

IC CONSULTANTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2014

(Company number: 2478877)

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IC CONSULTANTS LIMITED

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IC CONSULTANTS LIMITED

Directors, legal and administration details

DIRECTORS:

Dr S Hepworth
Professor P Cawley
Dr A Lawrence
Mrs L Lindsay
Mr. P. F. Docx
Professor N M Adams
Steve Bloom

The following directors resigned during the year:

Mr M Sanderson (Resigned 10/07/2014)
Professor S. M. Richardson (Resigned 10/07/2014)
Professor M. J. Dallman (Resigned 10/07/2014)
Professor J Magee (Resigned 10/07/2014)
Professor D Kelleher (Resigned 10/07/2014)
Professor A Anandalingam (Resigned 10/07/2014)

SECRETARY:

Mrs Victoria Kilcoyne

REGISTERED OFFICE:

Sherfield Building
Imperial College
London
United Kingdom
SW7 2AZ

REGISTERED NUMBER:

2478877

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

BANKERS:

National Westminster Bank Plc
South Kensington Station Branch
18 Cromwell Place
London
SW7 2LB

SOLICITORS:

Mills & Reeve,
Francis House,
112 Hills Road,
Cambridge
CB2 1PH

IC CONSULTANTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements of the company (registered company number: 2478877) for the year ended 31st July 2014.

Principal Activities

The company's principal activities include arranging scientific and technical consultancies, the commercial exploitation of research facilities and project management services

Review of business and future developments

The company's result for the financial year is £nil (2012/13: £nil). The company's operating profit for the year is £9,051,129 (2012/13: £5,303,112). The continued requirement of world class experts in science, technology and medicine bodes well for the company's future.

Strategic report

During the course of the financial year the parent organisation (Imperial College London) made the decision to re-focus the activities of the company on scientific and technical consultancies, rather than project management services and commercial exploitation of research facilities. The parent organisation would like to grow the number of academics taking up consulting opportunities, as a means of translating their research into practical use (creating impact), and making connections to external organisations that can be developed later to more substantive research relationships. At the same time the board of directors was reviewed and changes to meet the new business focus were made.

At the end of the financial year, 9 positions (8 people and 1 vacant position) were transferred from the company to the parent organisation under a TUPE process. Management responsibility for project management services and commercial exploitation of research facilities was also transferred from the company to the parent organisation.

Moving forward the company's revenue is expected to be substantially lower (circa £10m), reflecting the reduced activity on project management services and commercial exploitation of research facilities. The cost base is also expected to be significantly lower, reflecting the lower headcount and lower operating costs associated with the projects activities. The company is still expected to be profitable, and to remain a highly valued subsidiary.

A principal risk related to the transition is a reduction in the willingness of academics to engage with the company, which could result in lower consulting volume. The company and parent organisation are working to reduce this risk.

Charitable donations/ Dividends

A Gift Aid payment of £9,034,690 (2012/13: £3,984,120) is to be made to Imperial College London and a Gift Aid Payment of £114,830 (2012/13: £1,415,723) is to be made to Imperial College Trust in respect of the year ended 31st July 2014. The directors do not propose the payment of a dividend for the year ended 31st July 2014 (2012/13: £nil)

IC CONSULTANTS LIMITED

Directors

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

Mr. P. F. Docx
Professor S. M. Richardson (Resigned 10/07/2014)
Professor M. J. Dallman (Resigned 10/07/2014)
Professor J Magee (Resigned 10/07/2014)
Mr M Sanderson (Resigned 10/07/2014)
Professor D Kelleher (Resigned 10/07/2014)
Professor A Anandalingam (Resigned 10/07/2014)
Dr S Hepworth (Appointed 10/07/2014)
Professor P Cawley (Appointed 10/07/2014)
Dr A Lawrence (Appointed 10/07/2014)
Mrs L Lindsay (Appointed 10/07/2014)
Steve Bloom (Appointed 16/09/2014)
Professor Niall M Adams (Appointed 16/09/2014)

None of the directors in office at the balance sheet date had a beneficial interest in the shares of the company.

