

Charity Registration No. 1136362

Company Registration No. 07256996 (England and Wales)

HORIZONS (LONDON) EDUCATION TRUST LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



HORIZONS (LONDON) EDUCATION TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lisa Banks Brendan McShane Michael Joseph Burke Roger Sullivan
Charity number	1136362
Company number	07256996
Registered office	41 Ederline Avenue London England SW16 4RZ
Accountants	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN

HORIZONS (LONDON) EDUCATION TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the company's memorandum and articles of association, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The company's objects are to advance education for the public benefit, in particular the education of young people in Lambeth. In line with these objects, the company made a charitable donation to The London Community Foundation.

Strategies for achieving aims and objectives

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the company should undertake.

Achievements and performance

The Statement of Financial Activities set out on page 4 shows the results for the year.

Total income amounted to £nil (2021 £nil).

The costs incurred relating to its charitable activities were £1,675,934 (2021: £352,071). This included a settlement figure in the amount of £1,612,500 paid to Dunraven Academy Trust. This sum also settled the sum due to Durand Academy Trust at August 2021 in the amount of £186,500. Thus, the net settlement to Dunraven Academy Trust was £1,426,000.

Financial review

The Statement of Financial Position at 31 August 2022 is shown on page 6.

At 31 August 2022 the net book value of fixed assets was nil (2021: £3,227,366) and the movements in fixed assets are shown in note 9 to the accounts.

Reserve Policy

At 31 August 2022, the company's unrestricted reserves comprised funds in the bank plus amounts due from the subsidiary company less the bank loan. The property situated at St Cuthman's, Midhurst, West Sussex was sold during the year and the trust used the proceeds of the sale to settle its outstanding liabilities and to further fund its charitable activities. The company continues to support its trading subsidiary as new income generating activities are explored.

Risk management

The trustees have assessed the major risks to which the company is exposed, and are satisfied that systems are in place to mitigate exposure to those risks.

Plans for the future

Following the sale of St Cuthman's in October 2021 the company has settled with the SoS, the GLD and ESFA. London Horizons Limited was granted a lease by Lambeth Council and continued to operate from the site at Hackford Road. The lease ceased at the end of March 2022 and was not renewed. The Trust is hopeful that it will continue to receive charitable donations from LHL from the new trading activity and will make these sums available in line with its charitable objects. The company has sold the property at St Cuthman's subsequent to the year end and has settled amounts due to Dunraven Education Trust having reached agreement with the ESFA.

HORIZONS (LONDON) EDUCATION TRUST LIMITED⁹

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management

The company is limited by guarantee and was incorporated in England on 18 May 2010 (no. 07256996) and is a registered charity no. 1136362.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mark Adrian McLaughlin (Resigned 26 January 2023)

Brendan McShane

Michael Joseph Burke

Lisa Banks

Roger Sullivan

The number of directors should not be less than two, but (unless otherwise determined by ordinary resolution) is not subject to any maximum. The appointment is subject to any restrictions imposed by the Education Acts. A director is appointed by the company under an ordinary resolution provided that not less than two thirds of the directors support the application.

The company does not have a share capital. Every member of the company undertakes to contribute to the assets of the company, in the event of it being wound up while he/she is a member and for 12 months thereafter, such amounts as may be required, but not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

London Horizon Limited is a 100% subsidiary of the company. In the event of London Horizons Limited being wound up, the company undertakes to contribute £1 to its assets.

Fixed assets

The fixed assets shown on these financial statements are correct as at the reporting date. Following the year end, the sale of the St Cuthman's site has been concluded, and outstanding legal matters have been settled from the proceeds. The company no longer holds any fixed assets.

HORIZONS (LONDON) EDUCATION TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2022**

Going Concern

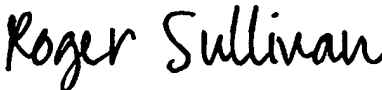
Following the sale of St Cuthman's in October 2021 the company has settled with the SoS, the GLD and ESFA. The proceeds remaining after these settlements and the settling of any other outstanding liabilities will be applied towards the company's charitable objects.

