



## **Icon Operations Limited**

**Company Number: 06997872**

# **Annual Report and Financial Statements for the year ended 31 July 2017**

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# **Icon Operations Limited**

## **Annual Report and Annual Financial Statements for the Year Ended 31 July 2017**

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## **Icon Operations Limited**

### **Directors and advisors for the Year Ended 31 July 2017**

#### **Directors**

Mr M Hall  
Mr S Denny

#### **Independent auditors**

Ernst & Young  
No.1 Colmore Square  
Birmingham  
B4 6HQ  
United Kingdom

#### **Bankers**

Lloyds Banking Group  
Black Horse House  
Progression Centre  
42 Mark Road  
Hemel Hempstead  
Hertfordshire  
HP2 7DE

## **Icon Operations Limited**

### **Directors' Report for the Year Ended 31 July 2017**

The directors present the annual report and audited financial statements for the year ended 31 July 2017 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  
Professor S Denny

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 became 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 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 during the next year.

#### **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 2017 - continued**

### **Political and charitable contributions**

The Company made no political or charitable donations or incurred any political expenditure during the year.

### **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 University Growth Hub team, who work with new companies providing start up and growth advice, are working on new incubations at the Icon Building to help drive new business opportunities and pass on new tenants to Icon Operations to work with.

### **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 2017**

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**

Ernst & Young were newly appointed auditors during the year ended 31 July 2017. 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: 6/11/17

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

# **Icon Operations Limited**

## **Independent Auditor's Report To The Members Of Icon Operations Limited**

### **Opinion**

We have audited the financial statements of Icon Operations (the 'company') for the year ended 31 July 2017 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 2017 and of its profit 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 and Financial Statements set out on pages 10 to 17, 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.

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

## **Icon Operations Limited**

### **Independent Auditor's Report To The Members Of Icon Operations Limited (continued)**

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; or
- 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.

#### **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.

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.



## **Icon Operations Limited**

### **Independent Auditor's Report To The Members Of Icon Operations Limited (continued)**

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.

*Ernst and Young LLP*

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

Date: *27 November 2017*

## **Icon Operations Limited**

### **Statement of Principal Accounting Policies for the Year Ended 31 July 2017**

#### **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 company is a private company limited by shares and is incorporated in England. The address of the registered office is Pytchley Building, The University of Northampton, Park Campus, Boughton Green Road, Northampton, NN2 7AL.

#### **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, including notification of, and no objection to, the use of exemptions by the company's shareholders.

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

#### **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.

## **Icon Operations Limited**

### **Statement of Principal Accounting Policies for the Year Ended 31 July 2017 - continued**

#### **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 2017

	Note	2017 £	2016 £
Turnover	2	35,237,143	1,522,160
Cost of sales	2	(34,792,773)	(1,548,578)
<b>Gross Profit/(loss)</b>		<b>444,370</b>	<b>(26,418)</b>
<b>Operating Profit/(loss)</b>	<b>1</b>	<b>444,370</b>	<b>(26,418)</b>
Interest receivable		1,677	-
Profit/(Loss)		446,047	(26,418)
<b>Profit/(loss) before taxation</b>		<b>446,047</b>	<b>(26,418)</b>
Tax on Profit/(loss)	3	-	-
<b>Profit/(loss) for the financial year</b>		<b>446,047</b>	<b>(26,418)</b>
Other comprehensive income		-	-
<b>Total comprehensive Income/(expense) for the year</b>		<b>446,047</b>	<b>(26,418)</b>

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

# Icon Operations Limited

## Balance Sheet as at 31 July 2017

	Note	2017 £	2016 £
<b>Current Assets</b>			
Trade and other receivables	5	7,022,680	362,651
Cash and cash equivalents		<u>3,615,047</u>	<u>881,712</u>
		10,637,727	1,244,363
Creditors: amounts falling due within one year	6	<u>(10,414,060)</u>	<u>(1,466,743)</u>
<b>Net assets/(liabilities)</b>		<b>223,667</b>	<b>(222,380)</b>
<b>Capital and Reserves</b>			
Called up share capital	8	1	1
Profit and loss account		223,666	(222,381)
<b>Total Equity Shareholders' Surplus/(Deficit)</b>		<b>223,667</b>	<b>(222,380)</b>

The financial statements on pages 10 to 17 were approved by the Board of Directors on

6/11/17

and signed on its behalf by:

  
Mr M Hall (Director)

## Icon Operations Limited

### Statement of Changes in Equity For the Year Ended 31 July 2017

	<b>Called-up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 August 2015	1	(195,963)	(195,962)
Loss and total comprehensive expense for the year	-	(26,418)	(26,418)
<b>At 31 July 2016</b>	<b>1</b>	<b>(222,381)</b>	<b>(222,380)</b>
Profit and total comprehensive Income for the year	-	446,047	446,047
<b>At 31 July 2017</b>	<b>1</b>	<b>223,666</b>	<b>223,667</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 2017

### 1. Operating Profit/(Loss)

	2017	2016
	£	£
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	2,000

### 2. Turnover and cost of sales

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

Turnover	2017	2016
	£	£
Design & build student residences	34,936,485	1,258,995
Icon building operations	300,658	263,165
	<b>35,237,143</b>	<b>1,522,160</b>

Cost of sales	2017	2016
	£	£
Design & build student residences	34,383,741	1,240,389
Icon building operations	409,032	308,189
	<b>34,792,773</b>	<b>1,548,578</b>

### 3. Taxation

#### Recognised in the Statement of Comprehensive Income

	2017	2016
	£	£
Current tax expense	-	-
Adjustment in respect of previous year	-	-

#### Deferred Tax

There is no deferred tax to be recognised.

#### Current tax reconciliation

	2017	2016
	£	£
Profit/(Loss) for the year	<u>446,047</u>	<u>(26,418)</u>
Theoretical tax at UK Corporation tax rate of 19.42% (2016: 19.42%)	86,622	-
Effects of:		
Qualifying charitable donation	<u>(86,622)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

## Icon Operations Limited

### Notes to the Financial Statements - continued for the Year Ended 31 July 2017

#### 4. Directors' and Employees

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

	2017 £	2016 £
Administration	3	3

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	65,476	52,486
Social security costs	4,340	2,745
Pension (Defined contribution scheme)	840	-
	70,656	55,231

#### Key management personnel

The Directors received no emoluments from the Company during the year (2016: nil).

#### 5. Trade and other receivables

	2017 £	2016 £
Trade Debtors	37,496	25,884
Taxation and social security	2,270,309	-
Other debtors including taxation and social security	4,714,875	336,767
	7,022,680	362,651

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

	2017 £	2016 £
Trade creditors	39,642	865
Amounts owed to group undertakings	5,575,846	1,145,272
Taxation and social security	754	904
Other creditors	4,797,818	319,702
	10,414,060	1,466,743

#### 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.



## Icon Operations Limited

### Notes to the Financial Statements - continued for the Year Ended 31 July 2017

#### 8. Called up Share Capital

	2017	2016
	£	£
<b>Authorised</b>		
Ordinary shares of £1 each	<u>1,000</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 of Northampton Higher Education Corporation are publicly available from:

The University of Northampton Higher Education Corporation  
Park Campus  
Boughton Green Road  
Northampton  
NN2 7AL