

Company registration number: 02271807 (England and Wales)

CNLR HORIZONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020



CNLR HORIZONS LIMITED

COMPANY INFORMATION

Company registration number	02271807 (England and Wales)
Company name	CNLR Horizons Limited
Board of Directors	G H Meyerowitz (appointed 31 July 2020) F Woodbridge (appointed 31 July 2020)
Company secretary	C Raffinetti
Registered office	Fifth Floor 18 Mansell Street London E1 8AA
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham B3 3AX
Business bankers	HSBC plc 120 Edmund Street Birmingham B3 2QZ

CNLR HORIZONS LIMITED

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CNLR HORIZONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and the audited financial statements of the Company for the year ended 30 September 2020.

Principal activities

The Company is a limited company which is incorporated and domiciled in the United Kingdom.

The principal activity of the Company provides services to organisations to improve the mental health and wellbeing of their people. The services are referred to as an Employee Assistance Program ("EAP").

Results

During the year ended 30 September 2020 the Company made a loss amounting to £111,000 (unaudited 2019: £136,000 profit) attributed to the disposal of assets and creation of liabilities as a result of the acquisition by Ingeus UK Limited. Net liabilities decreased to £71,000 (unaudited 2019: net assets £40,000) during the year. These are the key performance indicators for the Company.

Business review

On 31 July 2020, Ingeus UK Limited acquired all the issued share capital of the Company.

The financial statements for the year ended 30 September 2019, forming the corresponding figures of the financial statements for the year ended 30 September 2020, are unaudited.

The results for the year ended 30 September 2020 are shown on the Statement of Comprehensive Income on page 8.

Apart from the matters referred to above, in the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

Principal risks and uncertainties

The management of the business and the Company's strategy is subject to a number of risks. Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them.

Employees

The Company's performance depends largely on the quality and commitment of its staff and its ability to attract and retain the best talent.

The Company's policy is to actively provide equal opportunities for employment and recruits and promotes employees on the basis of their qualifications, skills, values and aptitude. The Company keeps employees informed about the latest news, activities and best practices through the intranet.

In relation to disabilities, it seeks to employ the most talented people and thus has procedures in place to ensure that individuals with disabilities are supported in reaching their full potential by making reasonable adjustments for them in the workplace.

Economic conditions and government policy

The UK's membership of the European Union ("EU") formally ended on 31 January 2020 and it immediately entered into a transition period which ended on 31 December 2020.

During this period, the UK continued to follow all the EU's rules and its trading relationship remained the same. Post 31 December 2020 there may be a period of economic uncertainty. However, management believes the direct impact on CNLR Horizons Limited will be limited. Furthermore, the current situation regarding the COVID-19 outbreak continues to evolve. While downside scenarios relating to the length and severity of the COVID-19 outbreak are considered plausible, it is difficult to predict the overall impact of the COVID-19 outbreak on the economic environment. However, all Government supported packages announced to date are positive from the Company's perspective.

Financial risk management

Capital management

The objective of the Company's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised. The Company manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the Company may choose to issue new share capital to shareholders.

Liquidity risk

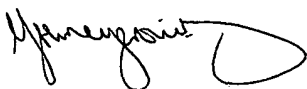
Management monitors the Company's liquidity and projected cash flows. The Company's liquidity management policy involves projecting cash flows in Pounds Sterling and considering the level of liquid assets necessary to meet these and monitoring the statement of financial position's liquidity ratios.

Employee engagement statement

The directors are executive directors and engage with the employees of the Company through monthly review of operating results and day to day operations. Each financial year, the employees are invited to participate in the global engagement survey and the results of the survey are communicated to the board and discussed with senior management. During the year, the directors have taken steps to:

- Provide employees with information on matters of concern to them as employees;
- Consult employees or their representatives on a regular basis so that the views of employees can be considered in making decisions which are likely to affect their interests; and
- Achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the Company.

