

Company Registration No. 2122887

Instant Office Limited

Report and Financial Statements

31 December 2013

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Instant Office Limited

Report and Financial Statements 2013

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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 2013

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 2013 (2012: £nil)

Directors

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

Mr E H Klotz
Mr R J S Tice (resigned 14 February 2014)
Mr A G P Millet
Mr J H Whiteley
Mr S L Wigzell (appointed 14 February 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 2013.

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

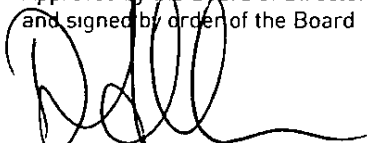
Directors' Report (continued)

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
21 May 2014

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 2013 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 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.

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 2013 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 take advantage of the small companies exemption in preparing the Directors' Report, or
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report



Mark Beddy FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

21 May 2014

Instant Office Limited

Profit and Loss Account Year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	1,338,655	1,613,632
Service charge expenditure		(544,417)	(525,499)
Net rental income		794,238	1,088,133
Administrative expenses		(968,041)	(983,856)
Operating (loss)/profit		(173,803)	104,277
Interest payable and similar charges	3	(101,746)	(116,983)
Loss on ordinary activities before taxation	5	(275,549)	(12,706)
Tax (credit)/charge on loss on ordinary activities	6	69,699	(17,684)
Loss for the financial year	12	(205,850)	(30,390)

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 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	7	89,206	95,501
Current assets			
Debtors due within one year	8	367,065	485,086
Cash at bank and in hand		39,697	32,138
		406,762	517,224
Creditors, amounts falling due within one year	9	(485,688)	(300,169)
Net current (liabilities)/assets		(78,926)	217,055
Total assets less current liabilities		10,280	312,556
Creditors, amounts falling due after more than one year	10	(3,303,574)	(3,400,000)
Net liabilities		(3,293,294)	(3,087,444)
Capital and reserves			
Called up share capital	11	500,000	500,000
Profit and Loss Account	12	(3,793,294)	(3,587,444)
Shareholder's deficit		(3,293,294)	(3,087,444)

The financial statements of Instant Office Limited (registered number 2122887) were approved by the Board of Directors on 21 May 2014

Signed on behalf of the Board of Directors



Mr J H Whiteley
Director

Instant Office Limited

Notes to the Financial Statements 31 December 2013

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 2013 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, of 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 2013

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

	2013 £	2012 £
Rental income	1,159,092	1,059,310
Service charge expenditure recoverable	36,703	-
Other income	142,860	554,322
	<u>1,338,655</u>	<u>1,613,632</u>

Turnover arose wholly within the United Kingdom

3. Interest payable and similar charges

	2013 £	2012 £
On loans from group undertaking	<u>101,746</u>	<u>116,983</u>

Instant Office Limited

Notes to the Financial Statements 31 December 2013

4 Directors' emoluments and employee information

The average number of employees during the year was as follows

	2013 No	2012 No.
Administration	3	3

	2013 £	2012 £
Employment costs for all employees		
Wages and salaries	106,832	114,586
Pension costs	4,270	4,325
Social security costs	14,108	15,056
	<u>125,210</u>	<u>133,967</u>

None of the Directors received any remuneration during the year in respect of services as Directors to the Company (2012: 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

	2013 £	2012 £
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	772,222
Depreciation	<u>44,411</u>	<u>42,087</u>

Instant Office Limited

Notes to the Financial Statements 31 December 2013

6 Tax (credit)/charge on loss on ordinary activities

	2013 £	2012 £
Current tax	(74,499)	-
Deferred tax	4,800	17,684
Total tax (credit)/charge on loss on ordinary activities	<u>(69,699)</u>	<u>17,684</u>

The rate of corporation tax for the financial year beginning 1 April 2012 was 24%. This fell to 23% on 1 April 2013 and the weighted corporation tax rate for the year ended 31 December 2013 was therefore 23.25%. 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 differences 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:

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(275,549)</u>	<u>(12,706)</u>
Loss on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 23.25% (2012: 24.5%)	(64,065)	(3,112)
Factors affecting charge		
Losses surrendered to group/consortium relief for nil receipt and differences between capital allowances and depreciation	<u>(10,434)</u>	<u>3,112</u>
Current tax credit for the year	<u>(74,499)</u>	<u>-</u>

Instant Office Limited

Notes to the Financial Statements 31 December 2013

7. Tangible assets

	Office equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2013	93,200	166,531	259,731
Additions	4,116	34,000	38,116
At 31 December 2013	97,316	200,531	297,847
Accumulated depreciation			
At 1 January 2013	82,083	82,147	164,230
Charge for the period	5,385	39,026	44,411
At 31 December 2013	87,468	121,173	208,641
Net book value			
At 31 December 2013	9,848	79,358	89,206
At 31 December 2012	11,117	84,384	95,501

8. Debtors due within one year

	2013 £	2012 £
Trade debtors	-	2,057
Amounts due from group undertakings	-	165,932
Prepayments and accrued income	244,239	259,470
Taxation and social security	3,664	-
Other debtors	14,233	22,397
Deferred tax	30,430	35,230
Corporation tax	74,499	-
	367,065	485,086

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Notes to the Financial Statements 31 December 2013

8. Debtors due within one year (continued)

Deferred tax assets are recognised as follows

	Recognised 2013 £	Amount unrecognised 2013 £	Recognised 2012 £	Amount unrecognised 2012 £
Capital allowances in excess of depreciation	30 430	-	35,230	-
Future benefit of tax losses	-	60 591	-	65 581
	<u>30 430</u>	<u>60 591</u>	<u>35,230</u>	<u>65 581</u>
At 1 January	35,230		52,914	
Amount charged to profit and loss	(205)		(13,451)	
Effect of decreased tax rate on opening deferred tax asset	(4,595)		(4,233)	
	<u>30 430</u>		<u>35 230</u>	
At 31 December	<u>30 430</u>		<u>35 230</u>	

9. Creditors amounts falling due within one year

	2013 £	2012 £
Amounts due to group undertakings	131 907	116,983
Trade creditors	-	4 017
Other creditors	195,152	151,786
Accruals and deferred income	158 629	6,123
Taxation and social security	-	21 260
	<u>485,688</u>	<u>300,169</u>

10 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Amounts due to group undertakings	<u>3,303,574</u>	<u>3,400 000</u>

Instant Office Limited

Notes to the Financial Statements 31 December 2013

11 Called up share capital

	2013 £	2012 £
Allotted, called up and fully paid		
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 £	2013 Total £	2012 Total £
At 1 January	500,000	(3,587,444)	(3,087,444)	(3,057,054)
Loss for the year	-	(205,850)	(205,850)	(30,390)
Balance at 31 December	500,000	(3,793,294)	(3,293,294)	(3,087,444)

13 Operating lease commitments

At 31 December 2013 the Company had commitments under non-cancellable operating leases as set out below

	2013 Land and buildings £	2012 Land and buildings £
Expiring:		
More than one but not more than five years	288,000	106,000
More than five years	316,000	604,000
	604,000	710,000

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 2013. These accounts are the largest, and only group into which the Company is consolidated. Copies of these financial statements are publicly available and may be obtained from The Secretary, CLS Holdings plc, 86 Bondway, London SW8 1SF.