The lease granted to London Horizons Limited by Lambeth Council ceased at the end of March 2022 and was not renewed. The Trust is hopeful that it will continue to receive charitable donations from LHL and will make these sums available in line with its charitable objects

Therefore, the trustees continue to adopt a going concern basis in preparing these accounts.

The trustees' report was approved by the Board of Trustees.

Roger Sullivan
Trustee
Dated: 25 May 2023

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HORIZONS (LONDON) EDUCATION TRUST LIMITED**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
<u>Income from:</u>			
Voluntary income	3	0	0
Investments	4	0	0
Total income		<u>0</u>	<u>0</u>
<u>Expenditure on:</u>			
Charitable activities	5	1,675,934	352,071
Total resources expended		<u>1,675,934</u>	<u>352,071</u>
Net expenditure for the year/ Net movement in funds		(1,675,934)	(352,071)
Fund balances at 1 September 2021		<u>2,257,827</u>	<u>2,609,898</u>
Fund balances at 31 August 2022		<u><u>581,893</u></u>	<u><u>2,257,827</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HORIZONS (LONDON) EDUCATION TRUST LIMITED**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2022**

Year ended 31 August 2021		2021
	Notes	£
<u>Income from:</u>		
Voluntary income	3	0
Investments	4	0
Total income		0
<u>Expenditure on:</u>		
Charitable activities	5	352,071
Fixed assets transferred to The Dunraven Educational Trust		0
Total resources expended		352,071
Net expenditure for the year/ Net movement in funds		(352,071)
Fund balances at 1 September 2020		2,609,898
Fund balances at 31 August 2021		2,257,827

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HORIZONS (LONDON) EDUCATION TRUST LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 AUGUST 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Property, plant and equipment	9		0		3,227,366
Current assets					
Debtors	10	103,673		4,962	
Cash at bank and in hand		501,874			
Current liabilities	10	(23,654)		(974,501)	
Net current assets/(liabilities)			581,893		(969,539)
Total assets less current liabilities			581,893		2,257,827
Income funds					
Unrestricted funds			581,893		2,257,827
			581,893		2,257,827

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

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

The financial statements were approved by the Trustees on 25 May 2023

Roger Sullivan
Trustee

Company Registration No. 07256996

DocuSigned by:
Roger Sullivan
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HORIZONS (LONDON) EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Durand Education Trust is a private company limited by guarantee incorporated in England and Wales. The registered office at the time of approval of the accounts is at 7 Burgoyne Avenue, Wootton, Bedford MK43 9RE. On 2 March 2022 the company changed its name from Durand Education Trust to Horizons (London) Education Trust.

1.1 Accounting convention

The financial statements have been prepared in accordance with the company's [governing document], the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The company is a Public Benefit Entity as defined by FRS 102.

The company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approval of the accounts, all challenges from the Secretary of State (SoS) through the Government Legal Department regarding the affairs of the Trust have been settled. The settlement was made from the proceeds of the sale of St Cuthman's. Following on from this, London Horizons Limited was granted a lease by Lambeth Council which ceased at the end of March 2022.

At the time of approval of the accounts, the directors of London Horizons Limited are pursuing new ventures and anticipate continuing in their operations and being able to gift aid funds to Horizons (London) Education Ltd. Therefore, the trustees continue to adopt a going concern basis in preparing these accounts.

1.3 Charitable funds

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the company at the discretion of the trustees.

There are no longer any Restricted funds held by the company.

1.4 Income

Income is recognised when the company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount.

Properties donated to the company are included in the accounts as incoming resources at the trustees' estimate of the market value of those properties at the time when the gift is made.

Interest is included within the statement of financial activities on a receivable basis.

HORIZONS (LONDON) EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Resources expended are recognised in the period in which they are incurred. They have been classified under headings that aggregate all costs related to that activity.

Governance costs include the costs attributable to the company's compliance with constitutional and statutory requirements, including audit, strategic management and reimbursed expenses.

1.6 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.

