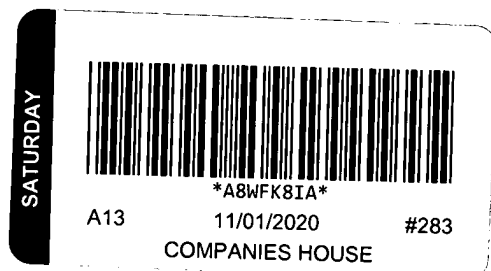


Company registration No: 02734666

ICAT Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019



ICAT LIMITED (COMPANY NUMBER 02734666)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

TABLE OF CONTENTS

	Page
Statutory and other information	1
Report of the directors	2
Independent auditors' report to the members of ICAT Limited	5
Profit and Loss Account	8
Statement of Changes in Equity	9
Balance Sheet	10
Notes to the financial statements	11

ICAT LIMITED (COMPANY NUMBER 02734666)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

STATUTORY AND OTHER INFORMATION

Directors	Mrs K. Martin Mr G. D. Evans MBE Mr M. A. P. James Mr M. C. Roberts
Company Secretary	Mr M. C. Roberts
Independent Auditors	PricewaterhouseCoopers LLP 1 Kingsway, Cardiff, CF10 3PW
Bankers	Santander PLC 3rd Floor, 9 Queen Street, Cardiff, CF10 2UD
Registered Office	One Canal Parade, Dumballs Road, Cardiff, Wales, CF10 5BF

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 2019.

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, and the provision of conference facilities and amenities. The company is a private company limited by shares and is incorporated and registered in Wales.

Review of business

Business activity is lower than in the prior year, with profit before tax for the year of £8,573 (2018: £63,830). This has occurred mainly as a result of the arrangement to provide hand skills training to students from Swansea University coming to an end, as well as a reduction in e-book orders. This reduction in income has been partly offset by growth in other areas of the business, notably in Part 66 distance learning courses and the provision of courseware and exams to Thales at Brize Norton.

Other highlights have been the provision of a blended learning course to aircraft technicians at RAF Linton on Ouse for Babcock International, and enrolling over 30 students on the newly developed Part 66 distance learning courses.

The principal risk to the company now comes from Brexit; it is possible that courseware will become more difficult to sell overseas following the UK's departure from the EU. At present it is unclear how the new EASA and UK CAA relationship will work; however, contingency plans are being made by the company to minimise any Brexit impact where possible.

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.

Dividends

The directors do not recommend a final dividend.

REPORT OF THE DIRECTORS (continued)

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements are named on page 1.

Changes in directors holding office during the year are as follows:

Mrs M. T. Kent – resigned 25 October 2019

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 Annual Report and the financial statements in accordance with applicable law and regulation.

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", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Small Company Provisions

This report has been prepared in accordance with the special provisions relating to Small Companies within Part 15 of the Companies Act 2006. The directors have taken advantage S414B of the Companies Act 2006 and have not presented a strategic report.

ICAT LIMITED (COMPANY NUMBER 02734666)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

REPORT OF THE DIRECTORS (continued)

Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken 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.

Independent Auditors

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

The financial statements were approved by the Board of Directors on 3 December 2019 and signed on its behalf by:



Mr M. C. Roberts
Company Secretary

3 December 2019

Independent auditors' report to the members of ICAT Limited

Report on the audit of the financial statements

Opinion

In our opinion, ICAT Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit 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", 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 July 2019; the Profit and Loss Account, and the Statement of Changes in Equity 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

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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 ICAT 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 Report of the directors, 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.

Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the directors for the year ended 31 July 2019 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 Report of the directors.

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.

ICAT LIMITED (COMPANY NUMBER 02734666)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

Independent auditors' report to the members of ICAT 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: 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.



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

3 December 2019

ICAT LIMITED (COMPANY NUMBER 02734666)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019 £	2018 £
TURNOVER	2	224,496	273,639
Cost of sales		(64,654)	(84,176)
		-----	-----
GROSS PROFIT		159,842	189,463
Administrative expenses		(151,269)	(125,633)
		-----	-----
OPERATING PROFIT, BEING PROFIT BEFORE TAXATION	3	8,573	63,830
Tax on profit	4	-	-
		-----	-----
PROFIT FOR THE FINANCIAL YEAR, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		8,573	63,830
		=====	=====

The notes on pages 11 to 15 form part of these financial statements.

