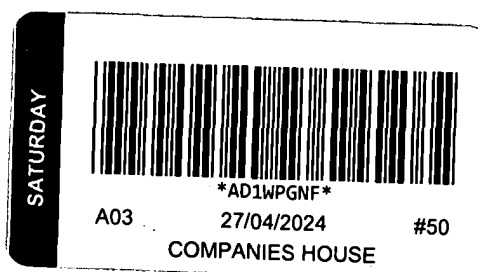


Environmental
Innovation
Centre

Icon East Midlands (Limited by Guarantee)

Annual Report and Financial Statements for Year Ended 31 July 2023

Company Number: 06488678



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Directors and Professional Advisors for the Year Ended 31 July 2023

Directors

Janet Baines

Nick Allen – Appointed 27 October 2022

Independent Auditor

MHA

Moorgate House

201 Silbury Boulevard

Milton Keynes

Buckinghamshire

MK9 1LZ

Banker

Lloyds Banking Group

Black Horse House

Progression Centre

42 Mark Road

Hemel Hempstead

Hertfordshire

HP2 7DE

Company Address

Icon East Midlands

Vice Chancellors Office

University of Northampton

University Drive

Northampton

NN1 5PH

Directors' Report for the Year Ended 31 July 2023

The directors present the annual report and audited financial statements for the year ended 31 July 2023 and report thereon. The directors and professional advisors' information on page 2 forms part of this report.

Incorporation

The Company is registered in England under the Company number 06488678. The Company is a wholly owned subsidiary of The University of Northampton Higher Education Corporation.

Principal activities

Icon East Midlands is incorporated in England as a not-for-profit entity, with the specific purpose of benefiting people that live within the area of responsibility of the East Midlands Development Agency.

The principal activity during the year has been to continue to hold the freehold of the Icon Innovation Centre building in Daventry and to lease it to Icon Operations Limited for onward rental of office space to tenants. However, as explained in note 9 to the financial statements, a decision was made by the directors during 2021/22 to sell the Icon Building, the sale is expected to complete in early 2024. Once the building sale is completed it is the intention of the directors that Icon East Midlands will cease trading.

Directors and Officers

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

Janet Baines

Nick Allen – Appointed 27 October 2022

Mark Hall – Resigned 27 October 2022

The above directors had no interest in the share capital of the Company. No director has been granted a right to subscribe for additional shares or debentures. In accordance with the Articles of Association of the Company, none of the directors are required to retire by rotation.

Review of the Results for the Year and Future Outlook

Details of the results for the year are given on page 12 of the financial statements. The company continues to make a reasonable operating profit from its activities.

Directors' Report for the Year Ended 31 July 2023 (continued)

A decision was made by the directors to sell the Icon building to Goodwill Solutions CIC during 2021/22 however Government approval via Homes England was not granted until 2022/23. The directors are hopeful that the sale will complete by the end of July 2024. Once the sale has completed the directors intend for Icon East Midlands to cease trading. The directors are preparing the accounts on a non-going concern basis.

Significant Events Since the Balance Sheet Date

The University intends to sell the Icon building to Goodwill Solutions CIC, due to the restrictive covenants in place the sales process is protracted, and the directors cannot estimate with certainty how long this process will take. Once this sale is completed Icon East Midlands will be closed and any assets will be transferred to the University. At the point of preparing these financial statements legal documents have been signed and exchanged regarding the sale of the building, however the sale is expected to complete in early 2024 therefore the accounts are being prepared on a non-going concern basis.

Proposed Dividends

The directors recommend that no dividend be paid for the year.

Political and Charitable Contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2021/22: £nil).

Significant Risks and Uncertainties

The University has adopted a living with Covid-19 pandemic strategy and continues to have a well-developed approach to incident management, which was implemented for the crisis. Despite the many challenges presented during the pandemic, the senior executive team have executed a clear strategy to enable the University and its subsidiaries to carry on providing services while protecting our students, customers and staff.

The company is expected to cease trading within the next 12 months therefore the financial statements are prepared on a non-going concern basis.

Directors' Report for the Year Ended 31 July 2023 (continued)

The key business risk of the company is the continued occupancy levels of the building, which affects the subsequent valuation. The management team, work with prospective new start-up companies and other smaller established businesses to help drive new business opportunities at the Icon Building and pass on new tenants for Icon Operations to manage.

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 Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK, and Republic of Ireland (FRS 102), 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 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. As explained in note 1.2 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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. The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the

Directors' Report for the Year Ended 31 July 2023 (continued)

Statement of Directors' Responsibilities (continued)

preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small Company Provision

This report has been prepared in accordance with the provision for small companies under Part 15 of the Companies Act 2006.

Directors Indemnities

The company maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of signing the financial statements.

Independent Auditor

A resolution was made to appoint MHA as auditors of the Company on 15 November 2023 by the Board of Governors in accordance with section 485 of the Companies Act 2006. This resolution was made electronically outside the formal Board of Governors meeting as the appointment was time critical. BDO LLP resigned as auditors in accordance with section 516 of the Companies Act 2006.

