

Company Registration No. 03422748 (England and Wales)

LONDON HORIZONS LIMITED

A COMPANY LIMITED BY GUARANTEE AND HAVING NO SHARE CAPITAL

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2017

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LONDON HORIZONS LIMITED
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LONDON HORIZONS LIMITED
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STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2017

		2017		2016	
	Notes	£	£	As restated £	£
Fixed assets					
Property, plant and equipment	4		106,140		92,977
Current assets					
Trade and other receivables	5	61,680		68,433	
Cash and cash equivalents		58,780		507,254	
		120,460		575,687	
Current liabilities	6	(176,737)		(99,092)	
Net current (liabilities)/assets			(56,277)		476,595
Total assets less current liabilities			49,863		569,572
Equity					
Retained earnings			49,863		569,572

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 31 May 2018 and are signed on its behalf by:

Mark McLaughlin
Director

Company Registration No. 03422748

LONDON HORIZONS LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2017

	Notes	Retained earnings £
As restated for the period ended 31 March 2016:		
Balance at 1 April 2015		32,134
Period ended 31 March 2016:		
Profit and total comprehensive income for the period		601,716
Distributions to parent charity under gift aid	3	(64,278)
Balance at 31 March 2016		569,572
Period ended 31 August 2017:		
Profit and total comprehensive income for the period		272,629
Distributions to parent charity under gift aid	3	(792,338)
Balance at 31 August 2017		49,863

LONDON HORIZONS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2017

1 Accounting policies

Company information

London Horizons Limited is a private company limited by shares 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.

These financial statements for the period ended 31 August 2017 are the first financial statements of London Horizons Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The current reporting period is 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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

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.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 3 (2016 - 3).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2017

3 Dividends and distributions

	2017	2016
	£	£
Distributions to parent charity under gift aid		
Amounts paid	792,338	64,278
	<u> </u>	<u> </u>

4 Property, plant and equipment

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2016	64,825	58,787	123,612
Additions	16,463	18,171	34,634
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2017	81,288	76,958	158,246
	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment			
At 1 April 2016	5,886	24,749	30,635
Depreciation charged in the period	10,333	11,138	21,471
	<u> </u>	<u> </u>	<u> </u>
At 31 August 2017	16,219	35,887	52,106
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 August 2017	65,069	41,071	106,140
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	58,939	34,038	92,977
	<u> </u>	<u> </u>	<u> </u>

5 Trade and other receivables

	2017	2016
	£	£
Amounts falling due within one year:		
Trade receivables	16,979	33,241
Other receivables	44,701	35,192
	<u> </u>	<u> </u>
	61,680	68,433
	<u> </u>	<u> </u>

6 Current liabilities

	2017	2016
	£	£
Trade payables	21,230	33,726
Other payables	155,507	65,366
	<u> </u>	<u> </u>
	176,737	99,092
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

7 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

8 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.

The senior statutory auditor was Stephen Simou FCA.
The auditor was Citroen Wells.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases totalling £nil (2016: £6,016).

10 Related party transactions

The directors who served during the period Philip Blair, Mark McLaughlin and David Buckley 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 a properties owned by DET for which no charge is made by DET (2016: £Nil). During the period, the company made charitable donations to DET of £792,338 (2016: £64,278). At the period end, there were no outstanding balances between the company and DET.

Mark McLaughlin was also a director of Durand Academy Trust ('DAT'), a charitable company registered in England and Wales. During the period, 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 the pupils totalling £213,554 (2016: £140,498) and was recharged expenses totalling £30,052 (2016: £8,316). At the period end, £17,799 (2016: £14,074) was owed by DAT to the company.

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. During the period, GMGMR charged the company £428,408 (2016: £310,327) 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 payable over an eighteen month period. During the period, an amount of £405,000 was payable by the company to GMGMR with remaining balance payable over nine months after the period end. At the year end, the company was indebted to GMGMR in the amount of £107,232 (2016: £30,863). During the period, GMGES charged the company £50,857 (2016: £33,268) for services provided.

11 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2017

12 Prior period adjustment

Reconciliation of changes in equity

	1 April 2015 £	31 March 2016 £
Equity as previously reported	32,134	22,234
Adjustments to prior period		
Reversal of Gift Aid accrual to parent charity	-	547,338
Equity as adjusted	<u>32,134</u>	<u>569,572</u>

Reconciliation of changes in (loss)/profit for the previous financial period

	2016 £
Loss as previously reported	(9,900)
Adjustments to prior period	
Reversal of Gift Aid accrual to parent charity	547,338
Reclassification of Gift Aid payment to parent charity	64,278
Profit as adjusted	<u>601,716</u>

Notes to reconciliation

Reversal and reclassification of Gift Aid accrual and payment to parent charity

Following guidance issued by the Financial Reporting Council in September 2017, it has been clarified that gift aid payments, as distributions to owners, should not be accrued at the reporting date. Instead any gift aid payments should be recognised when paid and as distributions within equity and not as expenses recognised in the income statement. The tax effect of the gift aid payments can however continue to be recognised in the income statement on an accrued basis if the gift aid payment is made within 9 months of the period end.

Therefore in order to follow best accounting practice, the accrued gift aid donation of £547,338 originally shown as payable at 31 March 2016, has been reversed. The charge to the income statement for the year ended 31 March 2016 of £611,616 has also been reversed and replaced with a charge to equity equal to the gift aid paid in that year of £64,278.

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.