



**helps children
communicate**

Company Registration Number: 890517

**I CAN SERVICES LIMITED
Directors' Report and Financial Statements
for the Year Ended 31 March 2018**

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DIRECTORS' REPORT

The Directors present their report and audited financial statements of I CAN Services Limited for the year ended 31 March 2018.

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

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 Bob Reitemeier CBE
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 £167 (2017: £4,988), 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 (2017: £11).

Turnover decreased marginally from £5,044,274 to £5,022,846. 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. As noted above, income generated by our two special schools, Meath and Dawn House, remains stable. This performance has been achieved despite large cohorts of planned leavers in July 2017 at both schools. Both schools continue to attract new pupils, with Dawn House actively developing its provision for pupils with the most complex needs.

Administrative expenses of £100,290 have increased by 5% from those incurred in the previous year (£95,898) due to staff changes.

The net position resulted in a decrease in the Covenant to I CAN Charity from £4,988 to £167.

DIRECTORS' REPORT - CONTINUED

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 131 (2017: 133) pupils attended I CAN's two special schools. This met the target set of between 125 and 135 pupils and was achieved despite a large cohort of planned leavers at both schools in the summer. In addition to our Outstanding rating at Meath, awarded in 2015-16, we renewed our Outstanding rating following an OFSTED visit during the year at Dawn House. We also received Outstanding ratings at both Dawn House and Meath for our yearly Care inspections. The Directors consider this to be a very satisfactory performance.

During 2018-2019 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

DIRECTORS' REPORT - CONTINUED

- 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

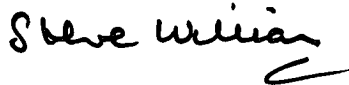
The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 by:



Steve Williams
Company Secretary

1 August 2018

Independent auditors' report to the members of I CAN Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, I CAN Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its result for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report & Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2018 and the profit and loss account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of I CAN Services Limited - continued

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of I CAN Services Limited - continued

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

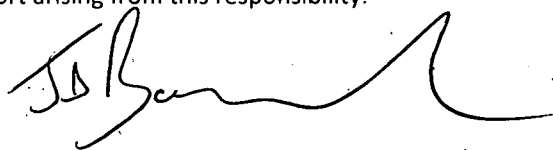
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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 take the small companies' exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Bound (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

1 August 2018

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover		5,022,846	5,044,274
Cost of Sales	2	<u>4,922,389</u>	<u>4,943,388</u>
Gross Profit		100,457	100,886
Administrative Expenses		100,290	95,898
Covenant to I CAN Charity		167	4,988
		<hr/>	<hr/>
Result before Taxation	3	-	-
Tax on result	4	<u>-</u>	<u>-</u>
Result after Taxation		-	-
Retained profit brought forward		11	11
Retained profit carried forward	9	<u><u>11</u></u>	<u><u>11</u></u>

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

There are no recognised gains or losses (2017: nil) other than the result for the financial year.

There is no material difference (2017: nil) between the result before taxation and the result for the financial year stated above and both their historical costs equivalents.

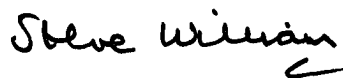
The notes on pages 10 to 11 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018 £	2017 £
CURRENT ASSETS			
Debtors	6	581,697	687,093
Cash at Bank and in hand		9,218	138
		<hr/>	<hr/>
		590,915	687,231
Creditors: amounts falling due within one year	7	590,900	687,216
		<hr/>	<hr/>
NET ASSETS		<u>15</u>	<u>15</u>
CAPITAL AND RESERVES			
Called Up Share Capital	10	4	4
Profit and Loss Account	9	11	11
		<hr/>	<hr/>
TOTAL SHAREHOLDERS' FUNDS	9	<u>15</u>	<u>15</u>

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

The financial statements on pages 10 to 11 were approved by the Board of Directors on 1 August 2018 and signed on its behalf by:



Steve Williams
Director

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

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 £3,842,134 (2017: £3,800,936) recharged from I CAN Charity. These include a notional amount relating to pension costs of £215,601 (2017: £225,995), future obligations for which remain with I CAN Charity.

Staff costs cover an average of 144 employees (2017: 140), wholly engaged in educational activities. Their full time equivalents would be 143 (2017: 140).

3. RESULT BEFORE TAXATION

Result before taxation is determined after charging:

Auditors' remuneration £4,730 (2017: £4,730).

4. TAX ON RESULT

There is no taxation charge for the year (2017: nil) as the Company had nil profits (2017: nil) 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 (2017: nil). The remuneration for Bob Reitemeier and Steve Williams was met by I CAN Charity.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018 (continued)

6. DEBTORS

	2018	2017
	£	£
Trade Debtors	482,892	687,093
Amounts owed by parent undertaking	98,805	-
	<u>581,697</u>	<u>687,093</u>

7. CREDITORS: amounts falling due within one year

	2018	2017
	£	£
Fees in advance	590,900	609,055
Trade Creditors	-	8,606
Amounts owed to parent undertaking	-	69,555
	<u>590,900</u>	<u>687,216</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 (2017: none) with other related parties that require disclosure.

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital	Profit & Loss	Total
	£	Account	£
	£	£	£
At 1 April 2017 and 31 March 2018	<u>4</u>	<u>11</u>	<u>15</u>

10. CALLED UP SHARE CAPITAL

	2018	2017
	£	£
- Authorised		
50,000 (2017: 50,000) ordinary shares of £1 each	50,000	50,000
- Issued		
4 (2017: 4) ordinary shares of £1 each	<u>4</u>	<u>4</u>