Statement of Disclosure of Information to Auditors

At the date of making this report, each of the Company's directors, as set out on page 3, confirms the following:

- so far as each director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

On behalf of the Board

DocuSigned by:

Janet Baines

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Janet Baines, Director - Date: 25 April 2024

Icon East Midlands, Office of Vice Chancellor, University of Northampton, University Drive,

Northampton, NN1 5PH

Icon East Midlands - Company Number: 6488678
Year Ended 31 July 2023

Independent Auditor's Report to the Members of Icon East Midlands

Opinion

We have audited the financial statements of Icon Operations Limited (the 'Company') for the year ended 31 July 2023, which comprise the Statement of Comprehensive Income, the Statements of Changes in Reserves, the Balance Sheet and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2023 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 9 in the financial statements, which indicates that the Directors intend to cease trading once the sale of the Icon building has completed and therefore do not consider that the Company is a going concern. Accordingly financial statements have been prepared on a basis other than that of going concern as described in note 1.2. Our opinion is not modified in respect of this matter.

Independent Auditor's Report to the Members of Icon East Midlands (Continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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

Independent Auditor's Report to the Members of Icon East Midlands (Continued)

- 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

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, and for such internal control as the directors 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.

Auditor 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.

Independent Auditor's Report to the Members of Icon East Midlands (Continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;

Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;

- Reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.


Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Independent Auditor's Report to the Members of Icon East Midlands (Continued)

Use of our report

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 Auditors' 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.

DocuSigned by:

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Elizabeth Newell BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditors

Milton Keynes

Date: 25 April 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Statement of Comprehensive Income for the Year Ended 31 July 2023

	Note	2023	2022
		£	£
Turnover		15,000	15,000
Administrative expenses		(9,329)	(5,845)
Operating Profit	2	5,671	9,155
Impairment of investment	5	-	(1,625,000)
Interest receivable and similar income		1,487	-
(Loss)/Profit before taxation		7,158	(1,615,845)
Tax on Profit	4	-	-
(Loss)/Profit for the financial year		7,158	(1,615,845)
Other comprehensive income			-
Total comprehensive income for the year		7,158	(1,615,845)

As disclosed in note 9 the Company is expected to cease trading during the next 12 months.

Statement of Changes in Reserves for the Year Ended 31 July 2023

	Profit and loss account	Total Funds
	£	£
At 01 August 2021	1,999,934	1,999,934
Total comprehensive income for the year	(1,615,845)	(1,615,845)
At 31 July 2022	384,089	384,089
Total comprehensive income for the year	7,158	7,158
At 31 July 2023	391,247	391,247

The profit and loss account includes all current and prior year retained profit and losses.

Balance Sheet as at 31 July 2023

	Note	2023	2022
		£	£
Fixed Assets			
Investment property	5	250,000	250,000
		250,000	250,000
Current Assets			
Debtors: amounts due within one year	6	3,897	2,619
Cash at bank and in hand		146,350	136,470
		150,247	139,089
Creditors: amounts falling due within one year	7	(9,000)	(5,000)
Net current assets		141,247	134,089
Total assets less current liabilities		391,247	384,089
Creditors			-
Amounts due after one year			
Net assets		391,247	384,089
Capital and Reserves			
Profit and loss account		391,247	384,089
Total funds		391,247	384,089

The financial statements on pages 12 to 21 were approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

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Janet Baines

Director

Date 25 April 2024

Notes to the Financial Statements for the Year Ended 31 July 2023

1.0 Statement of Principal Accounting Policies for the Year Ended 31 July 2023

1.1 General Information

Icon East Midlands holds the freehold of the Icon Innovation Centre building in Daventry and leases it to Icon Operations Limited for onward rental of office space to tenants.

The company is a private company limited by guarantee and is incorporated in England and Wales under the Companies Act 2006. The address of the registered office is University of Northampton, University Drive, Northampton, NN1 5PH.

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

As described more fully in the Directors Report on page 3, following the decision made to sell the Icon Building, the Directors have taken the decision that the company has no alternative other than to cease trading. As a result, the directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. Last year end a material adjustment to reduce the valuation of the investment property to the sales value was made as a result of ceasing to apply the going concern basis.

Going Concern

A decision was made by the directors to sell the Icon building to Goodwill Solutions CIC during 2021/22. Government approval was received via Homes England during 2022/23. The directors are hopeful that the sale will complete in early 2024. Once the sale has completed the directors intend for Icon East Midlands to cease trading. The financial statements are prepared on a non-going concern basis.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

1.3 Exemptions for Qualifying Entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of exemptions from the following requirements:

- a. Section 7 Statement of Cash Flows.
- b. Section 3 Financial Statement Presentation paragraph 3.17(d).
- c. Section 11 Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).
- d. Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.
- e. Section 26 Share-based Payment paragraphs 26.18(b), 26.19 – 26.21 and 26.23.
- f. Section 33 Related Party Disclosures paragraph 33.7.

