

# **The Office (Marylebone) Limited**

Report and Unaudited

Financial Statements

Year Ended

31 December 2021

Company Number: 06356910

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# The Office (Marylebone) Limited

## Company Information

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<b>Directors</b>	G Kataký O Olsen M Green J Blank E Sanna
<b>Registered number</b>	06356910
<b>Registered office</b>	The Smiths Building 179 Great Portland Street London W1W 5PL
<b>Accountants</b>	BDO LLP 55 Baker Street London W1U 7EU

# **The Office (Marylebone) Limited**

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# **The Office (Marylebone) Limited**

## **Directors' Report for the Year Ended 31 December 2021**

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The directors present their report and the financial statements for the year ended 31 December 2021. The comparative information was audited.

### **Principal activity**

Prior to 10 March 2021 the principal activity of the Company was the acquisition and development of leasehold and freehold properties, and the provision of flexible office space and related services. On 10 March 2021, the freehold property held by the Company was transferred to The Office Group Holdings Limited. Following a review of the Group structure the directors decided that the Company is no longer required for its operations, and took the decision on 28 September 2022 to wind up the Company in the coming months. As the directors intend to liquidate the Company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis.

### **Directors**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

C Green (resigned 19 September 2022)  
G Katakya  
O Olsen  
M Green  
J Blank (appointed 19 September 2022)  
E Sanna (appointed 19 September 2022)

### **Results and dividends**

The loss for the year, after taxation, amounted to £104k (2020 - £1,071k profit).

The directors did not declare a dividend in the year (2020 - £Nil).

### **Going concern**

The Company reports a net loss of £104k (2020 - £1,071k net profit). The Company has net current assets £5,089k (2020 - £2,849k) and net assets £5,009k (2020 - £5,113k), with cash and cash equivalents of £372k (2020 - £371k).

In previous years, the financial statements have been prepared on a going concern basis. However, following a review of the Group structure, the directors decided that the Company is no longer required for its operations, and took the decision to cease trading, effective 28 September 2022. Accordingly the directors have not prepared the financial statements on a going concern basis. There are no adjustments necessary in these financial statements to write down assets to their recoverable value or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

# The Office (Marylebone) Limited

## Directors' Report (continued) for the Year Ended 31 December 2021

### Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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 relating 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. As explained in note 2.1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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.

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



M Green  
Director

Date:

15/12/2022

# **The Office (Marylebone) Limited**

## **Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Financial Statements of The Office (Marylebone) Limited for the Year Ended 31 December 2021**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Office (Marylebone) Limited for the year ended 31 December 2021 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that The Office (Marylebone) Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of The Office (Marylebone) Limited. You consider that The Office (Marylebone) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of The Office (Marylebone) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

### **Use of our report**

This report is made solely to the board of directors of The Office (Marylebone) Limited, as a body, in accordance with the terms of our engagement letter dated 23 April 2020. Our work has been undertaken solely to prepare for your approval the accounts of The Office (Marylebone) Limited and state those matters that we have agreed to state to the board of directors of The Office (Marylebone) Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Office (Marylebone) Limited and its board of directors as a body for our work or for this report.

*BDO LLP*

**BDO LLP**  
*Chartered Accountants*  
London  
United Kingdom

Date: 16/12/2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# The Office (Marylebone) Limited

## Statement of Profit and Loss and Other Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 £000	2020 £000
Revenue	4	179	1,312
Operating costs	5	(307)	(851)
Movement in fair value of investment properties	12	-	946
<b>Operating (loss)/profit</b>		<b>(128)</b>	<b>1,407</b>
Interest payable and similar charges	8	(8)	(269)
<b>(Loss)/profit before tax</b>		<b>(136)</b>	<b>1,138</b>
Tax on (loss)/profit	10	32	(67)
<b>(Loss)/profit for the financial year</b>		<b>(104)</b>	<b>1,071</b>

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 8 to 26 form part of these financial statements

