

**Company Registration No. 03422748 (England and Wales)**

**LONDON HORIZONS LIMITED**

**A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**PAGES FOR FILING WITH REGISTRAR**

**LONDON HORIZONS LIMITED**  
**A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL**

**CONTENTS**

---

	<b>Page</b>
Statement of financial position	1
Statement of changes in equity	2
Notes to the financial statements	3 - 7

---

**LONDON HORIZONS LIMITED**  
**A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 AUGUST 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Property, plant and equipment	4		83,419		106,140
<b>Current assets</b>					
Trade and other receivables	5	41,095		61,680	
Cash and cash equivalents		32,229		58,780	
		<u>73,324</u>		<u>120,460</u>	
<b>Current liabilities</b>	6	(154,531)		(176,737)	
<b>Net current liabilities</b>			(81,207)		(56,277)
<b>Total assets less current liabilities</b>			<u>2,212</u>		<u>49,863</u>
<b>Equity</b>					
Retained earnings			2,212		49,863
			<u>2,212</u>		<u>49,863</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 26 July 2019 and are signed on its behalf by:

Mark McLaughlin  
**Director**

**Company Registration No. 03422748**

**LONDON HORIZONS LIMITED**  
**A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	Retained earnings £
<b>Balance at 1 April 2016</b>		569,572
<b>Period ended 31 August 2017:</b>		
Profit and total comprehensive income for the period		272,629
Distributions to parent charity under gift aid	3	(792,338)
<b>Balance at 31 August 2017</b>		49,863
<b>Period ended 31 August 2018:</b>		
Loss and total comprehensive income for the period		(7,651)
Distributions to parent charity under gift aid	3	(40,000)
<b>Balance at 31 August 2018</b>		<u>2,212</u>

# **LONDON HORIZONS LIMITED**

## **A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

#### **1 Accounting policies**

##### **Company information**

London Horizons Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Hackford Road, Stockwell, London, SW9 0RD.

##### **1.1 Accounting convention**

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

The company uses properties owned by the Durand Education Trust (DET) at Hackford Road, London SW9 to operate its business activities. On 22 May 2019, the Secretary of State (SoS) issued a direction to DET requiring it to transfer these assets to the Local Authority by 1 January 2020. If the assets are transferred, it is possible that the Company's permitted use of the properties will be terminated and the company will have to cease its current activities. Whilst the trustees of DET acknowledge the direction from the SoS they have taken legal advice throughout and they continue to challenge the position of the SoS. The legal argument will necessarily take some time to resolve. The Directors of LHL are reassured by the position of the trustees of DET and are therefore confident that the company will be able to continue its activities for the foreseeable future. Therefore, the Directors continue to adopt a going concern basis in preparing these accounts.

##### **1.3 Reporting period**

The prior reporting period was 17 months. A change of the accounting reference date was made in order for the company to align its year end with its parent company, Durand Education Trust. As a result the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

##### **1.4 Revenue**

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts.

##### **1.5 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Property improvements	7 years straight line basis
Fixtures, fittings & equipment	3 - 7 years straight line basis

**LONDON HORIZONS LIMITED**  
**A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1 Accounting policies**

**(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.6 Impairment of non-current assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.7 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

**1.8 Financial instruments**

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

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

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

**Basic financial assets**

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

**LONDON HORIZONS LIMITED**  
**A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**1 Accounting policies**

**(Continued)**

***Classification of financial liabilities***

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

***Basic financial liabilities***

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

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

**1.9 Taxation**

***Current tax***

The company donates all its taxable profits to the Durand Education Trust each year and as such, there is no liability to corporation tax.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 2 (2017 - 3).

**LONDON HORIZONS LIMITED**  
**A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**3 Dividends and distributions**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Distributions to parent charity under gift aid</b>		
Amounts paid	40,000	792,338
	<u>          </u>	<u>          </u>

**4 Property, plant and equipment**

	<b>Land and buildings</b>	<b>Plant and machinery etc</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 September 2017	81,288	76,958	158,246
Additions	-	2,349	2,349
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2018	81,288	79,307	160,595
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation and impairment</b>			
At 1 September 2017	16,219	35,887	52,106
Depreciation charged in the year	11,612	13,458	25,070
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2018	27,831	49,345	77,176
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 August 2018	53,457	29,962	83,419
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2017	65,069	41,071	106,140
	<u>          </u>	<u>          </u>	<u>          </u>

**5 Trade and other receivables**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade receivables	13,249	16,979
Other receivables	27,846	44,701
	<u>          </u>	<u>          </u>
	41,095	61,680
	<u>          </u>	<u>          </u>

**6 Current liabilities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade payables	45,944	21,230
Other payables	108,587	155,507
	<u>          </u>	<u>          </u>
	154,531	176,737
	<u>          </u>	<u>          </u>



**LONDON HORIZONS LIMITED**  
**A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

**7 Audit report information**

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

The auditor's report was unqualified.

**Material uncertainty related to going concern**

We draw attention to note 1.2 in the financial statements, which explains the company's use of various properties owned by Durand Education Trust in order to operate its business activities and the possible termination of the company's use of those properties. As stated in note 1.2, these circumstances indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The senior statutory auditor was Stephen Simou FCA.

The auditor was Citroen Wells.

**8 Related party transactions**

The directors who served during the year Philip Blair and Mark McLaughlin were also directors of Durand Education Trust ('DET'), a charitable company registered in England and Wales and the company's sole member. The company has use under an informal agreement of properties owned by DET for which no charge is made by DET (2017: £Nil). During the year, the company made charitable donations to DET of £40,000 (2017: £792,338). At the year end, there were no outstanding balances between the company and DET.

The school sites at Hackford Road, London and in Midhurst, West Sussex, are owned by the Durand Education Trust (DET). DET is a company limited by guarantee who is also a member of Durand Academy Trust (DAT). The sites were leased by DET to DAT informally for a peppercorn rent, Durand Academy Trust ceased to operate as an on 31 August 2018 after its Funding Agreement was terminated at that date. The former Durand Academy has been renamed Van Gogh Academy and is part of The Dunraven Educational Trust, a multi-academy trust. Durand Academy Trust is now referred to as the Predecessor on the government website. During the year, the company invoiced DAT for the subsidies which it provided to DAT staff and parents on gym membership and staff accommodation and also for the swimming classes provided to pupils totalling £79,895 (2017: £213,554) and was recharged expenses totalling £19,729 (2017: £30,052). At the year end, £404 (2017: £17,799) was owed by DAT to the company.

Sir Gregory Martin is part of the key management team. GMG Educational Support (UK) Limited ('GMGES') and GMG Management Resource UK Limited ('GMGMR') are companies controlled by Sir Gregory Martin, who was also a director of DAT until 31 August 2017. During the period, GMGMR charged the company £300,710 (2017: £428,408) for services provided and performance related management fees. On 1 December 2016, the company terminated the 'agreement for services' contract with GMGMR triggering termination fees of £850,000 of which £320,000 (2017: £405,000) was charged in the year with a further £125,000 remaining to be charged in future periods. At the year end, the company was indebted to GMGMR in the amount of £59,466 (2017: £107,232). During the period, GMGES charged the company £34,792 (2017: £50,857) for services provided. At the year end, the company was indebted to GMGES in the amount of £27,621 (2017: £414).

**9 Parent company**

During the year, the company was under the ultimate control of its sole member, Durand Education Trust, a company incorporated in England and Wales, registered office Hackford Road, Stockwell, London, SW9 0RD.

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