1.4 Investment Property

Investment properties are measured initially at cost. After initial recognition, investment properties are measured and carried at fair value.

The property (Icon Building) is for external use.

Fair value is based on valuation performed by an appointed independent registered valuer, taking into account factors such as the property growth and market in the surrounding area. The fair value of the investment properties reflects the market conditions at the balance sheet date. Changes in fair values are recorded in the Statement of Comprehensive Income.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

1.5 Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

No provision has been made for deferred tax on the grounds that the investment property decreased in value during the year and, therefore, the company does not propose to recognise a deferred tax asset.

1.6 Recognition of Turnover

Turnover represents charges to external customers for services delivered exclusive of Value Added Tax and trade discounts.

Turnover in respect of rental income is recognised on a straight-line basis over the period in which the property is leased. Any lease incentives are spread over the term of the lease.

Investment income is recorded in income on a receivable basis.

1.7 Contingent Liabilities

A contingent liability arises from a past event that gives the company a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Company. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

1.8 Critical Judgements and Significant Estimates

The Company have made assumptions in the determination of the fair value of an investment property in respect of the state of the property market in the location where the property is situated and in respect of the range of reasonable fair value estimates of the asset. The valuation as at the reporting date is stated in note 5.

2.0 Operating Profit

	2023	2022
	£	£
Turnover is from rental income from Icon Operations Ltd	15,000	15,000
Operating profit is stated after charging Auditors' remuneration in respect of the audit of the company's financial statements (exclusive of VAT)	7,000	5,000

The company had no employees and 2 directors during the year (2021/22: nil and 2).

3.0 Directors and Employees Emoluments

The directors received no emoluments from the Company during the year (2021/22: £nil).

4.0 Taxation

Recognised in the Statement of Comprehensive Income

	2023	2022
	£	£
Current tax expense	-	-
Adjustment in respect of previous years	-	-
	-	-

Deferred Tax

There is currently £nil deferred tax to be recognised.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

Current Tax Reconciliation

	2023	2022
	£	£
(Loss) / Profit before tax for the year	7,158	(1,615,845)
Theoretical tax at UK Corporation tax rate of 19% (2020/21: 19%)	1,361	(307,011)
Effects of:		
Non – taxable income	-	(14,250)
Impairment Loss	-	323,000
Deferred tax movements	(1,361)	(1,739)
	-	-

No provision has been made for deferred tax on the grounds that the investment property has suffered an overall impairment loss and decreased in value, therefore, the Company does not propose to recognise a deferred tax asset. The unrecognised deferred tax is £22,798 (2021/22: £24,587). Unrecognised deferred tax is calculated at a rate of 25% in respect of timing differences which are expected to reverse on or after 01 April 2024.

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

5.0 Investment Property

	Investment Property
	£
Historical Cost	
As at 01 August 2022 and 31 July 2023	7,933,811
Accumulated fair value movements	
As at 01 August 2022	7,683,811
Fair Value movement	-
As at 31 July 2023	7,683,811
Fair value	
As at 31 July 2022	250,000
As at 31 July 2023	250,000

An external valuation of the company's Land and Buildings as at 31 July 2023 was carried out by Gerald Eve LLP, Chartered Surveyors. The valuation has been prepared in accordance with Royal Institution of Chartered Surveyors Valuation Standards, valuing on the basis of an investment property and taking into account factors such as the property growth and market in the surrounding area. The resulting valuation was £1,000,000 (2020/21: £1,950,000). We have maintained the fair value of £250k as the proposed sale to Goodwill Solutions for an agreed price of £250k has progressed and we are confident the sale will be complete withing the 2023/24 financial year.

The investment property is leased to Icon Operations Limited under an operating lease for a rental of £15k (2021/22: £15k) per annum plus profit share.

6.0 Debtors – amounts falling due within one year

	2023	2022
	£	£
VAT Debtor	1,065	100
Accrued Income	212	-
Amounts owed by group undertakings	2,619	2,519
As at 31 July 2023	3,896	2,619

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

7.0 Creditors: amounts falling due within one year

	2023	2022
	£	£
Creditors accrual	9,000	5,000

8.0 Related Party Transactions

In line with the exemption in FRS 102, no disclosure has been made of the transactions between the company and other wholly owned group companies.

The company intends to sell the Icon Building to Goodwill Solutions CIC, the parent entity owns a 20% share in Goodwill Solutions CIC. Further details are disclosed in Notes 5 and 9.

9.0 Post Balance Sheet Events

A decision was made by the directors to sell the Icon building to Goodwill Solutions CIC during 2021/22 however Government approval via Homes England was not granted until 2022/23. The directors are hopeful that the sale will complete in early 2024. Once the sale has completed the directors intend for Icon East Midlands to cease trading.

10.0 Ultimate Parent Company

The immediate and ultimate parent undertaking is The University of Northampton Higher Education Corporation. The consolidated financial statements of the University are publicly available from:

The University of Northampton Higher Education Corporation
University Drive
Northampton
NN1 5PH