**The Office (Marylebone) Limited**  
Registered number: 06356910

**Balance Sheet**  
**as at 31 December 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Property, plant and equipment	11	-	984
Investment property	12	-	6,666
		<hr/> -	<hr/> 7,650
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	7,186	6,733
Cash and cash equivalents		372	371
		<hr/> 7,558	<hr/> 7,104
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(2,469)	(3,863)
Lease liabilities falling due within one year	16	-	(392)
		<hr/>	<hr/>
<b>Net current assets</b>		5,089	2,849
<b>Total assets less current liabilities</b>		<hr/> 5,089	<hr/> 10,499
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	15	(80)	(80)
Lease liabilities falling due after more than one year	16	-	(5,268)
		<hr/> 5,009	<hr/> 5,151
<b>Provisions for liabilities</b>			
Deferred taxation	17	-	(38)
		<hr/>	<hr/>
<b>Net assets</b>		5,009	5,113
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Share capital	18	-	-
Retained earnings		5,009	5,113
		<hr/> 5,009	<hr/> 5,113
		<hr/> <hr/>	<hr/> <hr/>



**The Office (Marylebone) Limited**  
Registered number: 06356910

**Balance Sheet (continued)**  
**as at 31 December 2021**

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The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



.....  
**M Green**  
Director

Date: 15/12/2022

The notes on pages 8 to 26 form part of these financial statements.

# The Office (Marylebone) Limited

## Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £000	Retained earnings £000	Total equity £000
<b>Balance at 1 January 2020</b>	-	4,042	4,042
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,071	1,071
<b>Balance at 1 January 2021</b>	-	5,113	5,113
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(104)	(104)
<b>Balance at 31 December 2021</b>	-	5,009	5,009

The notes on pages 8 to 26 form part of these financial statements.

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

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### 1. General information

The Office (Marylebone) Limited is a private company, limited by shares, registered in England and Wales and domiciled in the United Kingdom. The Company's registered number and registered address can be found on the Company Information page. The principal activity of the Company is stated in the Directors' Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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").

In previous years, the financial statements have been prepared on a going concern basis. However, following a review of the Group structure, the directors decided that the Company is no longer required for its operations, and took the decision to cease trading, effective 28 September 2022. Accordingly the directors have not prepared the financial statements on a going concern basis. There are no adjustments necessary in these financial statements to write down assets to their recoverable value or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

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;
- 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.

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.1 Basis of preparation of financial statements

##### **New standards, interpretations and amendments adopted from 1 January 2021**

- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

##### **New standards, interpretations and amendments not yet effective**

The following UK-adopted IFRSs have been issued but have not been applied by the Company in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

*The following amendments are effective for the period beginning on or after 1 January 2022:*

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

*The following amendments, which have been issued by the IASB but have not yet been adopted by the UKEB, are effective for periods beginning on or after 1 January 2023:*

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The Company is currently assessing the impact of these new accounting standards and amendments.

##### **Other**

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

#### 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 is provided on all 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 and fittings	- 20% on cost
Short-term leasehold property	- over the period of the lease

# **The Office (Marylebone) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

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### **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 Company'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.

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.4 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

##### *As a lessee*

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability *adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred* and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Non-property leases are subsequently measured at cost less depreciation, calculated on the straight line basis over the non-cancellable term of the lease - similar to other items of property, plant and equipment.

Refer to Investment property accounting policy for details on subsequent measurement of right-of-use assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases that are not financed through debt, the incremental borrowing rate is derived from the real estate property yields, and considers the terms of the lease and economic factors.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Variable payments that depend on an index or a rate, or are subject to market rent review, are included in the initial measurement of the lease using the index or rate as at the commencement date. The lease liability and ROU asset is remeasured in the period the rate or index changes.

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.4 Leases (continued)

##### *As a lessee (continued)*

In-substance fixed payments are included in the initial measurement of the lease. The lease is remeasured in the period in-substance fixed payments are changed or are resolved.

All other variable payments are not included in the initial measurement of the lease. These payments are recognised in profit or loss when the event or condition that triggers the payments occur.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### *Short-term leases and leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Low value-leases are considered to be all leases where the individual value of the underlying assets is below £500, or where the lease is equal to or shorter than one year.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

##### *As a lessor*

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company's licensing agreements are not classified as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets, and the licence holder does not have the right to direct the use of the asset. The Company recognises licence fee payments received under licence agreements as income on a straight-line basis over the lease term as part of 'revenue'.

