

**ICON BUSINESS CENTRE (LEEDS) LIMITED**  
**FINANCIAL STATEMENTS**  
**31 JULY 2009**



# **ICON BUSINESS CENTRE (LEEDS) LIMITED**

## **FINANCIAL STATEMENTS**

**PERIOD FROM 17 JULY 2008 TO 31 JULY 2009**

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# **ICON BUSINESS CENTRE (LEEDS) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **The board of directors**

M J Chicken  
L Patterson  
M J H Proctor  
A Taraz

### **Company secretary**

A Taraz

### **Registered office**

3 New Burlington Mews  
Mayfair  
London  
W1B 4QB

### **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**

### **PERIOD FROM 17 JULY 2008 TO 31 JULY 2009**

The directors have pleasure in presenting their report and the financial statements of the company for the period from 17 July 2008 to 31 July 2009

#### **PRINCIPAL ACTIVITY**

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 period were as follows:

M J Chicken	Appointed 17 July 2008
L Patterson	Appointed 29 August 2008
M J H Proctor	Appointed 29 August 2008
A Taraz	Appointed 17 July 2008

#### **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)*

PERIOD FROM 17 JULY 2008 TO 31 JULY 2009

### 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  
3 New Burlington Mews  
Mayfair  
London  
W1B 4QB

Signed by order of the directors



A TARAZ  
Company Secretary

Approved by the directors on 9 April 2010

# **ICON BUSINESS CENTRE (LEEDS) LIMITED**

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

### **PERIOD FROM 17 JULY 2008 TO 31 JULY 2009**

We have audited the financial statements of Icon Business Centre (Leeds) Limited for the period from 17 July 2008 to 31 July 2009 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 shareholders, 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 shareholders 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 shareholders 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 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.

#### **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 2009 and of its profit for the period 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**

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.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

# **ICON BUSINESS CENTRE (LEEDS) LIMITED**

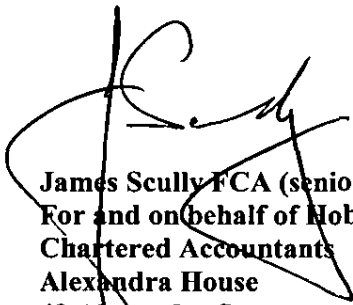
## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ICON BUSINESS CENTRE (LEEDS) LIMITED *(continued)***

**PERIOD FROM 17 JULY 2008 TO 31 JULY 2009**

### **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 and the directors' report in accordance with the small companies regime



**James Scully FCA (senior statutory auditor)  
For and on behalf of Hobsons  
Chartered Accountants  
Alexandra House  
43 Alexandra Street  
Nottingham  
NG5 1AY**

**13 April 2010**

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

# ICON BUSINESS CENTRE (LEEDS) LIMITED

## PROFIT AND LOSS ACCOUNT

PERIOD FROM 17 JULY 2008 TO 31 JULY 2009

	Note	Period from 17 July 08 to 31 July 09 £
<b>TURNOVER</b>		<b>876,575</b>
Cost of sales		<u>(106,269)</u>
<b>GROSS PROFIT</b>		<b>770,306</b>
Administrative expenses		<u>(743,437)</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>26,869</b>
Interest receivable		113
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u><b>26,982</b></u>
Tax on profit on ordinary activities	<b>3</b>	<u>(257)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<u><b>26,725</b></u>

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



# ICON BUSINESS CENTRE (LEEDS) LIMITED

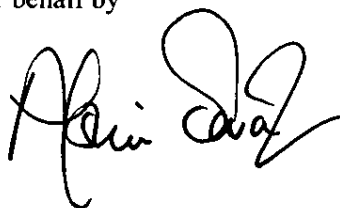
## BALANCE SHEET

31 JULY 2009

	Note	£	31 July 09 £
<b>FIXED ASSETS</b>			
Intangible assets	4		44,808
Tangible assets	5		<u>108,954</u>
			153,762
<b>CURRENT ASSETS</b>			
Debtors	6	356,667	
Cash at bank		<u>128,839</u>	
		485,506	
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>580,419</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(94,913)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>58,849</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	8		<u>32,122</u>
			<u>26,727</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11		2
Profit and loss account			<u>26,725</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>26,727</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 9 April 2010, and are signed on their behalf by



A TARAZ  
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**

### **PERIOD FROM 17 JULY 2008 TO 31 JULY 2009**

#### **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.

The financial statements include a debtor reported within other debtors of £98,339 owed from Merchant Place Property Partnership 49, the landlord. Should the landlord and the bank fail to reach agreement on the revised lease terms then the recoverability of this debtor and the ongoing viability of the company may be at risk. No provision has currently been made in the financial statements to reflect the recoverability risk of the debtor.

