The Office Islington Limited

Report and Financial Statements

Year Ended

31 December 2018

Company Number 04878697

The Office Islington Limited

Company Information

Directors	C Green M Green G Kataky O Olsen
Registered number	04878697
Registered office	The Smiths Building 179 Great Portland Street London W1W 5PL
Independent auditor	KPMG LLP 15 Canada Square London E14 5GL

The Office Islington Limited

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The Office Islington Limited

Directors' Report
for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is the provision of management services to the group.

Directors

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

C Green
M Green
G Kataky
O Olsen

Results and dividends

The directors did not declare a dividend in the year (2017 - £Nil).

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Going Concern

The company reports a net profit of £0.1m (2017 - £0.3m loss). The company has net current liabilities of £0.6m (2017 - £0.3m) and net assets of £0.8m (2017 - £0.7m). The directors, having made appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. For this reason they continue to adopt the going concern basis in preparing the company's accounts.

Principal risks and uncertainty due to Brexit

Britain's decision to leave the EU has not had any adverse impact on the Company to date. Economic uncertainty has increased the demand for flexible workspace, as clients wish to avoid long term lease commitments. The Company continues to monitor the situation closely to gauge the possible impact on the Company, the sector and the UK economy.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

....

M Green
Director

Date: 27 SEPT 2019

Independent Auditor's report to the members of The Office Islington Limited

Opinion

We have audited the financial statements of The Office Islington Ltd. ("the Company") for the year ended 31 December 2018 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain existing the European Union on our audit

Uncertainties related to the effect of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effect are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's report to the members of The Office Islington Limited (continued)

Other matter - Prior period financial statements

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

The purpose of our audit work and to whom we owe our responsibilities

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.

P Barron

Paul Barron (senior statutory auditor)
For and on behalf of KMPG LLP, statutory auditor
Chartered Accountants
15 Canada Square, London, E14 5GL

Date: 30 September 2019

The Office Islington Limited

Statement of Profit and Loss and Other Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £000	Unaudited and restated 2017 £000
Revenue	3	**14,195**	10,806
Administrative expenses		**(14,098)**	(10,802)
Operating profit		**97**	4
Interest payable and similar charges		**(97)**	(4)
Profit before tax	5	**-**	-
Tax on profit	6	**130**	(327)
Profit/(loss) for the financial year		**130**	(327)
Other comprehensive income		**-**	-
Total comprehensive profit/(loss) for the year		**130**	(327)

All amounts relate to continuing operations.

The notes on pages 9 to 20 form part of these financial statements.

The Office Islington Limited
Registered number: 04878697

Balance Sheet
as at 31 December 2018

	Note		2018 £000		Unaudited and restated 2017 £000 (note 13)
Fixed assets					
Intangible assets	7		**1,073**		831
Property, plant and equipment	8		**275**		236
			1,348		1,067
Current assets					
Debtors	9	**42,219**		35,423	
Cash and cash equivalents		**85**		1,525	
		42,304		36,948	
Creditors: amounts falling due within one year	10	**(42,857)**		(37,286)	
Net current liabilities			**(553)**		(338)
Total assets less current liabilities			**795**		729
Provisions for liabilities					
Deferred taxation	11		**(14)**		(78)
Net assets			**781**		651
Capital and reserves					
Share capital	12		**686**		686
Retained earnings			**95**		(35)
			781		651

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M Green
Director

Date: 27 SEPT 2019

The notes on pages 9 to 20 form part of these financial statements.

The Office Islington Limited

Statement of Changes in Equity
for the Year Ended 31 December 2018

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2017 (as previously stated)	686	(3,258)	(2,572)
Prior year adjustment	-	3,550	3,550
Balance at 1 January 2017 (as restated)	686	292	978
Comprehensive income for the year			
Loss for the year (unaudited and restated)	-	(327)	(327)
Balance at 31 December 2017 (unaudited and restated)	686	(35)	651
Comprehensive income for the year			
Result for the year	-	130	130
Balance at 31 December 2018	686	95	781

The notes on pages 9 to 20 form part of these financial statements.

1. Statutory information

The Office Islington Limited is a private Company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain properties and financial instruments. The presentation currency used is Pound Sterling and amounts have been presented in round thousands ("£'000s").

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

New effective standards:

- IFRS 9: Financial Instruments (effective 1 January 2018)

The company does not consider the adoption of IFRS 9 to have a significant effect on the classification and measurement of financial assets and financial liabilities.

- IFRS 15: Revenue from Contracts with Customers (effective 1 January 2018)

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised, replacing IAS 18 Revenue. The company has adopted IFRS 15 with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). The company considers the current basis of revenue recognition to remain appropriate because the accounting policies support the recognition of revenue in line with the performance obligations identified under IFRS 15. Licence fee revenue is recognised when the performance obligation of providing the space to the licensee for occupation is fulfilled. Other service revenue is recognised in the month that the service was delivered. Rent receivable is spread on a straight-line basis over the period of the lease. Therefore the company considers that the initial application of IFRS 15 has no significant change or impact on the company's accounting policies applied on its financial statements.