# **The Office (Marylebone) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

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### **2. Accounting policies (continued)**

#### **2.5 Judgements 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 areas where significant judgements and estimates have been made in preparing the financial statements and their effects are disclosed in note 3.

#### **2.6 Going concern**

The Company reports a net loss of £104k (2020 - £1,071k net profit). The Company has net current assets £5,089k (2020 - £2,849k) and net assets £5,009k (2020 - £5,113k), with cash and cash equivalents of £372k (2020 - £371k).

In previous years, the financial statements have been prepared on a going concern basis. However, following a review of the Group structure, the directors decided that the Company is no longer required for its operations, and took the decision to cease trading, effective 28 September 2022. Accordingly the directors have not prepared the financial statements on a going concern basis. There are no adjustments necessary in these financial statements to write down assets to their recoverable value or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

#### **2.7 Investment property**

Investment property comprises completed property that is held to earn rental income or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and other costs incurred in order to bring the property to the condition necessary for it to be capable of operating. Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

##### **Right-of-use investment property**

The right-of-use assets arising from property leases is subsequently remeasured to fair value in line with IAS 40 Investment Properties, with remeasurement being recognised in the Statement of profit and loss and other comprehensive income. Remeasurement is made on reporting date, and fair value movement is calculated as the difference between the present value of current passing lease or lease payments over the fixed term of the lease, and the present value of market-related lease payments over the same term. The discount rate applied is the same discount rate as applied to discount future cash flows to calculate the lease liability at recognition date.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any. The right-of-use asset will indirectly also be adjusted for certain remeasurements of the lease liability, by virtue of the cash flows and term of the lease being adjusted.

#### **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.



# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 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 Balance sheet.

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. Bank overdrafts are shown within loans and borrowings in current liabilities on the balance sheet.

#### 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.

##### 2.10.1 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 Balance sheet 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.

##### 2.10.2 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.

# **The Office (Marylebone) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

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### **2. Accounting policies (continued)**

#### **2.11 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

#### **2.12 Revenue**

Revenue comprises rent and license fees in relation to the provision of office space, as well as ancillary charges for additional services including telephone, IT, other support services and meeting rooms. Revenue is recognised exclusive of VAT on an accruals basis.

Licence fee revenue and IT services revenue are billed monthly in advance and recognised when the performance obligations of providing the space and IT access to the licensee are fulfilled. Revenue is recognised over time as the services are provided. For the provision of other ancillary charges and meeting rooms, revenue is recognised at a point in time, as and when the performance obligation of providing the service or meeting room to the customer has been fulfilled. Rent receivable is spread on a straight-line basis over the period of the lease. When the billing profile is not uniform this results in a balance of accrued or deferred income at each reporting date until the licence term is complete.

The directors are of the opinion that the Company is engaged in a single segment, being the investment in and operation of flexible workspaces in the UK only.

The Company generates licence fee revenue from licence agreements and rental income from traditional leases that are similar in substance. Revenue from licence agreements is recognised over time in line with IFRS 15 'Revenue from Contracts with Customers' and rental income from leases, where relevant, is recognised over time in line with IFRS 16 'Leases'.

#### **2.13 Finance costs**

Finance costs are charged to the Statement of profit and loss and other comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 3. Critical accounting estimates and judgements

The Company has made key judgements in the process of applying the entity's accounting policies for leases under IFRS 16, that have a significant effect on the amounts recognised in the financial statements. The Company has also made assumptions about the future which impact the business.

Key sources of estimation and uncertainty as part of initial application and subsequent measurement of the leases under IFRS 16 includes:

- A single discount rate for the leases in the Company has been applied. The rate applied to discount future lease cash flows to present value is the incremental borrowing rate of 4.37% and is based on the effective interest rate specified by financing secured for development of properties in the Company.
- No estimations have been made regarding variable lease payments dependent on an index or rate. Where applicable, indexes at initial application have been used and applied prospectively. The Company uses published rates and indexes as published by HM Treasury where relevant, unless rates are specifically defined in the lease.

