

Annual Report

The Local Futures Group Limited

For the year ended 30 June 2018

Registered number: 03375867



The Local Futures Group Limited

Company Information

Directors	D J Dunckley S J Jones J C Riley
Registered number	03375867
Registered office	30 Finsbury Square London EC2A 1AG
Independent auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

The Local Futures Group Limited

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The Local Futures Group Limited

Directors' Report

For the year ended 30 June 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and 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 the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

Principal activity

The Company's principal activity is the charging of royalty fees for the use of intellectual property.

Results and dividends

The profit for the year, after taxation, amounted to £8,016 (2017: £17,958).

An interim dividend of £17,990 was paid during the year (2017: £107,336). The directors do not recommend the payment of a final dividend (2017: £Nil).

The Local Futures Group Limited

Directors' Report (continued) For the year ended 30 June 2018

Directors

The current membership of the board and those who served during the year are as follows:

D J Dunckley (appointed 1 December 2018)
R K Hannah (resigned 1 July 2018)
S J Jones
J C Riley (appointed 1 July 2018)
S V Romanovitch (resigned 30 November 2018)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 7 December 2018 and signed on its behalf.



S J Jones
Director

Independent Auditors' Report to the Members of The Local Futures Group Limited

Opinion

We have audited the financial statements of The Local Futures Group Limited (the 'Company') for the year ended 30 June 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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.

Independent Auditors' Report to the Members of The Local Futures Group Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Independent Auditors' Report to the Members of The Local Futures Group Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

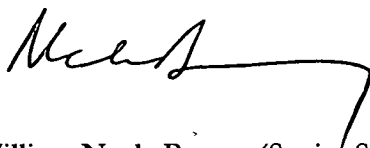
Auditor's responsibilities for the audit of the financial statements

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 auditor's 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.



William Neale Bussey (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

7 December 2018

The Local Futures Group Limited

Statement of Comprehensive Income For the year ended 30 June 2018

	Note	2018 £	2017 £
Turnover	4	9,926	22,102
Gross profit		9,926	22,102
Administrative expenses		(30)	(3)
Operating profit		9,896	22,099
Interest receivable and similar income		-	279
Profit before tax		9,896	22,378
Tax on profit	6	(1,880)	(4,420)
Profit for the financial year		<u>8,016</u>	<u>17,958</u>

There was no other comprehensive income for 2018 (2017: £NIL).

The notes on pages 9 to 13 form part of these financial statements.

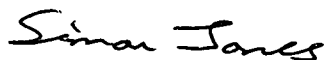
The Local Futures Group Limited

Statement of Financial Position As at 30 June 2018

	Note	2018 £	2018 £	2017 £	2017 £
Current assets					
Debtors: amounts falling due within one year	8	9,926		22,102	
Cash at bank and in hand		84		422	
		<u>10,010</u>		<u>22,524</u>	
Creditors: amounts falling due within one year	9	(1,880)		(4,420)	
Net current assets			8,130		18,104
Net assets			<u>8,130</u>		<u>18,104</u>
Capital and reserves					
Called up share capital	10		114		114
Profit and loss account	11		8,016		17,990
			<u>8,130</u>		<u>18,104</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 December 2018.



S J Jones
Director

The notes on pages 9 to 13 form part of these financial statements.

The Local Futures Group Limited

Statement of Changes in Equity For the year ended 30 June 2018

	Note	Called up share capital	Profit and loss account	Total equity
		£	£	£
At 1 July 2017		114	17,990	18,104
Comprehensive income for the year				
Profit for the year		-	8,016	8,016
Total comprehensive income for the year		-	8,016	8,016
Transactions with owners				
Dividends: Equity capital	7	-	(17,990)	(17,990)
Total transactions with owners		-	(17,990)	(17,990)
At 30 June 2018		114	8,016	8,130
	Note	Called up share capital	Profit and loss account	Total equity
		£	£	£
At 1 July 2016		114	107,368	107,482
Comprehensive income for the year				
Profit for the year		-	17,958	17,958
Total comprehensive income for the year		-	17,958	17,958
Transactions with owners				
Dividends: Equity capital	7	-	(107,336)	(107,336)
Total transactions with owners		-	(107,336)	(107,336)
At 30 June 2017		114	17,990	18,104

The notes on pages 9 to 13 form part of these financial statements.

The Local Futures Group Limited

Notes to the Financial Statements For the year ended 30 June 2018

1. General information

The Local Futures Group Limited ('the Company') is a limited liability company registered in England and Wales. Its registered office and principal place of business is 30 Finsbury Square, London, EC2A 1AG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Revenue

Revenue represents the amounts receivable as royalty fees, exclusive of VAT. Revenue is recognised over the course of the relevant service or royalty agreement.

2.5 Debtors

Short term debtors 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 Local Futures Group Limited

Notes to the Financial Statements For the year ended 30 June 2018

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

No significant judgements and estimates have been used in the preparation of these financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Royalty income	9,926	22,102
	<u>9,926</u>	<u>22,102</u>

The Local Futures Group Limited

Notes to the Financial Statements For the year ended 30 June 2018

5. Auditor's remuneration

Auditor's remuneration is borne by the parent undertaking, Grant Thornton UK LLP. The charge for the year relating to the provision of audit services to the Company was £4,120 (2017: £4,000).

6. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	1,880	4,420
Total current tax	<u>1,880</u>	<u>4,420</u>

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19.00% (2017: 19.75%).

Factors that may affect future tax charges

The tax rate will reduce to 17% from 1 April 2020, this change was substantively enacted on 15 September 2016.

7. Dividends

	2018 £	2017 £
10,000 Ordinary A shares of 1p each		
Dividend per share of £1.799 (2017: £10.73)	<u>17,990</u>	<u>107,336</u>

The Local Futures Group Limited

Notes to the Financial Statements For the year ended 30 June 2018

8. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	9,926	22,102
	<u>9,926</u>	<u>22,102</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Corporation tax	<u>1,880</u>	<u>4,420</u>

10. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
10,000 Ordinary A shares of 1p each	100	100
1,363 Ordinary B shares of 1p each	14	14
	<u>114</u>	<u>114</u>

11. Reserves

Profit and loss account

The Profit and loss account includes all current and prior period retained profits and losses, less dividends paid.

The Local Futures Group Limited

Notes to the Financial Statements For the year ended 30 June 2018

12. Related party transactions

As permitted by FRS 101 related party transactions with wholly owned members of the Grant Thornton UK LLP group have not been disclosed.

13. Controlling party

The Company is controlled by its ultimate parent undertaking Grant Thornton UK LLP, a limited liability partnership incorporated in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by the ultimate parent undertaking Grant Thornton UK LLP. Copies of the group accounts are available from 30 Finsbury Square, London, EC2A 1AG.