



**helps children
communicate**

Company Registration Number: 890517

**I CAN SERVICES LIMITED
Directors' Report and Financial Statements
for the Year Ended 31 March 2017**

DIRECTORS' REPORT

The Directors present their report and audited financial statements of I CAN Services Limited for the year ended 31 March 2017.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. I CAN Services Limited is therefore exempt from preparing a strategic report.

PRINCIPAL ACTIVITIES

The Company is a wholly owned subsidiary of I CAN Charity, which is a Company limited by guarantee registered in England and a registered Charity. The principal activities of the Company are the supply of educational services for children with speech, language and communication needs. Meath School in Surrey takes day and residential pupils between 4 and 11 years old. Dawn House School is located in Nottinghamshire and takes day and residential pupils between 5 and 19 years old.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY

Principal Office and Registered Office

I CAN Services Limited
31 Angel Gate
Goswell Road
London, EC1V 2PT
T: 020 7843 2510 | F: 020 7843 2569

Company limited by shares
Registered in England
Company Registered Number: 890517

DIRECTORS AND THEIR INTERESTS

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

Mr Mark Richardson - resigned 29.09.16
Mr Patrick Stewart - resigned 18.08.16
Mr Bob Reitemeier CBE - appointed 20.09.16
Mr Stuart Shepley - appointed 07.06.17
Mr Steve Williams - appointed 30.05.17

INSURANCE

The company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

RESULTS

The result for the financial year was £4,988 (2016: £804), before taking account of the covenant to I CAN Charity. The Directors recommended payment of this result to I CAN Charity under the terms of a deed of covenant. Retained earnings carried forward were £11 (2016: £11).

Turnover increased by 4% from £4,849,927 to £5,044,274. The majority of turnover comes from fees for pupils attending the schools. Other income comes from the Education Funding Agency, local authority funded support for specific pupils, residential fees for overnight stays and facilities letting. School income has increased over the year for both schools despite the expected large cohort of leavers in July 2016. This is mainly due to Meath School's success in attracting new pupils and income generated by its outreach programme for local speech and language services, and to Dawn House School recovering costs for 1:1 support for students with particularly complex needs.

Administrative expenses of £95,898 are in line with those incurred in the previous year (£96,194).

The net position resulted in an increase in the Covenant to I CAN Charity from £804 to £4,988.

PERFORMANCE AND FUTURE PLANS

The Directors use KPIs to monitor the development, performance and position of the business. The principal KPI is the number of pupils. During the year an average of 133 (2016: 135) pupils attended I CAN's two special schools. The target was 135 pupils which was set as a stretch target as it was known that a large cohort of pupils would leave Meath at the end of the summer term and it would take time to replace them. The Directors consider this to be a very satisfactory performance.

During 2017-2018 the target is to support, care and educate between 125 and 135 pupils aged 4 to 19 in our two special schools, maintaining Good and Outstanding Ofsted inspection reports in Care and Education. Increased resources continue to be devoted to building closer working relationships with Local Authorities who are most likely to send pupils to our schools.

RISK MANAGEMENT

The following statements summarise the Company's policy in managing identified forms of financial risk:

Price and cost risk

The Company negotiates the prices charged for its educational services with Local Authorities. The prices charged are based on the principles of cost recovery. The agreed prices are factored into our business plans and income forecasts. Costs are controlled by contract negotiations and competitive tendering with suppliers.

Credit Risk

Risk on amounts owed to the Company by its customers is low, as the majority of debtors are Local Authorities.

Liquidity Risk

The Company has no long term borrowings and covers all costs out of current income.

Interest Rate and Cash Flow Risk

The Company keeps a very low level of cash and receives school fees in advance of providing the service.

Operational Risk

Operational risks are identified, assessed and controls established throughout the year. These include vetting procedures as required by law for the protection of the vulnerable.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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" Section 1A, and applicable law). 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, comprising FRS 102 Section 1A, 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.

I CAN Services Limited
Directors' Report & Financial Statements for the Year Ended 31 March 2017

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.

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.

STATEMENT ON DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each director in office at the date the Directors' Report is approved:

- a) So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) The directors have taken all the steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors and signed on its behalf



Steve Williams
Company Secretary

28 June 2017

**I CAN Services Limited
Directors' Report & Financial Statements for the Year Ended 31 March 2017**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I CAN SERVICES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, I CAN Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 March 2017;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER 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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

I CAN Services Limited
Directors' Report & Financial Statements for the Year Ended 31 March 2017

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Guy Flynn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover		5,044,274	4,849,927
Cost of Sales	2	<u>4,943,388</u>	<u>4,752,929</u>
Gross Profit		100,886	96,998
Administrative Expenses		95,898	96,194
Covenant to I CAN Charity		4,988	804
		<hr/>	<hr/>
Result before Taxation	3	-	-
Result for the financial year	4	<u>-</u>	<u>-</u>
Profit after Taxation		-	-
Retained profit brought forward		11	11
Retained profit carried forward	9	<u>11</u>	<u>11</u>

The results for the year are wholly derived from continuing activities.