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 period, exclusive of Value Added Tax.

##### **Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

# **ICON BUSINESS CENTRE (LEEDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 17 JULY 2008 TO 31 JULY 2009**

### **1. ACCOUNTING POLICIES *(continued)***

#### **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

#### **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.

# ICON BUSINESS CENTRE (LEEDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 17 JULY 2008 TO 31 JULY 2009

### 2. OPERATING PROFIT

Operating profit is stated after charging

	Period from 17 July 08 to 31 July 09 £
Directors' remuneration	—
Amortisation of intangible assets	67,500
Depreciation of owned fixed assets	7,185
Depreciation of assets held under hire purchase agreements	12,280
Auditor's fees	<u>3,000</u>

### 3. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the period

	Period from 17 July 08 to 31 July 09 £
Current tax	
UK Corporation tax based on the results for the period at 29 40%	257
Total current tax	<u>257</u>

### 4. INTANGIBLE FIXED ASSETS

	Purchased Goodwill £
<b>COST</b>	
Additions	112,308
At 31 July 2009	<u>112,308</u>
<b>AMORTISATION</b>	
Charge for the period	67,500
At 31 July 2009	<u>67,500</u>
<b>NET BOOK VALUE</b>	
At 31 July 2009	<u>44,808</u>

# ICON BUSINESS CENTRE (LEEDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 17 JULY 2008 TO 31 JULY 2009

### 5. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £
<b>COST</b>	
Additions	128,419
<b>At 31 July 2009</b>	<u>128,419</u>
<b>DEPRECIATION</b>	
Charge for the period	19,465
<b>At 31 July 2009</b>	<u>19,465</u>
<b>NET BOOK VALUE</b>	
<b>At 31 July 2009</b>	<u>108,954</u>

#### Hire purchase agreements

Included within the net book value of £108,954 is £49,120 relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £12,280.

### 6. DEBTORS

	31 July 09 £
Trade debtors	63,042
Other debtors	293,625
	<u>356,667</u>

### 7. CREDITORS: Amounts falling due within one year

	31 July 09 £
Trade creditors	253,191
Amounts owed to group undertakings	451
Corporation tax	257
Other taxation	22,045
Hire purchase agreements	15,271
Other creditors	289,204
	<u>580,419</u>

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

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

	31 July 09 £
Hire purchase agreements	<u>32,122</u>

# **. ICON BUSINESS CENTRE (LEEDS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **PERIOD FROM 17 JULY 2008 TO 31 JULY 2009**

#### **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 minimum annual rent for the years to 31 July 2009, 2010, 2011, 2012 and 2013 to be £0, £155k, £270k, £345k and £450k respectively.

#### **10. RELATED PARTY TRANSACTIONS**

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

As at the balance sheet date, and included in creditors within one year, is an amount of £451 owed to 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 £196,615.

As at the balance sheet date, and included within other debtors, is an amount of £98,339 owed by the landlord of the property that Icon occupies, Merchant Place Property Partnership 49 ("MPPP49") which represents cash advances by the company to meet landlord costs and which will be offset against the rent liability once that has been agreed. Icon and MPPP49 are related as both A Taraz and M J Chicken are directors of Icon and of the general partner company of MPPP49.

#### **11. SHARE CAPITAL**

##### **Authorised share capital:**

	<b>31 July 09</b>
	<b>£</b>
1,000 Ordinary shares of £1 each	<b><u>1,000</u></b>

##### **Allotted, called up and fully paid:**

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

#### **12. ULTIMATE PARENT COMPANY**

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