New and not yet effective standards:

- IFRS 16: Leases (effective 1 January 2019).

IFRS 16 was released in January 2016 and replaces IAS 17 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard requires all leases (excluding short term and leases of low value items) to be recognised as an asset on the balance sheet, with a corresponding lease liability. Lessees will be required to separately recognise the interest expense on the lease liability and depreciation expense of the right-of-use asset.

2.2 Property, plant and equipment

Property, plant and equipment is initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Fixtures & Fittings - 20% on cost

2. Accounting policies (continued)

2.3 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax arising as a consequence of investment property carried at fair value is calculated on the basis that the gain/(loss) will be recovered through a sale of the property in line with the Group's business model which is to generate value in the form of capital appreciation.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.4 Leasing commitments

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company ('an operating lease'), the total rents payable are charged to the statement of profit and loss and other comprehensive income on a straight line basis over the lease term.

Lease incentives on short leasehold properties are recognised as a reduction of the rental expense over the lease term on a straight line basis. A rent accrual is recognised for the difference between the lease expense and the amount invoiced.

2.5 Judgement and key areas of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgement in applying the Company's accounting policies. The directors believe that there are no significant judgements and estimates which affect the financial statements.

2.6 Going concern

The company reports a net profit of £0.1m (2017 - £0.3m loss). The company has net current liabilities of £0.6m (2017 - £0.3m) and net assets of £0.8m (2017 - £0.7m). The directors, having made appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. For this reason they continue to adopt the going concern basis in preparing the company's accounts..

2. Accounting policies (continued)

2.7 Intangible assets

Software and website development costs are capitalised and amortised from completion over a two year period, which the company expects to generate economic benefits from the development.

2.8 Financial assets

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company has not classified any of its financial assets as held to maturity.

2.9 Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers e.g. trade receivables, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairments.

Loss allowances for trade debtors and contract assets are measured at an amount equal to lifetime expected credit losses (ECLs), i.e. the ECLs that result from all possible default events over the expected life of the asset. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

2.10 Financial liabilities

The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

2.11 Fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss where the liability is either held for trading or is designated as held at fair value through profit or loss on initial recognition. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The company does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

2. Accounting policies (continued)

2.12 Other financial liabilities

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.
- Loans from group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method. The difference between the fair value of the loan on initial recognition and the amount of the proceeds is credited directly to equity as a capital contribution.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.14 Revenue

Revenue comprises management fee income from group companies and joint ventures.

3. Revenue

Revenue arising from:

	2018 £000	Unaudited 2017 £000
Other services income	**14,195**	10,806

4. Employees and directors

	2018 £000	Unaudited 2017 £000
Wages and salaries	**8,070**	6,318
Social security contributions and similar taxes	**946**	768
Pension costs	**189**	123
	9,205	7,209

The average monthly number of employees, including directors, during the year was 298 (2017 - 239).

The aggregate of remuneration of the highest paid director was £632,000 (2017 - £671,000), including pension contributions of £15,000 (2017- £15,000).

The Office Islington Limited

Notes to the Financial Statements
for the Year Ended 31 December 2018

5. Loss before taxation

	2018 £000	Unaudited 2017 £000
The loss before taxation is stated after charging:		
Operating lease expenses	**883**	695
Depreciation of tangible assets	**89**	75
Amortisation of intangible assets	**414**	-
Auditor's remuneration	**12**	-

6. Taxation

	2018 £000	Unaudited and restated 2017 £000
Corporation tax		
Current tax on profits for the year	**-**	255
Adjustments in respect of previous periods	**(66)**	6
Total current tax	**(66)**	261
Deferred tax		
Adjustment to prior periods	**-**	1
Origination and reversal of timing differences	**(64)**	65
Total deferred tax	**(64)**	66
Total tax (credit)/charge in statement of profit and loss and other comprehensive income	**(130)**	327

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	Unaudited and restated 2017 £000
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	-	-
Effects of:		
Expenses not deductible for tax purposes	**52**	28
Adjustments in respect of prior periods	-	683
Group relief claimed for nil consideration	**(123)**	(383)
Adjustment for provisions in prior periods	**(66)**	8
Effect of tax rate change on opening deferred tax balances	**9**	1
Effect of tax rate change on closing deferred tax balances	**(2)**	(10)
Tax (credit)/expense	**(130)**	327

Factors that may affect future tax charge

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

7. Intangible assets

	Other intangible assets £000
Cost	
At 1 January 2018	**831**
Additions	**656**
At 31 December 2018	**1,487**
Amortisation	
At 1 January 2018	**-**
Charge for the year	**414**
At 31 December 2018	**414**
Net book value	
At 31 December 2018	**1,073**
At 31 December 2017	831

Amortisation commenced for the intangible assets comprising of software and website costs which became available for use during the year.

