(Registered Number: 2616049)

LESSONCITY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

LESSONCITY LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2017

The directors present their report and unaudited financial statements for the year ended 31 December 2017. A statement of their responsibilities is given on page 2.

Incorporation

The Company, Lessoncity Limited, was incorporated in the United Kingdom on 31 May 1991 as a private company with limited liability.

Activities

The principal activity of the Company, which is unchanged from the prior period, is that of an investment holding company.

Review of the Business

The results for the year and the proposed transfer to reserves are set out in the Statement of Comprehensive Income on page 4.

The directors consider the Company's financial result and financial position as presented in the financial statements as satisfactory.

Dividends

The directors do not recommend payment of a dividend for the year *(2016 - £Nil).*

Share Capital

There were no changes in the share capital of the Company during the year *(2016: None)*

Directors

The directors of the company serving throughout the year were:

J. P. Carrington
G.A. Jones
G. M. Luckraft
N. A. D. Thomas

In accordance with the Company's Articles of Association all directors currently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

ON BEHALF OF THE BOARD

G A Jones
Director

London: 21 September 2018

LESSONCITY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with International Financial Reporting Standards (IRFS). The financial statements are required by law to 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LESSONCITY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
ASSETS			
Non-current assets			
Subsidiary company	5	399,083	399,484
		399,083	399,484
Current assets			
Cash at bank	6	2,154	2,199
		2,154	2,199
Total assets		£401,237	£401,683
EQUITY AND LIABILITIES			
Equity			
Share capital	7	1,577	1,577
Other reserves		395,694	396,095
Retained Earnings		(20,108)	(20,063)
		377,163	377,609
Current liabilities			
Trade and other payables	8	24,074	24,074
		24,074	24,074
Total equity and liabilities		£401,237	£401,683

For the year ending 31 December 2017, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors on 21 September 2018 and were signed on its behalf by:

G A Jones, Director

The notes on pages 7 to 16 form part of these financial statements. **(Registered Number: (2616049)**

LESSONCITY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Year ended 31 December 2017	Year ended 31 December 2016
		£	£
Revenue	9	-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	10	-	-
Operating profit		-	-
Finance income	12	-	-
Finance costs	12	(45)	(60)
(Loss) on ordinary activities before taxation		(45)	(60)
Tax on (loss) on ordinary activities	13	-	-
(Loss) for the period		(£45)	(£60)
Other comprehensive (losses)/income		(401)	15,107
Total comprehensive (losses)/profit for the year		(£446)	£15,047

All amounts relate to continuing operations.

There were no recognised gains or losses other than the loss for the financial year.

The notes on pages 7 to 16 form part of these financial statements.

LESSONCITY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share Capital £	Share Premium £	Fair value reserve - Subsidiary undertakings £	Retained Earnings £	Total £
As at 31 December 2015	**£1,577**	**£519,212**	**(£138,224)**	**(£20,003)**	**£362,562**
Comprehensive income					
Loss for the period	-	-	-	(60)	(60)
Fair value adjustment	-	-	15,107	-	15,107
Total comprehensive income	-	-	15,107	(60)	15,047
As at 31 December 2016	**£1,577**	**£519,212**	**(£123,117)**	**(£20,063)**	**£377,609**
Comprehensive income					
Loss for the period	-	-	-	(45)	(45)
Fair value adjustment	-	-	(401)	-	(401)
Total comprehensive (losses)	-	-	(401)	(45)	(446)
As at 31 December 2017	**£1,577**	**£519,212**	**(£123,518)**	**(£20,108)**	**£377,163**

The notes on pages 7 to 16 form part of these financial statements.

LESSONCITY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Year ended 31 December 2017	Year ended 31 December 2016
		£	£
Operating activities			
Loss before tax		(45)	(60)
Interest income		-	-
		(45)	(60)
Changes in working capital:			
Trade and other receivables		-	-
Trade and other payables		-	-
Net cash used in operating activities		(45)	(60)
Investing activities			
Interest received		-	-
Net cash from investing activities		-	-
Financing activities		-	-
Net (decrease) in cash and cash equivalents		(45)	(60)
Cash and cash equivalents:			
At the beginning of the period		2,199	2,259
At the end of the period		£2,154	£2,199

The notes on pages 7 to 16 form part of these financial statements.

Notes to the financial statements

1. Incorporation and principal activities

1.1 Incorporation

Lessoncity Limited (the "Company") was incorporated in the United Kingdom on 31 May 1991 as a private company with limited liability. Its registered office is at Thavies Inn House, 3/4, Holborn Circus, London EC1N 2PL.

1.2 Principal activity

The principal activity of the Company, which is unchanged from the prior period, is that of an investment holding company.

2. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

These financial statements are prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through the profit or loss account.

2.1 Going concern basis

In line with FRC guidelines on Going Concern the directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis.