There are no recognised gains or losses (2016: nil) other than the result for the financial year.

There is no material difference (2016: nil) between the result before taxation and the result for the financial year stated above and both their historical costs equivalents.

The notes on pages 10 to 11 form part of these financial statements.

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BALANCE SHEET AS AT 31 MARCH 2017

	Note	2017 £	2016 £
CURRENT ASSETS			
Debtors	6	687,093	593,825
Cash at Bank and in hand		138	501
		<hr/>	<hr/>
		687,231	594,326
Creditors: amounts falling due within one year	7	687,216	594,311
		<hr/>	<hr/>
NET ASSETS		15	15
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called Up Share Capital	10	4	4
Profit and Loss Account	9	11	11
		<hr/>	<hr/>
TOTAL SHAREHOLDERS' FUNDS	9	15	15
		<hr/>	<hr/>

The notes on pages 9 to 10 form part of these financial statements.

The financial statements on pages 8 to 11 were approved by the Board of Directors on 28 June 2017 and signed on its behalf by:



Steve Williams
Director

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017

1. ACCOUNTING POLICIES

The financial statements have been prepared on the going concern basis in compliance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and the Companies Act 2006. The financial statements have been prepared on the historical cost convention. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Cash flow statement

The Company is a wholly owned subsidiary and the consolidated financial statements in which the Company's results are included are available to the public. It has therefore taken advantage of the exemption conferred by FRS 102 paragraph 1.12(b) not to prepare a cash flow statement. The cash flows are included in the consolidated results of I CAN Charity.

Turnover

Turnover, which arose in the United Kingdom, is represented by school fees, grants from the Education Funding Agency, income from local authorities to support specified pupils and other sources of income generated at the schools such as facilities letting income. The value of invoiced income is exclusive of value added tax and net of cash discounts allowed. Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.

Financial Assets (Debtors) and Financial Liabilities (Creditors)

The company has financial assets and financial liabilities of a kind that qualify as basic financial instruments per FRS 102 section 11. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Where entitlement to income occurs before cash is received, the income is accrued. Deferred Income (Fees in advance) consists of school fees due in advance and is released to turnover into the period for which it relates.

2. COST OF SALES

Costs of sales represents the amount paid to I CAN Charity for operating the schools.

Included in cost of sales are staff costs of £3,800,936 (2016: £3,799,136) recharged from I CAN Charity. These include a notional amount relating to pension costs of £225,995 (2016: £215,525), future obligations for which remain with I CAN Charity.

Staff costs cover an average of 140 employees (2016: 145), wholly engaged in educational activities.

3. RESULT BEFORE TAXATION

Result before taxation is determined after charging:

Auditors' remuneration £4,730 (2016: £4,637).

4. TAX ON RESULT

There is no taxation charge for the year (2016: nil) as the Company had nil profits after taking account of the covenant due to I CAN Charity.

5. DIRECTORS' REMUNERATION

The Directors received no remuneration for their services to the Company (2016: nil). The remuneration for Patrick Stewart and Bob Reitemeier was met by I CAN Charity.

6. DEBTORS

	2017	2016
	£	£
Trade Debtors	687,093	438,867
Amounts owed by parent undertaking	-	154,958
	<u>687,093</u>	<u>593,825</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017 (continued)

7. CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Fees in advance	609,055	594,311
Trade Creditors	8,606	-
Amounts owed to parent undertaking	69,555	-
	<u>687,216</u>	<u>594,311</u>

8. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is I CAN Charity, a Company limited by guarantee and registered in England (company number 99629). Copies of the financial statements can be obtained from I CAN Charity at 31 Angel Gate, Goswell Road, London, EC1V 2PT.

In accordance with paragraph 33.1A of FRS 102, the Company does not need to disclose related party transactions with I CAN Charity, as the results of the Company are included in the consolidated financial statements prepared by the parent undertaking.

There were no transactions with other related parties that require disclosure.

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital	Profit & Loss	Total
	£	Account £	£
At 1 April 2016 and 31 March 2017	<u>4</u>	<u>11</u>	<u>15</u>

10. CALLED UP SHARE CAPITAL

	2017	2016
	£	£
- Authorised		
50,000 (2016: 50,000) ordinary shares of £1 each	50,000	50,000
- Issued		
4 (2016: 4) ordinary shares of £1 each	4	4