8. Tangible fixed assets

	Fixtures and fittings £000
Cost	
At 1 January 2018	**595**
Additions	**128**
At 31 December 2018	**723**
Depreciation	
At 1 January 2018	**359**
Charge for the year	**89**
At 31 December 2018	**448**
Net book value	
At 31 December 2018	**275**
At 31 December 2017	236

As at the year end, the company had £Nil capital commitments (2017 - £Nil),

9. Debtors

	2018 £000	Unaudited and restated 2017 £000
Trade debtors	**504**	715
Amounts owed by group undertakings	**41,012**	33,735
Other debtors	**146**	214
Prepayments	**84**	173
Accrued income	**473**	586
	42,219	35,423

All amounts owed by group undertakings are repayable on demand and are not interest bearing.

10. Creditors: Amounts falling due within one year

	2018 £000	Unaudited and restated 2017 £000
Trade creditors	**221**	384
Amounts owed to group undertakings	**39,839**	34,271
Corporation tax	**-**	255
Other taxation and social security	**514**	344
Other creditors	**48**	98
Accruals	**2,235**	1,934
	42,857	37,286

All amounts owed to group undertakings are repayable on demand and are not interest bearing.

11. Deferred taxation

	2018 £000
Liability at beginning of year	**(78)**
Credited to Statement of Profit and Loss and Other Comprehensive Income during the year	**64**
Liability at end of year	**(14)**

The provision for deferred taxation is made up as follows:

	2018 £000	Unaudited and restated 2017 £000
Accelerated capital allowances	**(41)**	(84)
Short term differences	**27**	6
	(14)	(78)

12. Share capital

	2018 £000	Unaudited 2017 £000
Allotted, called up and fully paid		
74,438 (2017 - 74,438) A ordinary shares shares of £1.00 each	**74**	74
249,204 (2017 - 249,204) B ordinary shares shares of £1.00 each	**249**	249
362,728 (2017 - 362,728) Deferred shares shares of £1.00 each	**363**	363
	686	686

The 'A' and 'B' ordinary shares rank pari passu except that the 'B' shares rank in priority on a winding up of the company.

The deferred shares were converted from preference shares on 18 June 2008 and carry no voting rights on rights to dividends.

13. Prior year adjustment

In 2017 and earlier periods the company provided central services to other group entities. The company did not record income for the provision of those services even though there were agreements in place for the other group entities to pay for the service. This has also resulted in the companies purporting to waive the charge when it did not have any distributable reserves. As a result, the comparative financial information has been restated to recognise the service income as follows:

	As previously stated	Restatement	Restated
Statement of changes in equity			
Retained earnings as at 01/01/2017	3,258	(3,550)	(292)
Retained earnings as at 31/12/2017	12,263	(12,228)	35
Statement of comprehensive income			
Revenue for the year ended 31/12/2017	(1,810)	(8,996)	(10,806)
Taxation for the year ended 31/12/2017	9	318	327
Balance sheet			
Intercompany receivables as at 01/01/2017	26,839	3,550	30,389
Intercompany receivables as at 31/12/2017	21,188	12,547	33,735
Corporation tax payable as at 31/12/2017	-	(255)	(255)
Deferred tax as at 31/12/2017	(16)	(62)	(78)

14. Ultimate parent company and control

The Company is a subsidiary undertaking of Cheetah-Wild Holdco Limited which is the ultimate parent Company incorporated in Jersey.

The largest Group in which the results of the company are consolidated is that headed by Cheetah Holdco Limited, registered in the United Kingdom. The smallest Group in which the Company is consolidated is that headed by The Office Group Midco Limited registered in the United Kingdom.

Copies of the Group financial statements of Cheetah Holdco Limited will be available on request from the Company's registered office, 35 Great St Helen's, London, United Kingdom, EC3A 6AP.

15. Contingent liabilities

All assets of The Office Islington Limited have been pledged as security for a group bank loan held by The Office Group Holdings Limited and TOG UK Mezzco Limited (2017 - The Office Group Midco Limited). At 31 December 2018 the group bank loan was £343,652,000 (2017 - £194,102,000).

16. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	Unaudited 2017 £000
Not later than 1 year	**1,139,280**	694,104

17. Related party transactions

Included within revenue is £843,213 (2017 - £717,468) of management fees from The Station Office Network LLP of which The Office Group Properties Limited is a member with a 50% interest in the partnership. £317,890 (2017 - £245,971) was owed by The Station Office Network LLP at year end.

On 14 February 2018 the Group acquired the minority shareholding in TOG Fitness Limited, at which point it became a wholly owned subsidiary. During the year expenses of £13,338 (2017 - £81,678) were incurred on behalf of TOG Fitness Limited and the company received income of £589 (2017 - £5,000). At the accounting date, £Nil (2017 - £81,961) was due to the company.

The company is related to Creative Debuts Limited by virtue of being under common control. During the year the company paid expenses of £11,116 (2017 - £77,371) on behalf of Creative Debuts Limited and the company received income of £6,250 (2017 - £3,750). At the accounting date, £28,930 (2017 - £10,630) was due to the company.