

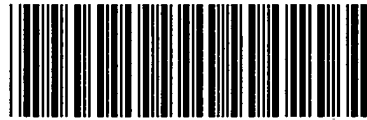
**Company Registration No. 2122887**

**Instant Office Limited**

**Report and Financial Statements**

**31 December 2014**

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# **Instant Office Limited**

## **Report and Financial Statements 2014**

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# Instant Office Limited

## Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2014.

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415a of the Companies Act 2006.

The Company has also taken advantage of the small companies' exemption from preparing a Strategic Report.

### Principal Activity

The principal activities of the Company are property letting and property management.

### Review of the business

The results for the year are shown on page 6. The Directors expect the principal activity of the Company to remain unchanged for the foreseeable future.

The financial statements have been prepared on a going concern basis as described in note 1.2.

### Dividends

The Company did not pay any dividends in the year ended 31 December 2014 (2013: £nil).

### Directors

The Directors of the Company during the year and subsequent changes were as follows:

Mr E H Klotz  
Mr A G P Millet  
Mr J H Whiteley  
Mr R J S Tice (resigned 14 February 2014)  
Mr S L Wigzell (appointed 14 February 2014)  
Mr F Widlund (appointed 6 November 2014)

Qualifying third-party indemnity provisions (as defined in section 234 of the Companies Act 2006) are in force for the benefit of the Directors who held office in 2014.

### Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 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 auditor is aware of that information.

## **Instant Office Limited**

### **Directors' Report (continued)**

#### **Auditor (continued)**

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Pursuant to section 386 Companies Act 1985, an Elective Resolution was passed on 9 October 2002 dispensing with the requirement to appoint auditors annually. In accordance with that Elective Resolution and paragraph 45(2), Schedule 3 of the Companies Act 2006 (Commencement No. 3 Consequential Amendments, Transitional Provisions and Savings) Order 2007, Deloitte LLP is deemed to continue as auditor of the Company.

Approved by the Board of Directors  
and signed by order of the Board



Mr D F Fuller  
Company Secretary  
10 June 2015

**Registered office:**  
86 Bondway  
London  
SW8 1SF

## **Instant Office Limited**

### **Directors' Responsibilities Statement**

The Directors are responsible for preparing the annual 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 these 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; 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 with reasonable accuracy at any time, the financial position of the Company and to 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.

## **Independent Auditor's Report to the Members of Instant Office Limited**

We have audited the financial statements of Instant Office Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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.

### **Opinion on matters prescribed in the Companies Act 2006**

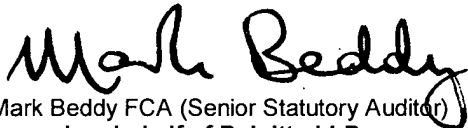
In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent Auditor's Report to the Members of Instant Office Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



Mark Beddy FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
10 June 2015

## Instant Office Limited

### Profit and Loss Account Year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	1,478,740	1,338,655
Service charge expenditure		<u>(598,762)</u>	<u>(544,417)</u>
Net rental income		879,978	794,238
Administrative expenses		<u>(980,647)</u>	<u>(968,041)</u>
Operating loss		(100,669)	(173,803)
Interest payable and similar charges	3	<u>(104,384)</u>	<u>(101,746)</u>
Loss on ordinary activities before taxation	5	(205,053)	(275,549)
Tax credit on loss on ordinary activities	6	<u>52,219</u>	<u>69,699</u>
Loss for the financial year	12	<u><u>(152,834)</u></u>	<u><u>(205,850)</u></u>

The Company has no recognised gains or losses other than those reported in the Profit and Loss Account.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above, and their historical cost equivalents.

All items included in the Profit and Loss Account are part of continuing operations.



# Instant Office Limited

## Balance Sheet 31 December 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	7	<u>93,586</u>	<u>89,206</u>
<b>Current assets</b>			
Debtors: due within one year	8	503,765	367,065
Cash at bank and in hand		<u>27,757</u>	<u>39,697</u>
		531,522	406,762
<b>Creditors: amounts falling due within one year</b>	9	<u>(517,662)</u>	<u>(485,688)</u>
<b>Net current assets/(liabilities)</b>		<u>13,860</u>	<u>(78,926)</u>
<b>Total assets less current liabilities</b>		107,446	10,280
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(3,553,574)</u>	<u>(3,303,574)</u>
<b>Net liabilities</b>		<u><u>(3,446,128)</u></u>	<u><u>(3,293,294)</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	500,000	500,000
Profit and loss account	12	<u>(3,946,128)</u>	<u>(3,793,294)</u>
<b>Shareholder's deficit</b>		<u><u>(3,446,128)</u></u>	<u><u>(3,293,294)</u></u>

The financial statements of Instant Office Limited (registered number 2122887) were approved by the Board of Directors on 10 June 2015.