### 4. Revenue

Revenue arising from:

	2021 £000	2020 £000
Licence fee and rental income	171	1,199
Other services income	8	113
	<b>179</b>	<b>1,312</b>

All turnover arose within the United Kingdom.

### 5. Operating costs

	2021 £000	2020 £000
Rent	87	-
Staff related costs	5	43
Depreciation and amortisation	65	328
Other operating costs	150	480
	<b>307</b>	<b>851</b>

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 6. Employees

There were no employees for the year ended 31 December 2021 nor for the year ended 31 December 2020. Management services are provided to the Company by The Office Islington Limited, a fellow group company, and recognised as recharged salary costs.

	2021 £000	2020 £000
Wages and salaries	4	50
Social security contributions and other similar taxes	1	4
Pension costs	1	3
	<u>6</u>	<u>57</u>

Recharged salary and wages expenses are presented net of proceeds of £2k (2020 - £6k) from Coronavirus Job Retention Scheme (CJRS) claims submitted during 2021 and 2020 by The Office Islington Limited.

### 7. Directors' remuneration

The cost of directors' remuneration is borne by Cheetah Holdco Limited, an intermediate parent company. The below disclosed remuneration represents the amount allocated for their qualifying services in respect of this Company.

	2021 £000	2020 £000
Wages and salaries	5	12
Social security contributions and similar taxes	1	2
Pension costs	-	-
	<u>6</u>	<u>14</u>

The aggregate of remuneration of the highest paid director was £2k (2020 - £5k), including pension contributions of £Nil (2020 - £Nil).

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 8. Interest payable and similar expenses

	2021 £000	2020 £000
Interest on lease liabilities	-	259
Loan interest payable	8	8
Bank interest payable	-	2
	<u>8</u>	<u>269</u>

Loan interest payable relates to intra-group loan notes held by The Office Group Limited. Interest up to 31 December 2020 is compounded against the loan note balance and accrues at 10 per cent per annum.

### 9. Auditor's remuneration

The prior year accounts were audited. Auditor's remuneration of £19k for 2020 was borne by The Office Islington Limited and is not represented in the Statement of profit and loss and other comprehensive income.

### 10. Taxation

	2021 £000	2020 £000
<b>Deferred tax</b>		
Origination and reversal of timing differences	(111)	157
Effect of tax rate change on opening balance	28	(3)
Adjustments in respect of prior periods	51	(87)
<b>Total deferred tax</b>	<u>(32)</u>	<u>67</u>
<b>Total tax (credit)/charge in statement of profit and loss and other comprehensive income</b>	<u>(32)</u>	<u>67</u>

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 10. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
(Loss)/profit on ordinary activities before tax	(136)	1,138
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(26)	216
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	21
Non-taxable income	(74)	(180)
Movement in fair value of investment property	-	180
Group relief surrendered/(claimed) for nil consideration	17	(80)
Adjustments to tax charge in respect of prior periods	51	(87)
Effect of tax rate change on opening deferred tax balances	-	(3)
<b>Total tax (credit)/charge</b>	<b>(32)</b>	<b>67</b>

#### Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly.

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 11. Property, plant and equipment

	Short-term leasehold property £000	Fixtures and fittings £000	Total £000
<b>Cost</b>			
At 1 January 2021	3,376	435	3,811
Additions	22	27	49
Disposals	(3,398)	(462)	(3,860)
At 31 December 2021	-	-	-
<b>Depreciation</b>			
At 1 January 2021	2,506	321	2,827
Charge for the year	55	10	65
Disposals	(2,561)	(331)	(2,892)
At 31 December 2021	-	-	-
<b>Net book value</b>			
At 31 December 2021	-	-	-
At 31 December 2020	870	114	984

In March 2021, an intermediate holding company of the Company (Cheetah Holdco Limited) began a restructuring process of the Group, of which the Company is a subsidiary entity. This process is anticipated to be completed by September 2022.

The purpose of this exercise is to separate and to simplify the Group's business activities between the property business and the operating business and to simplify the existing legal structure.