Post balance sheet events

No post balance sheet events have occurred since 31st July 2014 which require reporting or disclosing in the financial statements.

Financial risk management

The company's directors have, in conjunction with staff and professional advisers of its ultimate parent group, assessed the major operational and financial risks to which the company is exposed. Systems have been established to mitigate exposure to these risks, including foreign exchange, credit and liquidity risk. The company's directors review these matters and the desirable actions arising from them each year.

Cash flow

The company is a wholly owned subsidiary company of a group headed by Imperial College London and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash flow statements'.

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 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

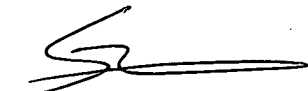
IC CONSULTANTS LIMITED

DIRECTORS' REPORT - continued

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



Dr Simon Hepworth (Chairman)

11 February 2015

IC CONSULTANTS LIMITED

***Independent auditors' report to the members of
IC Consultants Limited***

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 July 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by IC Consultants Limited, comprise:

- the Balance Sheet as at 31 July 2014;
- 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 their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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.

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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of the Directors' Responsibilities, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board'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.



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

14 February 2015

IC CONSULTANTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JULY 2014

(Registered company number: 2478877)

		2013/14	2012/13
	Notes	£	£
TURNOVER		27,580,979	26,043,184
Cost of Sales		<u>(16,215,840)</u>	<u>(18,993,923)</u>
GROSS PROFIT		11,365,139	7,049,261
Administrative expenses		<u>(2,313,879)</u>	<u>(1,746,149)</u>
OPERATING PROFIT	2	9,051,260	5,303,112
Other Interest receivable and similar income		97,097	96,731
Gift aid donation	4	<u>(9,149,520)</u>	<u>(5,399,843)</u>
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,163)	-
Tax on result on ordinary activities (Prior year adjustment)	5	(131)	-
RESULT FOR THE FINANCIAL YEAR		(1,294)	-
PROFIT brought forward		<u>41,987</u>	<u>41,987</u>
PROFIT carried forward		<u>40,693</u>	<u>41,987</u>

All the above relates to continuing activities.

This is no difference between the result on ordinary activities before taxation and the result for the year stated above and their historical cost equivalents.

There were no recognised gains or losses either in the current or preceding year, other than those recorded in the results above, and therefore no separate statement of recognised gains or losses has been presented.

IC CONSULTANTS LIMITED

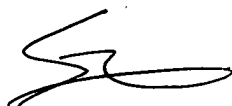
BALANCE SHEET AT 31ST JULY 2014

(Registered company number: 2478877)

	Notes	31 July 2014 £	31 July 2013 £
FIXED ASSETS		-	-
CURRENT ASSETS			
Debtors	7	5,136,384	2,683,562
Cash at bank and in hand		<u>19,870,071</u>	<u>20,720,824</u>
		25,006,455	23,404,386
CREDITORS: Amounts falling due within one year	8	<u>(24,965,760)</u>	<u>(23,362,397)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,695</u>	<u>41,989</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account		<u>40,693</u>	<u>41,987</u>
TOTAL SHAREHOLDERS FUNDS	10	<u>40,695</u>	<u>41,989</u>

The notes on pages 9 to 14 form part of these financial statements.

The financial statements on pages ~~8~~⁷ to 15 were approved by the Board of Directors on 4th November 2014 and signed on its behalf by:



Dr Simon Hepworth
Chairman

Dated: 11 February 2015

IC CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2014

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

a) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting and reporting standards in the United Kingdom.

b) Turnover

Turnover represents amounts invoiced by the company in respect of work carried out by consultants, charges made for commercial use of research facilities and fees charged for managing projects.

Turnover is wholly attributable to the company's main activities, of arranging consultancies, technical consultancy, commercial use of research facilities and project management services and attributed to related undertakings in the United Kingdom.

