

ICAT Limited

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 July 2016

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TABLE OF CONTENTS

	Page
Statutory and other information	1
Report of the directors	2
Independent auditor's report to the members of ICAT Limited	5
Profit and Loss Account and Other Comprehensive Income	7
Statement of Changes in Equity	8
Balance Sheet	9
Notes to the accounts	10

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

STATUTORY AND OTHER INFORMATION

Directors	Mrs M. T. Kent Mrs K. Martin Mr G. D. Evans MBE Mr M. James Mr M. C. Roberts
Company Secretary	Mr M. C. Roberts
Auditor	KPMG LLP
Bankers	Barclays Bank PLC
Registered Office	Colcot Road Barry CF62 8YJ

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

REPORT OF THE DIRECTORS

The directors have pleasure in submitting to the members of ICAT Limited the annual report together with the audited financial statements of the company for the year ended 31 July 2016.

Principal activities

The principal activities of the company are the supply of educational consultancy and short courses, the production, sale and licensing of aviation training materials, the provision of conference facilities and amenities.

Review of business

The overall level of business in the year was broadly similar to the prior year, with a modest increase in turnover achieved whilst changing the mix of the income sources targeted by the company. The company retained the training contract with the Ministry of Defence, and the sale of aviation training materials and licences remained at high levels. The directors consider the results, in a year of transition, to be satisfactory, with the profit before tax on ordinary activities amounting to £89,677 (2015 – £48,428).

The principal risk to the company continues to be the development of competitor products and services, particularly overseas. The company's training materials continued to be developed and revised in collaboration with Cardiff and Vale College to mitigate this risk.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

Prior to the year-end, the members approved the payment of the profit on ordinary activities for the year as Gift Aid to Cardiff and Vale College Further Education Corporation. There is therefore no retained profit for the year (2015 – nil). The current year Gift Aid amount of £89,677 (2015 – £48,428) will be paid to Cardiff and Vale College Further Education Corporation after the approval of the financial statements.

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

REPORT OF THE DIRECTORS (continued)

Directors

The directors of the company who served during the year are named on page 1.

Mrs K. Martin and Mr M. C. Roberts each held, on behalf of Cardiff and Vale Further Education Corporation, a non-beneficial interest in one ordinary share of the company.

All other directors have no interests in the company.

Employment

The company does not employ any staff directly. All staff were employed by Cardiff and Vale College Further Education Corporation with the cost recharged to the company.

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 elected to prepare the financial statements in accordance with UK GAAP, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. 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 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.

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

REPORT OF THE DIRECTORS (continued)

Disclosure of relevant audit information to the auditor

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps (such as making enquiries of other directors and the auditor and any other steps required by the director's duty to exercise due care, skill and diligence) 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 auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Mr M. C. Roberts
Company Secretary

15 December 2016

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

Independent auditor's report to the members of ICAT Limited

We have audited the financial statements of ICAT Limited for the year ended 31 July 2016 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

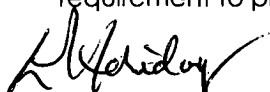
ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

Independent auditor's report to the members of ICAT Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 specified 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



Emma Holiday (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

Date: *16th December 2016*

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2016

	Notes	2016 £	2015 £
TURNOVER	2	360,280	303,832
Cost of sales		(113,571)	(113,070)
		-----	-----
GROSS PROFIT		246,709	190,762
Administrative expenses		(157,032)	(142,334)
		-----	-----
OPERATING PROFIT, BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	89,677	48,428
Taxation	4	(17,935)	(9,685)
		-----	-----
PROFIT FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		71,742	38,743
		=====	=====

The notes on pages 10 to 15 form part of these accounts.

The profit and loss account presents all items of income and expenditure recognised in the year ended 31 July 2016. There are no items of other comprehensive income in the period.