On behalf of the board



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GH Meyerowitz
Director
4 June 2021

CNLR HORIZONS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their annual report and the audited financial statements of CNLR Horizons Limited (the "Company") for the year ended 30 September 2020.

Results and dividends

The results for the year are set out on page 8.

The directors did not recommend any dividends in the year (unaudited 2019: £78,000).

Directors

The following directors held office during the year ended 30 September 2020 and up to the signing of the financial statements, unless otherwise stated:

C Nowlan (resigned 31 July 2020)
G H Meyerowitz (appointed 31 July 2020)
G Outram (resigned 31 July 2020)
F Woodbridge (appointed 31 July 2020)

Future developments

The directors are conscious when writing this report and financial statements of the significant impact the COVID-19 is having on the world economy. The directors do not expect COVID-19 to have a significant impact on the Company.

Financial risk management

Refer to the strategic report.

Going concern

The financial statements have been prepared on the going concern basis notwithstanding the loss in the year of £111,000 (unaudited 2019: £136,000 profit), net current liabilities of £71,000 (unaudited 2019: £11,000) and net liabilities of £71,000 (unaudited 2019: £40,000 net assets).

The Company is reliant on funds provided to it by its ultimate Parent Company, APM Human Services International Pty Ltd ("APMHSI"). APMHSI has indicated that it will continue to provide financial and other support to the extent necessary to enable the Company to continue to trade and meet its financial obligations for the foreseeable future and for at least twelve months from the date of signature of the audit report for the financial statements for the year ended 30 September 2020.

In assessing the ability of APMHSI to provide this ongoing financial support, the future impact on the APMHSI of the recent COVID-19 outbreak has also been considered. The directors of APMHSI have performed sensitivity analyses on their Board approved forecasts to assess the potential impact of different scenarios. Based on various sensitivity analyses over the going concern assessment period of the potential impact of the COVID-19 in terms of revenue and the positive global government supported packages relevant to APMHSI's businesses that have been announced, APMHSI would remain cash generative such that it will have the financial capacity to support the Company so that it can meet its liabilities as and when they fall due for payment.

After due consideration of the matters set out above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Statement as to disclosure of information to auditors

In so far as each of the directors holding office at the date of this report is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

CNLR HORIZONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

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

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent auditors

On 23 April 2021 PricewaterhouseCoopers LLP were appointed as auditors of the Company. Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors after these financial statements were sent to members, or after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

On behalf of the board



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GH Meyerowitz
Director
4 June 2021

Independent auditors' report to the members of CNLR Horizons Limited

Report on the audit of the financial statements

Opinion

In our opinion, CNLR Horizons Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 September 2020; the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of CNLR HORIZONS LIMITED

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 30 September 2019, forming the corresponding figures of the financial statements for the year ended 30 September 2020, are unaudited.



Matthew Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
9 June 2021

CNLR HORIZONS LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	Year ended 30 Sep 20 £'000	Unaudited Year ended 30 Sep 19 £'000
Continuing operations:			
Turnover	3	4,259	4,123
Cost of sales		<u>(2,878)</u>	<u>(2,558)</u>
Gross profit		1,381	1,565
Administrative expenses		(1,420)	(1,381)
Impairment on trade receivables		<u>(72)</u>	<u>(6)</u>
Total Administrative expenses		<u>(1,492)</u>	<u>(1,387)</u>
Operating (loss)/profit	4	(111)	178
Income tax expense	5	<u>-</u>	<u>(42)</u>
(Loss)/profit for the financial year		(111)	136
Total comprehensive (loss)/income for the year		<u><u>(111)</u></u>	<u><u>136</u></u>

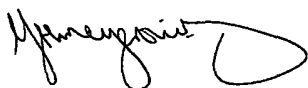
The notes on pages 12 to 21 are an integral part of the financial statements.