At the Balance Sheet date, the Company had no borrowing facilities. Cash flow forecasts for the Company have been prepared for a period ending more than 12 months from the date of these Financial Statements. The directors believe the assumptions underpinning the forecast are both prudent and reasonable.

On the basis of the current financial projections, the directors believe that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

3. Accounting policies

The principal accounting policies and measurement bases used in preparation of these financial statements are as set out below. These policies have been consistently applied to all periods presented in these financial statements unless otherwise stated.

3.1 Standards, interpretations and amendments to published standards effective in 2017

During the year ended 31 December 2017, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period. The adoption of these revisions of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies.

3. Accounting policies - continued

3.2 New standards, amendments and interpretations effective after 1 January 2017 and have not been early adopted

IFRS 9 Financial Instruments issued on July 2014 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. The Standard supersedes all previous versions of IFRS 9. IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements that are generally considered to be overly complex and difficult to apply. The new model also results in a single, forward-looking 'expected loss' impairment model that will require more timely recognition of expected credit losses.

IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. The effective date for IFRS 9 is 1 January 2018.

IFRS 15 "Revenue from Contracts and Customers" presents new requirements for the recognition of revenue, replacing IAS 18 "Revenue", IAS 11 "Construction Contracts" and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

Management is not yet in a position to provide quantified information regarding the impact of IFRS 15.

Only the amendments that are relevant to the Company have been disclosed above. The Company, however, expects no impact from the adoption of the amendments on its financial position or performance.

3.3 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

- **Financial assets**

  Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Regular way purchases and sales of financial assets are recognised on the trade-date which is the date on which the Company commits to purchase or sell the asset.

  A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

  1. The rights to receive cash flows from the asset have expired;
  2. The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
  3. The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. Accounting policies - continued

3.3 Financial instruments - continued

Available-for-sale financial assets

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale. These are included in non-current assets unless Management has the express intention of holding the investment for less than 12 months from the reporting date, in which case they are included in current assets.

Available-for-sale financial assets are subsequently carried at fair value. The gains and losses arising from changes in fair value are recognised in other comprehensive income, until the security is disposed of or impaired at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the profit or loss for the period. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. Impairment losses recognised in the profit or loss on equity instruments are not subsequently revered through the profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently revered if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment losses.

Loans and receivables

Loans and receivables are initially recognised at their fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method.

(i) Other receivables

Where these receivables are of a short-term nature the fair value is determined as equal to the nominal amount without any discounting. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the estimated recoverable amount.

(ii) Bank deposits

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that a bank deposit is impaired. The allowance recognised is measured as the difference between the deposit's carrying amount and the present value of estimated future cash flows expected to be recovered. The discount rate used for fixed-rate deposits is the latest effective interest rate which was applicable prior to impairment.

- **Financial liabilities**

Financial liabilities are obligations to pay cash or other financial assets. The financial liabilities are recorded initially at fair value, net of direct transaction costs, and are subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or it expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

3. Accounting policies - continued

3.3 Financial instruments - continued

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Where the liabilities are of a short-term nature the fair value is determined as equal to the nominal amount without any discounting.

- **Equity instruments**

Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs.

Ordinary shares

Ordinary shares are classified as equity and measured at their nominal value. Any premiums received on issue of share capital above its nominal value, are recognised as share premium within equity. Associated issue costs are deducted from share premium.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise of demand deposits.

3.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and revenue indirect taxes.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. These activity-specific recognition criteria are described below.

- **Interest income**

Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value.

- **Dividend income**

Dividend income is recognised when the right to receive payment is established.

3.6 Functional and presentational currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency").

The financial statements are presented in United Kingdom Pounds (£), which is the Company's functional and presentational currency.

3. Accounting policies - continued

3.7 Taxation

Corporation tax expensed represents current tax.

The tax currently payable is based on taxable profits for the year. Taxable profit differs from profit as reported in the financial statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxed levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4. Critical accounting estimates and judgement

The preparation of these financial statements in conformity with IFRS requires the use of accounting estimates and assumptions, and also requires Management to exercise judgement, in the process of applying the Company's accounting policies.

Estimates, assumptions and judgement applied are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates, assumptions and judgements are based on Management's best knowledge of current events and actions, actual results may ultimately differ.

4.1 Significant management judgement

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements:

Impairment assessment of available-for-sale financial assets

The Company follows the guidance of IAS 39 in determining when an investment is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

4.2 Estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

Corporation taxes

Significant estimates are made in determining the tax liability for corporation tax. These are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the corporation tax liability in the period in which such determination is made.

4. Critical accounting estimates and judgement - continued

4.2 Estimation uncertainty - continued

Fair value of financial assets

The fair value of financial instruments that are not traded in an active market (including non-listed investments) is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

5. Subsidiary company

5.1 Details of the subsidiary

Name of subsidiary	Country of incorporation	Principal activities	Direct holding
Lathkil Securities Limited	United Kingdom	Investment dealing	100%

The holding in the above subsidiary has not changed in the year.