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

STATEMENT OF CHANGES IN EQUITY

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 August 2014	2	11,871	11,873
Profit, being total comprehensive income for the year	-	38,743	38,743
Gift aid payment (note 5)	-	(48,428)	(48,428)
Current tax credit on gift aid payment (note 5)	-	9,685	9,685
	-----	-----	-----
Balance at 31 July 2015	2	11,871	11,873
	-----	-----	-----
Profit, being total comprehensive income for the year	-	71,742	71,742
Gift aid payment (note 5)	-	(89,677)	(89,677)
Current tax credit on gift aid payment (note 5)	-	17,935	17,935
	-----	-----	-----
Balance at 31 July 2016	2	11,871	11,873
	=====	=====	=====

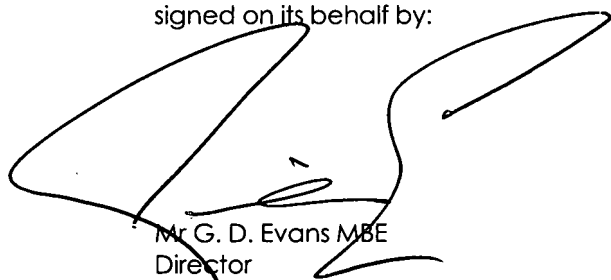
The notes on pages 10 to 15 form part of these accounts

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

BALANCE SHEET AS AT 31 JULY 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	7	-	-
CURRENT ASSETS			
Stocks	8	10,133	9,204
Debtors	9	9,000	2
Cash at bank and in hand		88,994	89,395
		-----	-----
		108,127	98,601
CREDITORS: amounts falling due within one year	10	(96,254)	(86,728)
		-----	-----
NET CURRENT ASSETS, BEING NET ASSETS		11,873	11,873
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account		11,871	11,871
		-----	-----
SHAREHOLDERS' FUNDS		11,873	11,873
		=====	=====

These financial statements were approved by the Board of Directors on 15 December 2016 and were signed on its behalf by:



Mr G. D. Evans MBE
 Director

The notes on pages 10 to 15 form part of these accounts.

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The principal accounting policies adopted are described below.

Accounting convention

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company, and have been prepared under the historical cost convention.

These financial statements for the year ended 31 July 2016 are the first financial statements of ICAT Limited prepared in accordance with FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The date of transition to FRS102 was 1 August 2014. In the transition to FRS 102 from old UK GAAP, the company has made one presentational adjustment to the recognition of gift aid as set out on note 14.

Going concern

The company's forecasts and financial projections indicate it will be able to operate for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Turnover

Turnover is the amount derived from the provision of services during the year and excludes value added tax. Income is recognised to the extent of the completion of the contract or service concerned.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Tangible fixed assets and depreciation

All assets with a cost in excess of £5,000 intended to be of ongoing use to the company in carrying out its activities are capitalised at cost as Fixed Assets. For all tangible fixed assets, depreciation is provided at the following rates in order to write off each asset over its estimated useful life.

Office equipment	-	20%
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Cash flow statement

Under FRS 102 paragraph 1A.17 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the company in its own published consolidated financial statements

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE ACCOUNTS (Continued)

1 ACCOUNTING POLICIES (Continued)

Related Parties

As the company is a wholly owned subsidiary of Cardiff and Vale College, the company has taken advantage of the exemption contained in FRS 102 paragraph 1A.17 and has therefore not disclosed transactions or balances with the parent company.

Financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost, less any impairment losses in the case of trade debtors.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms; then it is measured at the present value of future payments discounted at a market rate of a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances at the bank and cash in hand.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised directly in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related differences, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are recognised as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Critical accounting estimates and judgements

No critical accounting estimates or judgements were required in the preparation of these accounts.

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE ACCOUNTS (Continued)

1 ACCOUNTING POLICIES (Continued)

Gift aid payment presented within shareholders' funds

The ICAEW issued on 31 October 2014 new guidance in relation to the payment of gift aid by subsidiaries. As a result, for the year ended 31 July 2016 and subsequent years, gift aid payment is only recognised as a liability at the year-end to the extent that it has been paid prior to the year end, there is a deed of covenant prior to the year-end or a Companies Act s288 written resolution has been approved by the shareholder in the year to pay the taxable profit for the year to its parent by a certain payment date.

2 TURNOVER

Turnover consists entirely of sales made in the United Kingdom.