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost or valuation, net of depreciation and any provision for impairment. Donated assets are initially recorded at the trustees' estimate of market value at the time the asset is donated.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from donations from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants and donations are credited to either the restricted fixed asset funds or unrestricted funds in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to their respective fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the various assets on a basis consistent with the company's depreciation policy.

Depreciation is provided on the cost or valuation of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives from when they are first brought into use. The annual rates used for each class of asset are:

Freehold land and buildings	not depreciated
Fixtures, fittings & equipment	3 – 7 years on a straight line basis

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 recognised in net income/(expenditure) for the year.

1.7 Impairment of non-current assets

At each reporting 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).

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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, 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 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 in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

HORIZONS (LONDON) EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

1.10 Consolidated financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The gross income of the company and its subsidiary undertaking aggregate to less than £1m after consolidation adjustments and therefore advantage have been taken of the available exemption not to prepare consolidated accounts. These accounts therefore present information about the company as an individual entity and not about its group.

HORIZONS (LONDON) EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical accounting estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical areas of judgement

The accounting policies for tangible assets are set out in note 1.6. The carrying value of fixed assets as at 31 August 2022 was £nil. The estimated useful economic lives of the fixed assets are based on management's judgement and experience. Asset lives and residual values are reviewed regularly and an adjustment is made for any material differences arising from the difference between the actual and estimated useful lives. Historically however any changes to the estimates of useful economic lives of any assets have not been material.

3 Voluntary income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	0	0
	<u>0</u>	<u>0</u>
Donations and gifts		
From London Horizon Limited	0	0
	<u>0</u>	<u>0</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	0	0
	<u>0</u>	<u>0</u>

HORIZONS (LONDON) EDUCATION TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2022****5 Charitable activities**

	Educational activities 2022 £	Educational activities 2021 £
Depreciation and impairment	0	1,368
Governance costs (see note 6)	1,675,934	352,071
	<u>1,675,934</u>	<u>353,439</u>
Analysis by fund		
Unrestricted funds	1,675,934	353,439
Restricted funds	0	0
	<u>1,675,934</u>	<u>256,883</u>

6 Governance costs

	2022 £	2021 £
Charitable Donation	33,000	0
Audit fees	0	0
Legal and professional	193,127	326,876
Net settlement to Dunraven Trust	1,426,000	0
Other costs	<u>23,807</u>	<u>25,195</u>
	<u>1,675,934</u>	<u>352,071</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

8 Employees

Other than the directors, the company had no other employees (2021: none).

HORIZONS (LONDON) EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Property, plant and equipment

	Freehold land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Net Book Value			
At 1 September 2021	3,225,000	2,366	3,227,366
Depreciation and proceeds of sale			
Depreciation in the year to 31 August 2022	0	2,366	2,366
Disposal, proceeds of sale	3,225,000	0	3,225,000
At 31 August 2022	3,225,000	2,366	3,227,366
Carrying amount			
At 31 August 2022	0	0	0
At 31 August 2021	3,225,000	2,366	3,227,366

	2022 £	2021 £
10 Current assets and current liabilities		
Amounts owed (to)/by subsidiary undertakings	103,673	(177,327)
Bank	501,874	4,962
Other payables	(23,654)	(239,273)
Accruals and deferred income	0	(557,901)
	<u>581,893</u>	<u>(969,539)</u>

11 Events after the reporting date

In the year commencing 1 September 2022 the subsidiary company is embarking on a new venture with the support of the parent company. This is with a view to future profitable operations which will allow the subsidiary company to clear any sums due to the parent company after which it will resume donations to the parent company.

12 Related party transactions

During the year no donations were received from the company's subsidiary, London Horizons Limited (LHL) (2021: £nil). At the year end, LHL owed £103,673 to the company. At the end of August 2021 the company owed £177,327 to the subsidiary.

13 Subsidiary

The company is the sole member of London Horizons Limited ('LHL').

LHL is a company limited by guarantee incorporated in the United Kingdom with no share capital. Its principal activities are the running of a leisure centre and the provision of health and sports facilities.