



Icon Operations Limited

Company Number: 06997872

Annual Report and Financial Statements for the year ended 31 July 2014



**Annual Report and Annual Financial Statements
for the Year Ended 31 July 2014**

Contents

Directors’ Report..... 3

Independent Auditor's Report to the members of Icon Operations Limited..... 6

Statement of Principal Accounting Policies..... 8

Profit and Loss Account..... 10

Statement of Total Recognised Gains and Losses 10

Balance Sheet as at 31 July 2014..... 11

Notes to the Financial Statements 12

Directors' Report for the Year Ended 31 July 2014

The directors present the annual report and financial statements for the year ended 31 July 2014 and report thereon:

Incorporation

The Company is registered in England under the Company number 06997872.

The Company is a wholly owned subsidiary of The University of Northampton.

Directors

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

Mr M Hall
Professor S Denny
Mr C Moore

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.

Principal Activities

The principal activity of the Company is the day to day operation of the Icon Building, renting of office space to tenants.

Review of the Results for the Year

Details of the results for the year are given on page ten of the financial statements.

The directors are satisfied with the Company's position and performance. By virtue of the support provided by the University the directors believe the Company will continue as a going concern.

Significant Events since the Balance Sheet Date

The directors do not consider that any event since the balance sheet date significantly affects the Company's financial position.

Proposed Dividends

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

Research and Development

The Company does not undertake any research and development activities.

Donations

There were no political donations made during the year.

Directors' Report – continued for the Year Ended 31 July 2014

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 1, 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 he ought to have taken as a director in order to make himself 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.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) 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 auditors are aware of that information.

Directors' Report – continued for the Year Ended 31 July 2014

Small Company Provision

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

Independent Auditors

A resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Mr Jeremy Weeks
Secretary

Date: 28/11/14

University of Northampton Park Campus
Boughton Green Road
Northampton
Northamptonshire
NN2 7AL

Independent auditors' report to the members of Icon Operations 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 Icon Operations 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 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 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. 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 Directors' Responsibilities set out on page 4, 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.



Richard Bacon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date: 18 December 2014

Statement of Principal Accounting Policies for the Year Ended 31 July 2014

1. Basis of preparation

These financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and under the historical cost convention. The financial statements have been prepared under the going concern concept because the University has agreed to provide adequate funds for the Company to meet its liabilities as they fall due.

2. Turnover

Turnover represents charges to external customers for services delivered exclusive of Value Added Tax and trade discounts. Income from the sale of services is credited to the profit and loss account when the goods or services are supplied to the customer or the terms contract have been satisfied.

3. Stocks

Stocks are valued at the lower of cost or net realisable value.

4. Depreciation of fixed assets

Depreciation has been computed to write off the cost of fixed assets over their expected useful lives at the following rates:

Furniture, Fixtures & Fittings	5 – 8 years
Computer Equipment	3 years
Other Equipment	4 – 5 years

5. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

6. Debtors

Debtors are shown after providing for any amounts which the directors consider may not be collected in full.

7. Cash flow statement

The Company is a wholly owned subsidiary of the University of Northampton and is included in the Consolidated financial statements of the University of Northampton which are publically available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Statement of Principal Accounting Policies - continued for the Year Ended 31 July 2014

8. Deferred tax

No provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to the University and, therefore, no deferred tax asset or liability will be realised in the Company.

Profit and Loss Account for the Year Ended 31 July 2014

	Notes	2014 £	2013 £
Turnover		7,841,096	11,978,475
Cost of sales		(7,930,753)	(11,959,824)
Gross (loss)/Profit		(89,657)	18,651
Operating (loss)/Profit	1	(89,657)	18,651
Interest payable and similar charges		-	(8,588)
(Loss)/Profit on ordinary activities		(89,657)	10,063
Deed of covenant	2	(10,063)	-
(Loss)/Profit on ordinary activities before taxation		(99,720)	10,063
Tax on (loss)/Profit on ordinary activities		-	-
(Loss)/Profit for the financial year	8	(99,720)	10,063

All of the Company's activities consist wholly of continuing activities.

There is no material difference between the (loss)/Profit on ordinary activities before taxation and the (loss)/Profit for the financial year stated above and their historical cost equivalents. Other than the (loss)/Profit above there are no other recognised gains or losses in the year.

