted, called up and fully paid 22 Ordinary shares of £1 | 22 | 22 |
| | **22** | **22** |

### Share premium

| | 30 November 2020 | 30 November 2019 |
|---|---|---|
| | £ | £ |
| Share premium | 40.3 | 40.3 |
| | **40.3** | **40.3** |

## 18 COMMITMENTS

**Total future minimum lease payments under non-cancellable operating leases are due as follows:**

| | 30 November 2020 Land and Buildings | 30 November 2020 Other | 30 November 2019 Land and Buildings | 30 November 2019 Other |
|---|---|---|---|---|
| | £'m | £'m | £'m | £'m |
| Within the next year | 9.3 | 0.1 | 8.6 | 0.1 |
| Between one and five years' time | 36.7 | 0.1 | 33.8 | 0.3 |
| Later than five years' time | 47.1 | - | 49.0 | - |
| | **93.1** | **0.2** | **91.4** | **0.4** |

## 19 PENSION SCHEME

The company provides a defined contribution pension plan to its employees.  The pension plan is administered by an external pension provider. The company is required to contribute to a specified percentage of payroll costs to the scheme to fund the benefit and has no other obligation under the scheme other than to make the required contributions. The pension cost charge for the 12 month period represents contributions payable by the company to the scheme and amounted to £2.0 million (2019: £1.7 million).

Contributions amounting to £0.3 million (2019: £0.3 million) were payable to the scheme and are included in other payables and accrued expenses.

# 20 ULTIMATE PARENT COMPANY

The immediate parent undertaking is Lake International Limited, 30 Holborn, Buchanan House, London, England, United Kingdom. EC1N 2HS, a company incorporated in the United Kingdom, a group subsidiary company of the ultimate parent undertaking.

The company's ultimate parent undertaking is Global University Systems Holding B.V. Schiphol Boulevard 231, Luchthaven Schiphol, 1118 BH, Netherlands, a company incorporated in the Netherlands.

# 21 MANAGEMENT OF FINANCIAL RISKS

## Operating environment

The principal business activities of the company are within the United Kingdom. The Management consider that a number of risk factors and uncertainties affect the company's business, including:

- Risks to core products due to changes in the solicitor training regime
- The Covid-19 pandemic
- Financial risks including credit and liquidity

While the company's management have developed specific plans to deal with each of these risk areas and the directors consider such plans to be adequate, not all risk factors are within management's control. Other risks and uncertainties not listed above could also affect the company.

## Financial risk factors

The company's activities expose it to credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of markets and seeks to minimise potential adverse effects on the Group's financial performance. Risks are managed centrally.

This note presents information about company's exposure of each type of risks, policy and procedures of assessment and management, as well as approaches to capital management. Additional qualitative and quantitative information is disclosed through overall financial statements.

## Credit risk

Credit risk is a risk of financial loss to the company, which results from cash and cash equivalents and credit exposures to customers, including outstanding receivables. Management systematically reviews credit risk of receivables, taking into account financial position of students and firms, their credit history and other factors. The company provides for an estimated allowance for trade and other receivables. The allowance depends on an individual assessment of particular customer and age.

**An analysis of trade receivables by maturities at 30 November 2020 is as follows:**

| | Within 30 days | From 30 to 60 days | From 60 to 90 days | From 90 to 120 days | More than 120 days | Total |
|---|---|---|---|---|---|---|
| | £'m | £'m | £'m | £'m | £'m | £'m |
| Trade receivables from third parties | 5.5 | 1.8 | 8.3 | - | 4.4 | 20.0 |

With the exception of £11.1 million fees receivable on instalment plans the above debts are considered impaired and provided for on the following percentage basis based on the aging of when the fees fall due.

30 to 60 days - 25%

60 to 90 days - 50%

90 to 120 days - 75%

Over 120 days -100%

## 21 MANAGEMENT OF FINANCIAL RISKS (contd.)

### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to the management of liquid funds is based on ensuring that the company has sufficient liquidity to perform its financial obligations when due (both in normal and emergency conditions) by avoiding unacceptable losses or the risk of deterioration of its reputation. Liquidity risk management implies maintaining the availability of funding through an adequate amount of cash and cash equivalents. Management analyses regularly terms of settlement of obligations and receipts from financial assets, and monitors the expected cash flows from operating activities.