Signed on behalf of the Board of Directors



Mr J H Whiteley  
Director

# Instant Office Limited

## Notes to the Financial Statements

31 December 2014

### 1. Significant accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

#### 1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 not to prepare a cash flow statement as one has been prepared for the Group. The Company is a wholly-owned subsidiary of CLS Holdings plc and has taken advantage of the exemption in Financial Reporting Standard No. 8 not to detail transactions with fellow Group undertakings as the financial statements of CLS Holdings plc are publicly available.

#### 1.2 Going concern

The Company's business activities and review of the business are set out in the Directors' Report.

At 31 December 2014 the Company had a significant equity deficit. However, the Directors are in receipt of an unequivocal letter of support from the parent company confirming that sufficient funds will be available to ensure all liabilities are met as they fall due for a period of 12 months from the date of approval of the financial statements, so long as the Company is a wholly owned direct or indirect subsidiary of its current ultimate parent company (note 14). The Directors do not expect that the ownership of the Company will change in the foreseeable future and as such have adopted the going concern basis in preparing the annual report and financial statements.

#### 1.3 Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation of tangible fixed assets is provided on all fixed assets, at rates calculated to write off the cost, less estimate residual value, or each asset evenly over its expected useful life, as follows:

Fixtures and fittings	25%
Office equipment	25%

#### 1.4 Turnover

Turnover comprises the total value of rents and other income from business centres, excluding VAT. Rents received in advance are shown as deferred income in the Balance Sheet.

# Instant Office Limited

## Notes to the Financial Statements 31 December 2014

### 1. Significant accounting policies (continued)

#### 1.5 Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date where transactions or events which 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of the underlying timing differences can be deducted.

Deferred tax is measured, on an undiscounted basis, at the average tax rates which are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

#### 1.6 Leases

Rentals under operating leases are charged on a straight-line basis over the lease term.

### 2. Turnover

	2014 £	2013 £
Rental income	1,346,050	1,159,092
Service charge expenditure recoverable	-	36,703
Other income	132,690	142,860
	<u>1,478,740</u>	<u>1,338,655</u>

Turnover arose wholly within the United Kingdom.

### 3. Interest payable and similar charges

	2014 £	2013 £
On amounts due to group undertakings	<u>104,384</u>	<u>101,746</u>

## Instant Office Limited

### Notes to the Financial Statements 31 December 2014

#### 4. Directors' emoluments and employee information

The average number of employees during the year was as follows:

	2014 No.	2013 No.
Administration	<u>4</u>	<u>3</u>
	2014 £	2013 £
<b>Employment costs for all employees:</b>		
Wages and salaries	111,692	106,832
Pension costs	8,150	4,270
Social security costs	15,414	14,108
	<u>135,256</u>	<u>125,210</u>

None of the Directors received any remuneration during the year in respect of services as Directors to the Company (2013: £nil). The emoluments of the Directors of the Company who are Directors of CLS Holdings plc are disclosed in that Company's financial statements in respect of their services to the Group as a whole.

#### 5. Loss on ordinary activities before taxation

	2014 £	2013 £
This is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's financial statements	4,000	4,000
Operating lease rentals	710,000	710,000
Depreciation	<u>46,580</u>	<u>44,411</u>

There were no fees payable in the year to Deloitte and its associates in respect of non-audit services.

## Instant Office Limited

### Notes to the Financial Statements 31 December 2014

#### 6. Tax on loss on ordinary activities

	2014 £	2013 £
Current tax	(49,102)	(74,499)
Deferred tax	(3,117)	4,800
Total tax credit on loss on ordinary activities	<u>(52,219)</u>	<u>(69,699)</u>

The rate of corporation tax for the financial year beginning 1 April 2013 was 23%. This fell to 21% on 1 April 2014 and the weighted corporation tax rate for the year ended 31 December 2014 was therefore 21.50%. Deferred tax has been calculated at a rate of 20%, being the rate applicable from 1 April 2015 under legislation substantially enacted at the balance sheet date.

