

ICON BUSINESS CENTRE (LEEDS) LIMITED
FINANCIAL STATEMENTS
31 JULY 2011

WEDNESDAY



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COMPANIES HOUSE

HOBSONS
Chartered Accountants
Statutory Auditor
Alexandra House
43 Alexandra Street
Nottingham
NG5 1AY

ICON BUSINESS CENTRE (LEEDS) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

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ICON BUSINESS CENTRE (LEEDS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

MJ Chicken
L Patterson
MJH Proctor
A Taraz

Company secretary

A Taraz

Registered office

35 Grosvenor Street
Mayfair
London
W1K 4QX

Auditor

Hobsons
Chartered Accountants
Statutory Auditor
Alexandra House
43 Alexandra Street
Nottingham
NG5 1AY

Solicitors

Howard Kennedy
Solicitors
19 Cavendish Square
London
W1A 2AW

ICON BUSINESS CENTRE (LEEDS) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JULY 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 July 2011

PRINCIPAL ACTIVITIES

The company was incorporated on 17 July 2008 and commenced trade as of 7 August 2008. The principal activity of the company during the period was the provision of serviced offices.

DIRECTORS

The directors who served the company during the year were as follows

MJ Chicken
L Patterson
MJH Proctor
A Taraz

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 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ICON BUSINESS CENTRE (LEEDS) LIMITED

THE DIRECTORS' REPORT *(continued)*

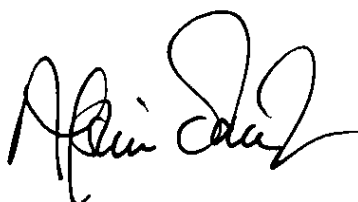
YEAR ENDED 31 JULY 2011

SMALL COMPANY PROVISIONS

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

Registered office
35 Grosvenor Street
Mayfair
London
W1K 4QX

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'A Taraz', written over a horizontal line.

A TARAZ
Company Secretary

Approved by the directors on 28 October 2011

ICON BUSINESS CENTRE (LEEDS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ICON BUSINESS CENTRE (LEEDS) LIMITED

YEAR ENDED 31 JULY 2011

We have audited the financial statements of Icon Business Centre (Leeds) Limited for the year ended 31 July 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 2, 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1, concerning the ongoing lease negotiations to approve a deed of variation with the landlord and bank covering future rental liabilities of the company. These ongoing negotiations indicate the existence of a material uncertainty, which casts doubt on the company's ability to continue as a going concern for the foreseeable future, defined as being no less than twelve months from the date upon which the financial statements were signed.

The financial statements do not include any adjustments that would be required should the company be unable to continue as a going concern.

ICON BUSINESS CENTRE (LEEDS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ICON BUSINESS CENTRE (LEEDS) LIMITED *(continued)*

YEAR ENDED 31 JULY 2011

OPINION ON OTHER MATTERS 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

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

James Scully FCA (Senior Statutory Auditor)

For and on behalf of Hobsons

Chartered Accountants and

Statutory Auditors

Alexandra House

43 Alexandra Street

Nottingham

NG5 1AY

31 October 2011

ICON BUSINESS CENTRE (LEEDS) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2011

	Note	2011 £	2010 £
TURNOVER		1,393,638	992,776
Cost of sales		<u>(149,252)</u>	<u>(74,670)</u>
GROSS PROFIT		1,244,386	918,106
Administrative expenses		<u>(1,170,204)</u>	<u>(910,925)</u>
OPERATING PROFIT	2	74,182	7,181
Interest receivable		8	4
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>74,190</u>	<u>7,185</u>
Tax on profit on ordinary activities	3	2	(104)
PROFIT FOR THE FINANCIAL YEAR		<u>74,192</u>	<u>7,081</u>
Balance brought forward		33,806	26,725
Balance carried forward		<u>107,998</u>	<u>33,806</u>

The notes on pages 8 to 12 form part of these financial statements

ICON BUSINESS CENTRE (LEEDS) LIMITED

BALANCE SHEET

31 JULY 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Intangible assets	4	—	—
Tangible assets	5	182,318	93,368
		<u>182,318</u>	<u>93,368</u>
CURRENT ASSETS			
Debtors	6	616,955	335,161
Cash at bank		144,251	65,578
		<u>761,206</u>	<u>400,739</u>
CREDITORS: Amounts falling due within one year	7	(834,929)	(444,711)
NET CURRENT LIABILITIES		<u>(73,723)</u>	<u>(43,972)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>108,595</u>	<u>49,396</u>
CREDITORS: Amounts falling due after more than one year	8	(595)	(15,588)
NET ASSETS		<u>108,000</u>	<u>33,808</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	2	2
Profit and loss account		107,998	33,806
SHAREHOLDERS' FUNDS		<u>108,000</u>	<u>33,808</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 28 OCTOBER 2011 and are signed on their behalf by



MJ CHICKEN
Director

Company Registration Number 6649857

The notes on pages 8 to 12 form part of these financial statements

ICON BUSINESS CENTRE (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going concern

As detailed further in note 9, the company was set up to take over the serviced office function from a previous tenant who had gone into administration. The assignment of the lease from the former tenant has been completed but is subject to ongoing negotiations with regards to a deed of variation, the terms of which have yet to be finalised between the landlord and the bank. The variation is expected to involve a substantial rent reduction to reflect the fact that only part of the building is occupied or in use whereas all of the landlords building and maintenance costs are being met.