**Distribution of financial liabilities by maturities at 30 November 2020 is as follows:**

| | Within 30 days | From 30 to 60 days | From 60 to 90 days | More than 90 days | Total |
|---|---|---|---|---|---|
| | £'m | £'m | £'m | £'m | £'m |
| Trade payables | 2.0 | - | 0.1 | 0.2 | 2.3 |
| Other payables | 8.5 | 2.1 | 0.4 | 0.5 | 11.5 |

The fair value of all financial assets and liabilities of the company are considered to be equal to their carrying value.

## 22 RELATED PARTY DISCLOSURES

### Identity of related parties with which the company has transacted

**Subsidiaries of company:**

College of law Services Limited

ULAW(UK) Limited

These entities are registered at Bunhill Row, Moorgate, London, United Kingdom, EC1Y 8HQ.

ULAW Hong Kong Ltd – registered Unit 605-08, 6F Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong

**Subsidiary of parent company:**

L-J Finco Limited - registered at Bunhill Row, Moorgate, London, United Kingdom, EC1Y 8HQ.

**Ultimate parent company:**

Global University Systems Holding B.V. Schiphol Boulevard 231, Luchthaven Schiphol, 1118 BH, Netherlands.

**Subsidiaries of ultimate parent company:**

Interactive Pro Limited, 30 Holborn, Buchanan House, London, England, United Kingdom. EC1N 2HS

London School of Business and Finance (UK) Ltd, 30 Holborn, Buchanan House, London, England, United Kingdom. EC1N 2HS

Guildford Campus Property Limited, 30 Holborn, Buchanan House, London, England, United Kingdom. EC1N 2HS

GISMA Business School GmbH, Goethestraße 18, 30169 Hannover, Germany

**Other related parties:**

GUS Education (India) LLP, No.52, 3rd Floor, 100 Feet Road, Opp. Kendriya Sadan, 2nd Block, Koramangala, Bangalore 560034

**Transactions with key management personnel**

The compensation of key management personnel including directors is disclosed in note 6.

**Other related party transactions:**

| | Services provided to/(from) 30 November 2020 | Services provided to/(from) 30 November 2019 |
|---|---|---|
| | £'m | £'m |
| Controlling interest | - | - |
| Subsidiaries of company | 3.9 | 3.5 |
| Subsidiaries of ultimate parent company | (0.6) | (1.6) |
| Other group subsidiaries | - | - |

## 22 RELATED PARTY DISCLOSURES (contd.)

### Related party balances

| | Payables outstanding 30 November 2020 | Payables outstanding 30 November 2019 | Receivables outstanding 30 November 2020 | Receivables outstanding 30 November 2019 |
|---|---|---|---|---|
| | £'m | £'m | £'m | £'m |
| Subsidiaries of direct parent company | - | - | 3.5 | 3.5 |
| Intermediate parent companies | - | - | 12.2 | 5.8 |
| Ultimate parent company | - | - | - | - |
| Group subsidiaries | - | - | - | - |
| Other group subsidiary of ultimate parent | 2.2 | - | 0.4 | - |
| | **2.2** | **-** | **16.1** | **9.3** |

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

## 23 PROVISIONS

| | 2020 |
|---|---|
| | £m |
| Balance at 1 December 2019 | 1.2 |
| Provisions made during the year | 0.4 |
| Provisions used during the year | - |
| **Balance at 30 November 2020** | **1.6** |
| Non-current | 1.6 |
| Current | - |
| | **1.6** |

The provision relates to the estimated future costs on an undiscounted basis in respect of dilapidations of leasehold properties in use by the company.

## 24 CONTINGENT LIABILITIES

Some of the University's assets are subject to a charge in relation to the Senior Secured Term Loan of its parent company, Global University Systems Holdings BV.


The University of Law