

## **Icon Operations Limited**

**Company Number: 06997872**

# **Annual Report and Financial Statements for the year ended 31 July 2019**



# **Icon Operations Limited**

## **Annual Report and Annual Financial Statements for the Year Ended 31 July 2019**

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## **Icon Operations Limited**

### **Directors and advisors for the Year Ended 31 July 2019**

#### **Directors**

Mr M Hall

Mr D Pickard – appointed 22 October 2018

#### **Independent auditors**

Ernst & Young LLP

No.1 Colmore Square

Birmingham

B4 6HQ

United Kingdom

#### **Banker**

Lloyds Banking Group

Black Horse House

Progression Centre

42 Mark Road

Hemel Hempstead

Hertfordshire

HP2 7DE

#### **Company Address**

Icon Operations Ltd

University Drive

Northampton

NN1 5PH

# **Icon Operations Limited**

## **Directors' Report for the Year Ended 31 July 2019**

The directors present the annual report and audited financial statements for the year ended 31 July 2019 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 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:

Mr M Hall

Mr D Pickard – appointed 22 October 2018

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.

During the year, the Company also continued to operate as design and build contractors for the University of Northampton, relating to the construction of the student residences on the new Waterside campus development.

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

The directors expect the business to continue to develop and to trade profitably for at least 12 months from the date of signing these financial statements.

### **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.

# **Icon Operations Limited**

## **Directors' Report for the Year Ended 31 July 2019 - continued**

### **Political and charitable contributions**

The Company made no political or charitable donations or incurred any political expenditure during the year (2017/18: £nil) other than the qualifying charitable donation to the parent entity.

### **Significant risks and uncertainties**

The key business risk affecting the company is the continued occupancy levels of the building, given the nature of taking on businesses that tend to then move on as they grow. 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.

### **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 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, 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;
- 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.

## **Icon Operations Limited**

### **Directors' Report – continued for the Year Ended 31 July 2019**

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.

#### **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.

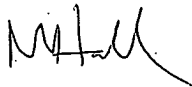
#### **Directors' third party indemnities**

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

#### **Independent Auditors**

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

On behalf of the Board



Mr M Hall  
Director

Date: 20 February 2020

The University of Northampton  
Vice Chancellor's Office  
University Drive  
Northampton  
NN1 5PH

## **Icon Operations Limited**

### **Independent Auditor's Report To The Members Of ICON Operation Limited**

#### **Opinion**

We have audited the financial statements of Icon Operations Limited (the 'company') for the year ended 31 July 2019 which comprise the Statement of Principal Accounting Policies, the Statement of Comprehensive Income, the Statement of changes in Equity, the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 company's affairs as at 31 July 2019 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's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

## **Icon Operations Limited**

### **Independent Auditor's Report To The Members Of ICON Operation Limited - Continued**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions 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
- 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
- the directors were not entitled to 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 statement of directors' responsibilities set out on page 5, 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.

## Icon Operations Limited

### Independent Auditor's Report To the Members Of ICON Operation Limited - Continued

#### Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### 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 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.

Ernst and Young LLP

Stephen Clark (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham

Date: 20/02/2020

#### Notes:

1. The maintenance and integrity of the University of Northampton web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **Icon Operations Limited**

## **Statement of Principal Accounting Policies for the Year Ended 31 July 2019**

### **1. General Information**

Icon Operations Ltd principal activity is the day to day operation of the Icon Building, renting of office space to tenants. There are no non-cancellable lease agreements in place with tenants.

The Company is the design and build contractors, for The University of Northampton, relating to the construction of the student residences on the new Waterside campus development. The main construction was completed in 2017/18 at a total cost of £21,851,744. Minor works were carried out at the beginning of 2018/19 to complete the project at a cost of £224,573.

In 2018/19 a new catering contract began with CH&Co to operate the Icon building café. Difficulty in driving up sales due to the Icon Buildings remote location in respect to central Daventry has meant the café operated at a £39,260 loss. Central items included an audit fee, financial advice with KPMG for the design and build waterside contract and an adjustment for the bad debt provision.

The company is a private company limited by shares and is incorporated in England. The address of the registered office is Vice Chancellor's Office, University of Northampton, University Drive, Northampton, NN1 5PH

### **2. Statement of compliance**

The financial statements of Icon Operations Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### **3. Basis of preparation**

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and under the Companies Act 2006 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.

### **4. 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 the following exemption:

- (i) from preparing of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, The University of Northampton, includes the company's cash flows in its own consolidated financial statements.
- (ii) From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7
- (iii) From disclosure of basic and non-basic financial instruments
- (iv) Statement of Principal Accounting Policies

## **Icon Operations Limited**

### **Statement of Principal Accounting Policies for the Year Ended 31 July 2019 - continued**

#### **5. Turnover and Expenditure**

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. Expenditure is recorded in line with United Kingdom Accounting Standards on an accruals basis.

#### **6. Debtors**

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

#### **7. 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 Company transfers its distributable taxable profits by making a qualifying donation to the University and, therefore, no deferred tax asset or liability will be realised in the Company.

#### **8. Critical judgements and significant estimates**

There have been no critical judgements for significant estimates made in the preparation of the financial statements.