Furthermore, rental payments to the landlord have been provided in the accounts in accordance with the current proposal for the deed of variation as detailed in note 9. Rent free and reduced rental periods in the early years of the agreement have not been spread across the expected life of the agreement, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) because of the lack of certainty over the terms and length of the agreement. In the directors' opinion, it is more appropriate in the circumstances of the company to provide for the lease rentals on an actual basis as the liability accrues over time.

In preparing the financial statements, the directors have taken into account all information that they believe could reasonably be expected to be available. On the basis that the bank and landlord will continue to support the Icon group, they consider that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result should continuing financial support cease to be available.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Purchased Goodwill - 25% straight line (after impairment)

ICON BUSINESS CENTRE (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

1. ACCOUNTING POLICIES *(continued)*

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings - 20% straight line

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. OPERATING PROFIT

Operating profit is stated after charging

	2011 £	2010 £
Directors' remuneration	—	—
Amortisation of intangible assets	—	44,808
Depreciation of owned fixed assets	29,510	15,826
Depreciation of assets held under hire purchase agreements	12,280	12,280
Auditor's fees	3,000	2,650

ICON BUSINESS CENTRE (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

3. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2011 £	2010 £
Current tax		
UK Corporation tax based on the results for the year at 20 67% (2010 - 21%)	-	361
(Over) provision in prior years	(2)	(257)
Total current tax	<u>(2)</u>	<u>104</u>

4. INTANGIBLE FIXED ASSETS

	Purchased Goodwill £
COST	
At 1 August 2010 and 31 July 2011	<u>112,308</u>
AMORTISATION	
At 1 August 2010 and 31 July 2011	<u>112,308</u>
NET BOOK VALUE	
At 31 July 2011	-
At 31 July 2010	-

5. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
COST	
At 1 August 2010	140,939
Additions	130,740
At 31 July 2011	<u>271,679</u>
DEPRECIATION	
At 1 August 2010	47,571
Charge for the year	41,790
At 31 July 2011	<u>89,361</u>
NET BOOK VALUE	
At 31 July 2011	<u>182,318</u>
At 31 July 2010	<u>93,368</u>

Hire purchase agreements

Included within the net book value of £182,318 is £24,560 (2010 - £36,840) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £12,280 (2010 - £12,280).

ICON BUSINESS CENTRE (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

6. DEBTORS

	2011	2010
	£	£
Trade debtors	148,393	67,303
Amounts owed by group undertakings	2,816	—
Other debtors	465,746	267,858
	<u>616,955</u>	<u>335,161</u>

7. CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Trade creditors	153,669	139,567
Amounts owed to group undertakings	—	961
Corporation tax	—	361
Other taxation	68,406	36,148
Hire purchase agreements	14,993	16,534
Other creditors	597,861	251,140
	<u>834,929</u>	<u>444,711</u>

Hire purchase liabilities are secured over the assets to which they relate

8. CREDITORS: Amounts falling due after more than one year

	2011	2010
	£	£
Hire purchase agreements	<u>595</u>	<u>15,588</u>

9. OPERATING LEASE

Icon Business Centre (Leeds) Limited ("Icon") was set up to acquire the serviced office operation at the property it occupies at Thorpe Park, Leeds as a result of the former tenant going into administration. Icon has occupied this property since 7 August 2008.

The assignment of the lease from the former tenant was completed but has been subject to a deed of variation the terms of which have not yet been finalised with the landlord and the bank.

The current proposals envisage annual rent for the years to 31 July 2009, 2010 and 2011 to be £nil, £272,000 and £456,000 respectively.

ICON BUSINESS CENTRE (LEEDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

10. RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY

The directors do not consider there to be an ultimate controlling party

As at the balance sheet date, and included in debtors is £2,816 (2010 £961 creditor) owed by the immediate parent company, Icon Business Centres Limited ("Icon 2") This balance has arisen due to the provision of management services by Icon 2 during the period amounting to £235,000 (2010 £143,675)

As at the balance sheet date, and included within other creditors, is an amount of £190,319 (2010 £73,500 other debtors) owed to the landlord of the property that Icon occupies, Merchant Place Property Partnership 49 ("MPPP49") This represents the rent liability less cash advances by the company to meet landlord costs Icon and MPPP49 are related, as both A Taraz and MJ Chicken are directors of Icon and of the general partner company of MPPP49

11. SHARE CAPITAL

Authorised share capital:

	2011	2010
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Icon Business Centres Limited a company incorporated in the UK