CNLR HORIZONS LIMITED

**BALANCE SHEET
AS AT 30 SEPTEMBER 2020**

	Note	30 Sep 2020 £'000	Unaudited 30 Sep 2019 £'000
Non-current assets			
Intangible assets	7	-	43
Property, plant and equipment	8	-	8
		<u>-</u>	<u>51</u>
Current assets			
Taxation receivable	5	16	17
Trade and other receivables	9	640	835
Cash and cash equivalents	10	385	179
		<u>1,041</u>	<u>1,031</u>
Creditors: amounts falling due within one year	11	<u>(1,112)</u>	<u>(1,042)</u>
Net current liabilities		<u>(71)</u>	<u>(11)</u>
Total assets less current liabilities		<u>(71)</u>	<u>40</u>
Net (liabilities)/assets		<u>(71)</u>	<u>40</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		(71)	40
Total shareholders' (deficit)/equity		<u>(71)</u>	<u>40</u>

The financial statements on pages 8 to 21 were approved by the board of directors on 4 June 2021 and signed on its behalf by:



.....
GH Meyerowitz
Director

The notes on pages 12 to 21 are an integral part of the financial statements.

Company registration number: 02271807

CNLR HORIZONS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	Year ended 30 Sep 2020 £'000	Unaudited Year ended 30 Sep 2019 £'000
Cash flows from operating activities			
(Loss)/profit for the year before taxation		(111)	177
Depreciation	8	5	6
Amortisation	7	19	34
Impairment of trade receivables		72	6
Disposal of property, plant and equipment	7,8	27	-
Decrease/(increase) in trade and other receivables		124	(183)
Increase in trade and other payables		112	188
Cash generated from operations		<u>248</u>	<u>228</u>
Tax paid		<u>(42)</u>	<u>(16)</u>
Net cash generated from operating activities		<u>206</u>	<u>212</u>
Cash flows from financing activities			
Dividends paid		-	(78)
Net cash utilised by financing activities		<u>-</u>	<u>(78)</u>
Net decrease in cash and cash equivalents		206	134
Cash and cash equivalents at the beginning of the year		179	45
Cash and cash equivalents at 30 September		<u>385</u>	<u>179</u>

The notes on pages 12 to 21 are an integral part of the financial statements.

CNLR HORIZONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' (deficit)/ equity £'000
Balance at 1 October 2019	-	40	40
Loss for the year	-	(111)	(111)
Total comprehensive loss	-	(111)	(111)
Balance at 30 September 2020	-	(71)	(71)

	Called up share capital £'000	Profit and loss account £'000	Unaudited Total shareholders' (deficit)/ equity £'000
Unaudited:			
Balance at 1 October 2018	-	(18)	(18)
Profit for the year	-	136	136
Total comprehensive income	-	136	136
Dividends paid	-	(78)	(78)
Balance at 30 September 2019	-	40	40

The notes on pages 12 to 21 are an integral part of the financial statements.

1. GENERAL INFORMATION

CNLR Horizons Limited (the "Company") is a private Company limited by shares which is incorporated and domiciled in the United Kingdom. The principal activity of the Company represents services provided to organisations to improve the mental health and wellbeing of their people. The services are referred to as an Employee Assistance Program ("EAP"). The address of its registered office is Fifth Floor, 18 Mansell Street, London, England, E1 8AA.

2. ACCOUNTING POLICIES

Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also required management to exercise judgement in applying the Company accounting policies (detailed below).

The following principal accounting policies have been applied consistently throughout the year:

Rounding of amounts

The financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand except where otherwise stated.

Going concern

The financial statements have been prepared on the going concern basis notwithstanding the loss in the year of £111,000 (unaudited 2019: £136,000 profit), net current liabilities of £71,000 (unaudited 2019: £11,000) and net total liabilities of £71,000 (unaudited 2019: £40,000 net assets).

The Company is reliant on funds provided to it by its ultimate Parent Company, APM Human Services International Pty Ltd ("APMHSI"). APMHSI has indicated that it will continue to provide financial and other support to the extent necessary to enable the Company to continue to trade and meet its financial obligations for the foreseeable future and for at least twelve months from the date of signature of the audit report for the financial statements for the year ended 30 September 2020.