Statement of Total Recognised Gains and Losses for the Year Ended 31 July 2014

	2014 £	2013 £
(Loss)/Profit for the financial year after taxation	(99,720)	10,063
Adjustment for historical gift aid payments	10,063	-
Write off of intercompany loans	369,471	-
Total recognised Gains/(Losses) relating to the year	279,814	10,063
Reconciliation		
Opening reserves	(383,286)	(393,349)
Total recognised gains for the year	279,814	10,063
Closing reserves	(103,472)	(383,286)

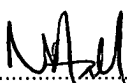
Balance Sheet as at 31 July 2014

	Notes	2014 £	2013 £
Current Assets			
Debtors	4	40,363	286,395
Cash at bank and in hand		<u>107,000</u>	<u>19,600</u>
		147,363	305,995
Creditors: amounts falling due within one year	5	<u>(250,835)</u>	<u>(689,281)</u>
Net liabilities		(103,472)	(383,286)
Capital and Reserves			
Called up share capital	7	1	1
Profit and loss account	8	(103,473)	(383,287)
Total Equity Shareholders' Deficit	9	(103,472)	(383,286)

The financial statements on pages 8 to 14 were approved by the Board of Directors on

11/12/14

and signed on their behalf by:



Mr M Hall (Director)

Notes to the Financial Statements for the Year Ended 31 July 2014

1. Operating (Loss)/Profit

	2014	2013
	£	£
Operating (loss)/Profit is stated after charging:		
Auditors' remuneration in respect of the audit of the company's financial statements	1,500	1,500

2. Deed of Covenant

This represents the gross debit to the University, an exempt charity, which is the Company's ultimate parent company.

Payments of £10,063 (2013:£nil) were made under the deed of covenant during the year.

3. Directors' Emoluments

The monthly average numbers of persons employed by the company during the year, analysed by category, was as follows:

	2014	2013
	£	£
Administration	3	3

The aggregate payroll costs of these persons were as follows:

	2014	2013
	£	£
Wages and salaries	55,614	63,764
Social security costs	4,652	5,733
	60,266	69,497

The Directors received no emoluments from the Company during the year or comparative year.

4. Debtors

	2014	2013
	£	£
Amounts owed by group undertakings	10,063	-
Other debtors including taxation and social security	30,300	286,395
	40,363	286,395

Notes to the Financial Statements for the Year Ended 31 July 2014

5. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	6,555	298
Amounts owed to group undertakings	-	208,573
Other creditors including taxation and social security	244,280	480,410
	250,835	689,281

6. Provisions

As explained in note 8 of the accounting policies, no provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to the University and, therefore, no deferred tax asset or liability will be realised in the Company.

7. Called up Share Capital

	2014 £	2013 £
Authorised		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

8. Profit and loss account

	£
Balance at 1 August 2013	(383,287)
Total recognised gain for the year	279,814
Balance at 31 July 2014	(103,473)

9. Reconciliation of movements in Shareholders' Deficit

	2014 £	2013 £
Total recognised gains for the year	279,814	10,063
Opening shareholders' deficit/funds at 1 August 2013	(383,286)	(393,349)
Closing shareholders' deficit at 31 July 2014	(103,472)	(383,286)

Notes to the Financial Statements for the Year Ended 31 July 2014

10. Contingent Liability

On the 31 October 2014 new technical guidance was issued by the ICAEW relating to distribution of taxable profits by wholly-owned subsidiaries of charities. It has been common practice for companies that are wholly-owned subsidiaries of charities to donate all taxable profits to the parent charity and to claim charitable donations relief under Part 6 of the Corporation Tax Act 2010, even if, in some cases, the amount donated exceeds the amount of profits available for distribution under the Companies Act 2006. This practice was endorsed by the Charities Commission. The distribution of profits in excess of available distributable profit reserves has now been deemed unlawful and potentially backdated 6 years. HMRC has yet to release how they intend to approach this matter.

The company has reviewed the previous year's gift aid payments and identified £10,063 and a potential corporation tax liability of £2,013. In line with the guidance the £10,063 is now repayable by The University and an intercompany debt has been raised. As the HMRC response is currently unclear the £2,013 corporation tax liability is recognised as a contingent liability.

11. Related Party Transactions

In line with the exemption in FRS 8, no disclosure has been made of transactions with the University, as Icon Operations Limited is a wholly owned subsidiary of the University.

12. Ultimate Parent Company

The immediate and ultimate parent undertaking is The University of Northampton Higher Education Corporation.

The consolidated financial statements of The University of Northampton Higher Education Corporation are publicly available from:

The University of Northampton Higher Education Corporation
Park Campus

Boughton Green Road
Northampton
NN2 7AL