Turnover is recognised under UK GAAP.

c) Expenditure

Expenditure is recognised in the period to which the goods or services relate.

d) Tangible Fixed Assets

Depreciation is provided on all tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Office equipment	- 25% per annum on cost
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e) Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

f) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

IC CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2014 - continued

2. Operating profit

Profit on ordinary activities before taxation is stated after charging/(crediting) the following:

	2013/14 £	2012/13 £
Auditors' remuneration – external audit services	15,700	12,360
Foreign Exchange differences	167,203	(51,088)
Other operating charges (see below)	2,131,107	1,784,877

Other operating charges

Other operating charges includes an amount of **£1,573,516** (2012/13: £1,437,893) paid to the ultimate holding company in respect of staff (including one director) to administer the company.

3. Staff costs

The aggregate payroll costs, including the remuneration of directors, recharged to the company by the ultimate holding company, were as follows:

	2013/14 £	2012/13 £
Wages and salaries	1,336,964	1,225,758
Social Security costs	147,670	140,480
Other pension costs	88,882	71,655

The monthly average number of persons employed by the company during the year was 29 (2012/13: 27).

Directors' emoluments

The company was charged **£213,290** (2012/13: £210,077) by the holding company for the services rendered by one of the directors and paid fees of **£ nil** (2012/13: £6,000) to one other director. A further fee of **£205,920** (2012/13: £238,560) was paid to one of the directors for consultancy services provided in year.

No retirement benefits are accruing to directors (2012/13: nil) under money purchase (defined contribution) pension schemes.

IC CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2014 - continued

4. Gift aid donation

	2013/14 £	2012/13 £
Gift Aid payment	9,149,520	5,399,843

5. Tax on result on ordinary activities

No corporation tax liability arises due to the elimination of taxable profit through gift aid payments made. (2012/13: £nil).

There was a charge for the prior year which was identified and paid this year

	2013/14 £	2012/13 £
Current tax charge:		
UK Corporation tax	-	-
Prior year adjustment	131	-

	2013/14 £	2012/13 £
Result on ordinary activities before tax	-	-

The tax assessed for the year is the same (2012/13 the same) as the standard rate of corporation tax in the UK

Effects of:

Expenses not deductible for tax purposes	-	-
Depreciation in excess of capital allowances	-	-
Other timing differences	-	-
Current tax charge	-	-

IC CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2014 - continued

6. Tangible fixed assets

	Office equipment £	Total £
Cost		
At 1st August 2013 and 31 st July 2014	26,914	26,914
Accumulated Depreciation		
At 1st August 2013	26,914	26,914
Charge for the year	-	-
At 31st July 2014	26,914	26,914
Net Book Value	-	-
At 31st July 2014	-	-
At 31st July 2013	-	-

7. Debtors

	31 July 2014 £	31 July 2013 £
Trade debtors	4,334,447	2,556,681
Amount owed by group undertaking	801,937	126,881
	<u>5,136,384</u>	<u>2,683,562</u>

IC CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2014 - continued

8. Creditors: Amounts falling due within one year:

	31 July 2014 £	31 July 2013 £
Trade creditors	111,730	180,884
Amounts owed to group undertaking	9,149,345	5,494,387
Other creditors including taxation and social security	1,336,833	5,829,730
Accruals & Deferred Income	14,367,852	11,857,396
	<u>24,965,760</u>	<u>23,362,397</u>

Other creditors include a balance relating to cash amounts held on behalf of a project that is currently in process. Any unspent balance is due back to the client.

9. Called Up Share capital

	31 July 2014 £	31 July 2013 £
Authorised:		
1,000 (2013:1,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, Called up and fully paid:		
2 (2013: 2) Ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Equity shareholder's funds

	£
Balance at 1st August 2013	41,989
Result for the financial year	(1,294)
Balance at 31st July 2014	<u>40,695</u>

11. Post balance sheet events

There have been no significant events since the balance sheet date that have not been disclosed in the financial statements.

12. Ultimate holding company, control and related party transactions

In the opinion of the directors the ultimate controlling and holding company is the Imperial College of Science, Technology and Medicine, a body incorporated in England by Royal Charter.

The company results are incorporated in the consolidated financial statements of Imperial College London which are published in the United Kingdom. These can be obtained from Imperial College Ltd, South Kensington Campus, Exhibition Road, London SW7 2AZ. As the company is a 100% subsidiary it has taken advantage of the exemption from disclosure of related party transactions as allowed by Financial Reporting Standard 8.