In assessing the ability of APMHSI to provide this ongoing financial support, the future impact on the APMHSI of the recent COVID-19 outbreak has also been considered. The directors of APMHSI have performed sensitivity analyses on their Board approved forecasts to assess the potential impact of different scenarios. Based on various sensitivity analyses over the going concern assessment period of the potential impact of the COVID-19 in terms of revenue and the positive global government supported packages relevant to APMHSI's businesses that have been announced, APMHSI would remain cash generative such that it will have the financial capacity to support the Company so that it can meet its liabilities as and when they fall due for payment.

After due consideration of the matters set out above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

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

2. ACCOUNTING POLICIES (continued)**Intangible assets**

Externally purchased computer software licences and similar intangible items are capitalised at historical cost and amortised on a straight-line basis.

Internally developed software projects are capitalised at historical cost when there is technical feasibility of completing, intention to complete, ability to use, generation of probable future economic benefits, availability of technical, financial and other resources to complete the development of the software and it is possible to reliably measure the expenditure attributable to the asset.

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful economic life, as follows:

Computer software	3 years
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Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation and any impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful economic life, as follows:

Fixtures and fittings	4 years / life of the lease
Leasehold property	Life of the lease
Leasehold fit out	Life of the lease

Impairment of assets

At each reporting year end, the directors assess whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. Recoverable amount being the higher of fair value less costs to sell and value in use.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual CGUs, or otherwise allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The key assumptions across the CGUs for the value in use calculations are those regarding profit forecasts, strategic benefits, risk factors and discount rates. The strategic benefits are based on new contract wins. Management has estimated the risk rate based on potential contract renewal and the discount rate reflects the Company's current market assessments of the time value of money.

Leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Receivables

Receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within 'administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in the Statement of Comprehensive Income.

2. ACCOUNTING POLICIES (continued)

Financial instruments

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transactions.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and received loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, or the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled, or expires.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on any taxable profit for the year. Taxable profit differs from net profit/loss as reported in the Statement of Comprehensive Income 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 by the balance date.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
Any deferred tax balances are reversed if and when all conditions for retaining the associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

2. ACCOUNTING POLICIES (continued)

Turnover

Turnover represents the amounts derived from the continuing provision of services to customers to improve the mental health and wellbeing of their people, stated net of Value Added Tax. The services provided are referred to as an Employee Assistance Program ("EAP").

While the specific terms vary by contract, the Company often receives three types of revenue streams under contracts with customers: fees for service, fixed service fees, ad hoc fees for whistle blowing, mentoring, and training.

Income generated from the principal activity is recognised in the Statement of Comprehensive Income in the year in which the activity and associated costs are incurred and where the outcome of the activity is certain, otherwise income is recognised on receipt of payment. Where income is invoiced in advance of activity and associated costs, the income is deferred and released to the Statement of Comprehensive Income over the year in which the delivery of the service takes place and costs are incurred, and in accordance with the contract. Where services are delivered prior to the raising of the invoice, income is accrued.

All turnover arose in the United Kingdom from the Company's principal continuing activities.

The directors consider that the Company operates in one business segment and the geographical area and therefore no separate segmental analysis is required.

Employee benefits

Pension Costs

The amount charged to the Statement of Comprehensive Income represents the contributions payable by the Company to the defined contribution pension schemes run by the Company. There were no outstanding contributions at balance date.

Significant accounting estimates and judgements

The preparation of these financial statements requires the use of estimates and judgements that affect the carrying amounts of assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates and judgements are based on management's best knowledge of the amount, events or actions, ultimately actual results may differ from those estimates.

Impairment of trade receivables

In respect of the recoverability of trade receivables, consideration of economic, market and historical payment factors are incorporated into the assessment of the respective aged customers.

In assessing impairment, judgements are required to establish whether there have been any indicators of impairment either internal or external.