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(205,053)</u>	<u>(275,549)</u>
Loss on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 21.50% (2013: 23.25%)	(44,087)	(64,065)
Factors affecting charge: Losses surrendered to group/consortium relief for nil receipt and differences between capital allowances and depreciation	<u>(5,015)</u>	<u>(10,434)</u>
Current tax credit for the year	<u>(49,102)</u>	<u>(74,499)</u>

## Instant Office Limited

### Notes to the Financial Statements 31 December 2014

#### 7. Tangible assets

	Office equipment £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2014	97,316	200,531	297,847
Additions	1,567	49,393	50,960
At 31 December 2014	<u>98,883</u>	<u>249,924</u>	<u>348,807</u>
<b>Accumulated depreciation</b>			
At 1 January 2014	87,468	121,173	208,641
Charge for the period	5,048	41,532	46,580
At 31 December 2014	<u>92,516</u>	<u>162,705</u>	<u>255,221</u>
<b>Net book value</b>			
At 31 December 2014	<u>6,367</u>	<u>87,219</u>	<u>93,586</u>
At 31 December 2013	<u>9,848</u>	<u>79,358</u>	<u>89,206</u>

#### 8. Debtors: due within one year

	2014 £	2013 £
Trade debtors	9,208	-
Prepayments and accrued income	325,784	244,239
Other taxation and social security	11,625	3,664
Other debtors	-	14,233
Deferred tax	33,547	30,430
Corporation tax	123,601	74,499
	<u>503,765</u>	<u>367,065</u>

## Instant Office Limited

### Notes to the Financial Statements 31 December 2014

8. Debtors: due within one year (continued)

Deferred tax assets are recognised as follows:

	Recognised 2014 £	Amount unrecognised 2014 £	Recognised 2013 £	Amount unrecognised 2013 £
Capital allowances in excess of depreciation	33,547	-	30,430	-
Future benefit of tax losses	-	57,027	-	60,591
	<u>33,547</u>	<u>57,027</u>	<u>30,430</u>	<u>60,591</u>
At 1 January	30,430		35,230	
Amount charged to profit and loss	3,117		(205)	
Effect of decreased tax rate on opening deferred tax asset	-		(4,595)	
At 31 December	<u>33,547</u>		<u>30,430</u>	

9. Creditors: amounts falling due within one year

	2014 £	2013 £
Amounts due to group undertakings	307,795	131,907
Trade creditors	1,160	-
Other creditors	184,444	195,152
Accruals and deferred income	24,263	158,629
	<u>517,662</u>	<u>485,688</u>

10. Creditors: amounts falling due after more than one year

	2014 £	2013 £
Amounts due to group undertakings	<u>3,553,574</u>	<u>3,303,574</u>

## Instant Office Limited

### Notes to the Financial Statements 31 December 2014

#### 11. Called up share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	500,000	500,000

#### 12. Combined statement of reserves and reconciliation of movement in shareholder's deficit

	Share capital £	Profit and Loss Account £	2014 Total £	2013 Total £
At 1 January	500,000	(3,793,294)	(3,293,294)	(3,087,444)
Loss for the year	-	(152,834)	(152,834)	(205,850)
Balance at 31 December	500,000	(3,946,128)	(3,446,128)	(3,293,294)

#### 13. Operating lease commitments

At 31 December 2014 the Company had commitments under non-cancellable operating leases as set out below:

	2014 Land and buildings £	2013 Land and buildings £
<b>Expiring:</b>		
More than one but not more than five years	394,000	288,000
More than five years	316,000	316,000
	710,000	604,000

#### 14. Parent undertaking

The Directors consider that the immediate and ultimate parent undertaking and controlling party is CLS Holdings plc, which is incorporated in Great Britain. The financial statements of the Company are consolidated into the CLS Holdings plc group accounts for the year ended 31 December 2014, being the largest and only group into which the Company is consolidated. Copies of the group financial statements are publicly available and may be obtained from The Secretary, CLS Holdings plc, 86 Bondway, London SW8 1SF.