## Icon Operations Limited

### Statement of Comprehensive Income for the Year Ended 31 July 2019

	Note	2019 £	2018 £
Turnover	2	569,009	22,483,217
Cost of sales	2	(609,981)	(21,951,096)
<b>Gross Profit</b>		<b>(40,972)</b>	<b>532,121</b>
<b>Operating Profit</b>	<b>1</b>	<b>(40,972)</b>	<b>532,121</b>
Interest receivable		4,131	19,139
Profit		(36,841)	551,260
Qualifying charitable donation		(400,880)	
<b>(Loss)/Profit before taxation</b>		<b>(437,721)</b>	<b>551,260</b>
Tax Charge	3	-	-
<b>(Loss)/Profit for the financial year</b>		<b>(437,721)</b>	<b>551,260</b>
Other comprehensive income			-
<b>Total comprehensive (Expenses)/Income for the year</b>		<b>(437,721)</b>	<b>551,260</b>

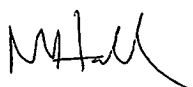
All of the Company's activities consist wholly of continuing activities.

# Icon Operations Limited

## Balance Sheet as at 31 July 2019

	Note	2019 £	2018 £
<b>Current Assets</b>			
Trade and other receivables	5	382,431	206,977
Cash and cash equivalents		<u>67,389</u>	<u>1,643,560</u>
		449,820	1,850,537
 Creditors: amounts falling due within one year	6	 <u>(112,614)</u>	 <u>(1,075,610)</u>
 <b>Net assets</b>		 <b>337,206</b>	 <b>774,927</b>
 <b>Capital and Reserves</b>			
Called up share capital	8	1	1
Profit and loss account		337,205	774,926
 <b>Total Equity Shareholders' Surplus</b>		 <b>337,206</b>	 <b>774,927</b>

The financial statements on pages 10 to 17 were approved by the Board of Directors on 31 October 2019 and signed on its behalf by:



**Mr M Hall (Director)**

## Icon Operations Limited

### Statement of Changes in Equity For the Year Ended 31 July 2019

	<b>Called-up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 August 2017	1	223,666	223,667
Profit and total comprehensive Income for the year	-	551,260	551,260
<b>At 31 July 2018</b>	<b>1</b>	<b>774,926</b>	<b>774,927</b>
(Loss)/Profit and total comprehensive Expenditure for the year	-	(437,721)	(437,721)
<b>At 31 July 2019</b>	<b>1</b>	<b>337,205</b>	<b>337,206</b>

Called-up share capital represents the nominal value of shares that have been issued.

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

# Icon Operations Limited

## Notes to the Financial Statements for the Year Ended 31 July 2019

### 1. Operating Profit/(Loss)

	2019	2018
	£	£
Operating Profit/(loss) is stated after charging:		
Auditors' remuneration in respect of the audit of the company's financial statements (inclusive of VAT)	2,100	2,100

### 2. Turnover and cost of sales

Turnover and cost of sales, analysed by category, was as follows:

Turnover	2019	2018
	£	£
Design & build student residences	227,942	22,161,815
Icon building operations	289,625	321,402
CH&Co Café	34,348	
Central	17,094	
	<b>569,009</b>	<b>22,483,217</b>

Cost of sales	2019	2018
	£	£
Design & build student residences	224,573	21,851,744
Icon building operations	293,707	99,352
CH&Co Café	73,608	
Central	18,093	
	<b>609,981</b>	<b>21,951,096</b>

### 3. Taxation

#### Recognised in the Statement of Comprehensive Income

	2019	2018
	£	£
Current tax expense		
Adjustment in respect of previous year	-	-

#### Deferred Tax

There is no deferred tax to be recognised.

#### Current tax reconciliation

	2019	2018
	£	£
Profit/(Loss) for the year	(36,841)	551,261
Theoretical tax at UK Corporation tax rate of 19% (2018: 19.0%)	(7,000)	104,740

# Icon Operations Limited

## Notes to the Financial Statements - continued for the Year Ended 31 July 2019

### 3. Taxation - Continued

Effects of:

Group Relief Surrendered	6,999	-
Qualifying charitable donation	-	(76,168)
Deferred tax movements	1	(28,572)
	<u>(7,000)</u>	<u>-</u>

### 4. Directors' and Employees

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

	2019	2018
	£	£
Administration	<u>2</u>	<u>2</u>

Two catering staff transferred to CH&Co in April 2018 to run the iCon café.

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Wages and salaries	22,002	45,165
Social security costs	785	2,681
Pension (Defined contribution scheme)	640	1,231
	<u>23,427</u>	<u>49,077</u>

### Key management personnel

The Directors received no emoluments from the Company during the year (2017: nil).

### 5. Trade and other receivables

	2019	2018
	£	£
Trade Debtors	18,486	22,827
Amounts owed by group undertakings	286,780	0
Other debtors including taxation and social security	77,165	184,150
	<u>382,431</u>	<u>206,977</u>

## Icon Operations Limited

### Notes to the Financial Statements - continued for the Year Ended 31 July 2019

#### 6. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	73,564	652
Amounts owed to group undertakings	11,250	1,066,533
Taxation and social security	3,299	242
Other creditors	24,501	8,183
	<b>112,614</b>	<b>1,075,610</b>

#### 7. Provisions

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

#### 8. Called up Share Capital

	2019 £	2018 £
<b>Authorised</b>		
Ordinary shares of £1 each	<u>1000</u>	<u>1,000</u>
<b>Allotted and fully paid</b>		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

#### 9. Related Party Transactions

In line with the exemption in FRS 102, no disclosure has been made of transactions with the University, as Icon Operations Limited is a wholly owned subsidiary of the University. There are no other related parties to disclose.

#### 10. 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  
Waterside Campus  
University Drive  
Northampton  
NN1 5PH