3. TURNOVER

The total turnover of the Company for the current and prior year has been derived from its principal continuing activities wholly undertaken in the United Kingdom.

The directors consider that the Company operates in one business segment and the geographical area and therefore no separate segmental analysis is required.

CNLR HORIZONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2020****3. TURNOVER (CONTINUED)**

	Year ended 30 Sep 2020 £'000	Unaudited Year ended 30 Sep 2019 £'000
Fee for service	4,259	4,123
	<u>4,259</u>	<u>4,123</u>

4. OPERATING (LOSS)/PROFIT

	Year ended 30 Sep 2020 £'000	Unaudited Year ended 30 Sep 2019 £'000
Operating (loss)/profit is stated after charging the following:		
Depreciation of property, plant and equipment	5	6
Amortisation of intangible assets	19	34
Impairment of trade receivables (note 9)	72	6
Disposal of intangible assets and property, plant and equipment	27	-
Leases – short – term	48	47
Auditors' remuneration – audit	25	-
	<u>25</u>	<u>-</u>

5. INCOME TAX

	Year ended 30 Sep 2020 £'000	Unaudited Year ended 30 Sep 2019 £'000
Current year tax		
Income tax	-	42
	<u>-</u>	<u>42</u>

Reconciliation of income tax to accounting (loss)/profit

The income tax is lower (2019: higher) than the standard rate of tax at 19.00% (2019: 19.00%). The differences are explained below:

	Year ended 30 Sep 2020 £'000	Unaudited Year ended 30 Sep 2019 £'000
Factors affecting the tax for the year		
(Loss)/profit before taxation	(111)	177
	<u>(111)</u>	<u>177</u>

5. INCOME TAX (CONTINUED)

(Loss)/profit before taxation multiplied by standard corporation tax at 19.00% (2019: 19.00%)	(21)	34
Effects of:		
Expenses not deductible	-	8
Income not taxable	21	-
Income tax	-	42

The Spring Budget 2021 announced that the UK corporation tax rate will increase to 25% from 1 April 2023. The deferred tax assets and liabilities of the Company have been calculated at 19% as this rate has been substantively enacted at the Balance Sheet date.

As at 30 September 2020, there is a receivable balance from HMRC for the s455 tax that was charged on the directors' loan at 32.5%. As the loans have been fully repaid by the Company to the directors as part of the acquisition made by Ingeus UK Limited, this will be repaid from HMRC upon the Company submitting its annual tax return for the year ended 30 September 2020. The total value is £16,000.

Unrecognised deferred tax:

	Year ended 30 Sep 2020 £'000	Unaudited Year ended 30 Sep 2019 £'000
Losses	52	-
	52	-

The deferred tax asset has not been recognised as it is not probable that future taxable profit will be available against which the temporary differences can be utilised.

6. EMPLOYEES**Number of employees**

The average monthly number of employees, including directors, during the trading year was:

	Year ended 30 Sep 2020 Number	Unaudited Year ended 30 Sep 2019 Number
Operational and administration	64	58
	64	58

	Year ended 30 Sep 2020 £'000	Unaudited Year ended 30 Sep 2019 £'000
Employment costs (including directors):		
Wages and salaries	1,650	1,507
Social security costs	146	136
Pension costs	42	40
	1,838	1,683

CNLR HORIZONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2020

6. EMPLOYEES (continued)

	Year ended 30 Sep 2020 £'000	Unaudited Year ended 30 Sep 2019 £'000
Directors' emoluments:		
Aggregate emoluments	130	94
Pension contributions	-	5
	<u>130</u>	<u>99</u>

Loans made to directors of £52,000 were settled during the year as part of the acquisition made by Ingeus UK Limited.

For the year ended 30 September 2020, GH Meyerowitz's emoluments were paid by Ingeus UK Limited's former ultimate Parent Company, International APM Group Pty Limited. No recharge was made to the Company for costs borne for the year ended 30 September 2020 for GH Meyerowitz as it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries.