The profit and loss account presents all items of income and expenditure recognised in the year ended 31 July 2019. There are no items of other comprehensive income in the year.

ICAT LIMITED (COMPANY NUMBER 02734666)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019**

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance at 1 August 2018	2	76,229	76,231
Profit for the financial year, being total comprehensive income for the year	-	8,573	8,573
	-----	-----	-----
Balance at 31 July 2019	2	84,802	84,804
	=====	=====	=====

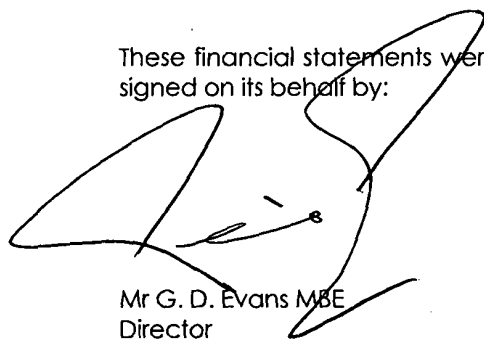
The notes on pages 11 to 15 form part of these financial statements

ICAT LIMITED (COMPANY NUMBER 02734666)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

BALANCE SHEET AS AT 31 JULY 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	6	-	-
CURRENT ASSETS			
Stocks	7	7,519	7,174
Debtors	8	32,732	72,689
Cash at bank and in hand		76,746	10,592
		-----	-----
		116,997	90,455
CREDITORS: amounts falling due within one year	9	(32,193)	(14,224)
		-----	-----
NET CURRENT ASSETS		84,804	76,231
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		84,804	76,231
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account		84,802	76,229
		-----	-----
TOTAL SHAREHOLDERS' FUNDS		84,804	76,231
		=====	=====

These financial statements were approved by the Board of Directors on 3 December 2019 and were signed on its behalf by:



Mr G. D. Evans MBE
 Director

The notes on pages 11 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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.

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 goods and 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%
------------------	---	-----

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.

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 and its wholly owned subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

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.

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 financial statements.

ICAT LIMITED (COMPANY NUMBER 02734666)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 TURNOVER

Turnover consists entirely of sales made in the United Kingdom.

3 OPERATING PROFIT, BEING PROFIT BEFORE TAXATION

Included in operating profit being profit before taxation is the following:

	2019 £	2018 £
Auditors' remuneration- audit fees	4,330	4,204
	=====	=====

4 TAX ON PROFIT

	2019 £	2018 £
Current tax	-	-
	=====	=====
Reconciliation of effective tax rate		
Profit before taxation	8,573	63,830
	=====	=====
Tax charge using the UK Corporation tax rate of 19% (2018: 19%)	1,629	12,128
Effects of:		
Capital allowances	(68)	(82)
Group relief from Element Skills Training Limited	-	(12,046)
Group relief from CF10 Retail Limited	(1,561)	-
	=====	=====
Total tax charge included in profit and loss	-	-
	=====	=====

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

5 EMPLOYEE INFORMATION AND DIRECTORS' REMUNERATION

The company does not employ any staff under contracts of service (2018: none). 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 (2018: none).

ICAT LIMITED (COMPANY NUMBER 02734666)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 TANGIBLE ASSETS

	Equipment £	Total £
Cost		
At 1 August 2018 and 31 July 2019	8,670	8,670
Accumulated Depreciation		
At 1 August 2018 and 31 July 2019	8,670	8,670
	<u>-</u>	<u>-</u>
Net book value at 31 July 2018 and 31 July 2019	-----	-----

7 STOCKS

	2019 £	2018 £
Finished goods	7,519	7,174
	=====	=====

8 DEBTORS

	2019 £	2018 £
Trade debtors	6,852	9,465
Amounts owed by group undertakings	25,878	63,222
Other debtors	2	2
	<u>32,732</u>	<u>72,689</u>
	=====	=====

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	9,463	115
Accruals and deferred income	22,730	14,109
	<u>32,193</u>	<u>14,224</u>
	=====	=====

10 CALLED UP SHARE CAPITAL

	2019 £	2018 £
Authorised		
100 (2018: 100) ordinary shares of £1 each	100	100
	===	===
Alotted, called up and unpaid		
2 (2018: 2) ordinary shares of £1 each	2	2
	===	===

ICAT LIMITED (COMPANY NUMBER 02734666)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 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 2019 in this regard amounted to £836 (2018: £12,071).

12 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.

13 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 5FE