3 OPERATING PROFIT

Included in operating profit is the following:

	2016	2015
	£	£
Auditor's remuneration	2,219	2,273
	=====	=====

4 TAXATION

	2016	2015
	£	£
Current tax	17,935	9,685
	=====	=====
Reconciliation of effective tax rate		
Profit before taxation	89,677	48,428
	=====	=====
Tax charge using the UK Corporation tax rate of 20%	17,935	9,685
	=====	=====
Total tax charge included in profit and loss	17,935	9,685
	=====	=====

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The unrecognised deferred tax asset at 31 July 2016 has been calculated based on these rates. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE ACCOUNTS (continued)

5 GIFT AID PAYMENT TO CARDIFF AND VALE COLLEGE FURTHER EDUCATION CORPORATION

	2016 £	2015 £
Gift Aid payment to Cardiff and Vale College Further Education Corporation	89,677	48,428
	=====	=====

The company will make a Gift Aid payment to Cardiff and Vale College Further Education Corporation equivalent to its taxable profits as approved by written resolution of the shareholder.

6 EMPLOYEE INFORMATION AND DIRECTORS' REMUNERATION

The company does not employ any staff under contracts of service. All staff are employed by Cardiff and Vale College Further Education Corporation with the cost recharged to the company. No director received any remuneration in respect of their services as a director of the company.

7 TANGIBLE FIXED ASSETS

	Equipment £	Total £
Cost		
At 1 August 2015	8,670	8,670
Additions	-	-
	-----	-----
At 31 July 2016	8,670	8,670
	-----	-----
Depreciation		
At 1 August 2015	8,670	8,670
Charge for year	-	-
	-----	-----
At 31 July 2016	8,670	8,670
	-----	-----
Net book value at 31 July 2016	-	-
	-----	-----
At 31 July 2015	-	-
	-----	-----

8 STOCKS

	2016 £	2015 £
Finished goods	10,133	9,204
	=====	=====

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	9,000	-
Other debtors	-	2
	-----	-----
	9,000	2
	=====	=====

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE ACCOUNTS (continued)

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	249	120
Other creditors	2,545	32,180
Accruals and deferred income	7,772	6,000
Amounts owed to group undertakings	85,688	48,428
	-----	-----
	96,254	86,728
	=====	=====

11 CALLED-UP SHARE CAPITAL

	2016	2015
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
	===	===
 Allotted, called up and unpaid		
2 ordinary shares of £1 each	2	2
	===	===

12 CONTINGENT LIABILITIES

The company is registered with HM Revenue & Customs as a member of the Cardiff and Vale College Further Education Corporation group for VAT purposes and is jointly and severally liable on a continuing basis for amounts owing by Cardiff and Vale College Further Education Corporation in respect of its VAT liability at any time. The contingent liability as at 31 July 2016 in this regard amounted to £10,792.

13 RELATED PARTY TRANSACTIONS

Exemption has been taken from the disclosure of transactions with Cardiff and Vale College Further Education Corporation and its subsidiaries in accordance with the provision of FRS 102 paragraph 1A.17.

ICAT LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE ACCOUNTS (continued)

14 TRANSITION TO FRS 102

As stated in note 1, these are the company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 July 2016 and the comparative information presented in these financial statements for the year ended 31 July 2015.

In preparing its financial statements under FRS 102, the company has adjusted amounts reported previously in financial statements prepared in accordance with old UK GAAP, its previous basis of accounting. The transition to FRS 102 has not affected the company's financial position for prior years. The effect of the transition to FRS 102 on financial performance reported for the year ended 31 July 2015 is set out below.

	2015
	£
Profit for the year under old UK GAAP	48,428
Change to presentation of taxation on gift aid payments under FRS102 (see below)	(9,685)

Total effect of transition to FRS102	(9,685)

Total profit for the year under FRS102	38,743
	=====

Under FRS 102, gift-aid payments, being distributions, are recognised directly in equity rather than as an expense deducted in arriving at profit, as was the case under old UK GAAP. The associated tax credit is therefore also recognised in equity, offsetting the tax charge on profit which is recognised in profit and loss.

15 ULTIMATE PARENT UNDERTAKING

During the year the whole of the beneficial interest in the share capital of the company was held by Cardiff and Vale Further Education Corporation, a body incorporated under the Further and Higher Education Act 1992 and the company's ultimate parent.

Copies of the financial statements of Cardiff and Vale College Further Education Corporation can be obtained from:

The Clerk to the Governors
Cardiff and Vale College
City Centre Campus
Dumballs Road
Cardiff
CF10 5BF