6. Cash and cash equivalents

	2017 £	2016 £
Bank demand deposits	2,154	2,199
	£2,154	£2,199

The credit risk for cash and cash equivalents, money market funds, debentures and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

7. Share capital

	2017	2016
	£	£
Authorised:-		
77,738 ordinary shares of 1p each	777	777
80,000 deferred ordinary shares of 1p each	800	800
778,000 preference shares of £1 each	778,000	778,000
Allotted, issued and fully paid:-		
77,738 ordinary shares of 1p each	777	777
80,000 deferred ordinary shares of 1p each	800	800
	£1,577	£1,577

The holders of the deferred ordinary shares are:

i. entitled to participate in dividends or distributions where the amount available for distribution exceeds £5 million in any one financial period;

ii. entitled to priority to any payment to ordinary shareholders in the event of a winding up of the Company or other return of capital; and

iii. not entitled to attend or vote at any general meeting.

8. Trade and other payables

	2017	2016
	£	£
Amounts payable to subsidiary undertaking	24,044	24,044
Accruals	30	30
	£24,074	£24,074

The accrued expenses are due within 12 months of the Balance Sheet date. Payables to related parties do not have specific repayment dates.

9. Revenue

There was no revenue in the year *(2016: £Nil)*

10. Administrative expenses

	Year ended 31 December 2017	Year ended 31 December 2016
	£	£
Other administrative expenses	-	-
	£-	£-

Notes to the financial statements (continued)

11. Directors' remuneration and employees

The emoluments of the directors during the year were £Nil *(2016 - £Nil).*

The company has no employees in the year *(2016 – Nil).*

12 Finance income and costs

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Finance income	£-	£-
Finance costs		
Other finance expenses	45	60
	£45	£60
Net finance costs	(£45)	(£60)

13. Taxation expenses

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
(a) Analysis of charge in the year		
Current Tax:		
UK corporation tax on profits of the year	-	-
Adjustments in respect of previous years	-	-
Tax on profit on ordinary activities	£-	£-
(b) Factors affecting the tax charge for the year		
The tax assessed for the period is different to the standard rate of corporation tax in the United Kingdom and is explained as follows;		
(Loss) on ordinary activities before tax	(45)	(60)
(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 19%/20% *(2016 – 20%)*	(9)	(12)
Effects of:		
Tax losses carried forward	9	12
UK Corporation tax on profits for the year	-	-
Adjustments to tax charges in respect of previous years	-	-
Current tax charge for the year (note 14 (a))	£-	£-

Notes to the financial statements (continued)

14. Related parties

At the year end, the Company was controlled by Chasophie Group Limited, a company incorporated in Cyprus, which owned 57.89% of the Company's shares. Following a group reorganisation, the interests of Chasophie Group Limited in the Company fell below 50% on 21 February 2018.

At the year end, the smallest and largest group of undertakings of which the Company was a member and for which group accounts will be drawn up was that headed by the ultimate parent undertaking, Chasophie Group Limited of 114, The Strand, Gzira GZR 1027, Malta.

Chasophie Group Limited is controlled by trusts of the Bonas family.

The following transactions were carried out with related parties:

14.1 Payables to related parties (Note 8)

	Nature of balance	2017 £	2016 £
Subsidiary undertaking			
Lathkil Securities Limited	Current account	£24,044	£24,044

The balance due to Lathkil Securities Limited is interest free, unsecured, and has no specific repayment date.

15. Capital commitments

There were no capital commitments outstanding at the year end *(2016 - £Nil)*.

16. Contingent liabilities

There were no contingent liabilities at the year end *(2016 - £Nil)*.

17. Financial assets and liabilities

17.1 Carrying amount

The carrying amount of each class of financial assets and liabilities included in the statement of financial position is a follows:

	2017 £	2016 £
Financial assets		
Cash (note 6)	2,154	2,199
	£2,154	£2,199
Financial liabilities		
At amortised cost (note 8)	24,074	24,074
	£24,074	£24,074

Notes to the financial statements (continued)

19. Capital management

The Company for management purposes determines as capital its equity, including all reserves.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The Company's overall strategy remains unchanged from last year.

The Company manages the capital structure and takes reasonable steps in the light of changes in the economic conditions and the risk characteristics of its underlying business and assets. In order to maintain or improve its capital structure the Company may issue new shares, sell assets to obtain funds, obtain borrowings, and adjust the amount of any distribution of dividends.

The capital at the end of the year is calculated using the following amounts, as shown in the statement of financial position:

	2017 £	2016 £
Total equity	377,163	377,609
Capital	£377,163	£377,609

20. Events after the end of the reporting period

As disclosed in Note 14, on 21 February 2018, following a group reorganisation of Chasophie Group Limited, the Company's ultimate parent undertaking, the Company ceased to be a subsidiary undertaking of Chasophie Group Limited.

Other than as disclosed above, there were no material events after the end of the reporting period which have a bearing on the understanding of the financial statements.