For the year ended 30 September 2020, F Woodbridge's emoluments were paid by Ingeus UK Limited, the parent Company. No recharge was made to the Company for costs borne for the year ended 30 September 2020 for F Woodbridge as it is not possible to make an accurate apportionment of her remuneration in respect to each of the subsidiaries.

For the year ended 30 September 2020, C Nowlan and G Outram received emoluments paid by CNLR Horizons Limited of £30,000 (unaudited 2019: £33,000) and £100,000 (unaudited 2019: £61,000) respectively.

7. INTANGIBLE ASSETS

	Research and development £'000	Software £'000	Website £'000	Total £'000
Cost				
As at 1 October 2019 (unaudited)	31	255	19	305
Disposal	(31)	(255)	(19)	(305)
As at 30 September 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortisation				
As at 1 October 2019 (unaudited)	31	220	11	262
Amortisation	-	15	4	19
Disposal	(31)	(235)	(15)	(281)
As at 30 September 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value				
As at 30 September 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 30 September 2019 (unaudited)	<u>-</u>	<u>35</u>	<u>8</u>	<u>43</u>

CNLR HORIZONS LIMITED
**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**
8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties	Fixtures and fittings	Total
	£'000	£'000	£'000
Cost			
As at 1 October 2019 (unaudited)	12	173	185
Disposal	(12)	(173)	(185)
As at 30 September 2020	-	-	-
Depreciation			
As at 1 October 2019 (unaudited)	12	165	177
Charge for the year	-	5	5
Disposal	(12)	(170)	(182)
As at 30 September 2020	-	-	-
Net book value			
As at 30 September 2020	-	-	-
As at 30 September 2019 (unaudited)	-	8	8

9. TRADE AND OTHER RECEIVABLES

	30 Sep 2020	Unaudited 30 Sep 2019
	£'000	£'000
Trade and other receivables	468	640
Prepayment	8	44
Directors' loans receivable	-	52
Amounts owed by group undertakings	52	-
Accrued income	112	99
	640	835

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand. Trade receivables are stated after provisions for impairment of £78,000 (2019 unaudited: £6,000).

10. CASH AND CASH EQUIVALENTS

	30 Sep 2020	Unaudited 30 Sep 2019
	£'000	£'000
Cash and cash equivalents	385	179

CNLR HORIZONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2020

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 Sep 2020	Unaudited 30 Sep 2019
	£'000	£'000
Trade payables	78	126
Other taxation and social security	357	262
Accruals	187	74
Deferred income	489	573
Other payables	-	7
	1,112	1,042

12. CALLED UP SHARE CAPITAL

	30 Sep 2020	Unaudited 30 Sep 2019
	Number	Number
Shares classified as equity		
Allocated, called up and fully paid		
Class 'A' ordinary shares shares of £0.01 each	302	263
Class 'D' ordinary shares shares of £0.01 each	-	37
Class 'E' ordinary shares shares of £0.01 each	-	1
Class 'F' ordinary shares shares of £0.01 each	-	1
	302	302

All share capital is classified as equity. All shares were converted to class A upon acquisition by Ingeus UK Limited.

There are no restrictions on dividends or repayments of capital.

The following describes the nature and purpose of each reserve within equity:

Profit and loss account All other nets gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

13. RELATED PARTY TRANSACTIONS

	Transaction value		Balance outstanding as at	
	Year ended 30 Sep 2020	Unaudited Year ended 30 Sep 2019	30 Sep 2020	Unaudited 30 Sep 2019
	£'000	£'000	£'000	£'000
Loans by/(to) the Company				
Ingeus UK Limited	52	-	52	-
Catherine Nowlan	(52)	-	-	52

CNLR HORIZONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2020

14. ULTIMATE AND CONTROLLING PARTY

The immediate Parent Company of CNLR Horizons Limited is Ingeus UK Limited, a Company registered in England and Wales. The ultimate Parent Company is APM Human Services International Pty Limited and is the ultimate Parent Company and controlling party at balance date.