The transfer of properties and operations was completed in March 2021, with the transfer of group employees and the liquidation of legacy entities still to follow.

As part of this reorganisation, the operating assets of the Company were transferred to The Office Group Properties Limited.

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 12. Investment property

	Right-of-use investment properties £000
<b>Valuation</b>	
At 1 January 2021	6,666
Disposals	(6,666)
<b>At 31 December 2021</b>	<b>-</b>

During the year, following the restructuring process described in note 11, all right-of-use investment properties were transferred to The Office Group Properties Limited to partition the separate operating segments.

### 13. Debtors: amounts falling due within one year

	2021 £000	2020 £000
Trade debtors	-	4
Amounts owed by group undertakings	7,186	6,673
Other debtors	-	18
Prepayments	-	11
Accrued income	-	27
	<b>7,186</b>	<b>6,733</b>

All of the amounts owed by group undertakings are repayable on demand and are not interest bearing. Amounts owed by group undertakings of £7,186k (2020 - £6,673k) includes amounts of £Nil (2020 - £6,673k) which are expected to be recovered in more than 12 months.



# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

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

	2021 £000	2020 £000
Trade creditors	-	7
Amounts owed to group undertakings	2,461	3,391
Other taxation and social security	-	44
Other creditors	-	357
Accruals	8	64
	<u>2,469</u>	<u>3,863</u>

All of the amounts owed to group undertakings are repayable on demand and are not interest bearing. Included within creditors are amounts owed to group companies of £2,461k (2020 - £3,391k) includes amounts of £Nil (2020 - £3,378k) which are expected to be settled in more than 12 months.

### 15. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Unsecured loan note	<u>80</u>	<u>80</u>

During the prior year, the Company extended the maturity date of the unsecured loan notes to 31 December 2024. Interest accrued up until the extension of the loan notes at 31 December 2020, was capitalised against the value of the unsecured loan notes. Interest is charged at 10% on the principal amount (2020 - 10%).

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 16. Lease liabilities

#### *Leases and lease commitments*

The Company leases commercial office space and offers the space to customers under licence agreements that do not transfer the risks and rewards of ownership of the underlying assets.

The lease for the Melcombe Place building is a 20 year lease, with 18 years remaining of the lease. As part of the re-structure described in notes 11 and 12, all lease liabilities connected to this property were transferred to The Office Group Properties Limited.

At 31 December 2021, the Company has no commitments to leases that have not yet commenced.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term or leases of low-value items.

#### *Lease remeasurements and lease modifications*

There were no lease remeasurements or lease modifications during the year ending 31 December 2021.

#### *Variable payments*

There were no in-substance fixed payments identified for any leases during the year-ended 31 December 2021. Other variable payments such as profit share payments were recognised in profit or loss during the year ended 31 December 2021 when the event or condition that triggered the payments occurred.

#### *Extension options*

The Company continuously considers extension options, but due to the average length of lease terms it is unlikely that a decision will be made until closer to the option date. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances. The Company has not estimated potential future lease payments from extension options at 31 December 2021. No lease extension options have been exercised during the year ended 31 December 2021 and no future changes have been assumed at year end.

Lease liabilities are presented in the Balance sheet as follows:

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Lease liability brought forward	<b>5,660</b>	5,829
Interest charged	-	259
Lease repayments	-	(428)
Lease transferred	<b>(5,660)</b>	-
<b>Lease liability carried forward</b>	<b>-</b>	<b>5,660</b>

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 16. Lease liabilities (continued)

Lease liabilities are presented in the Balance sheet as follows:

	2021 £000	2020 £000
Current lease liability	-	392
Non current lease liability	-	5,268
	<u>-</u>	<u>5,660</u>

### 17. Deferred taxation

	2021 £000	2020 £000
(Liability)/asset at beginning of year	(38)	29
Credited/(charged) to Statement of profit and loss and other comprehensive income	32	(67)
Transfers on group restructure	6	-
<b>Liability at end of year</b>	<u>-</u>	<u>(38)</u>

The provision for deferred taxation is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	-	39
IFRS 16 right of use asset fair value adjustment	-	(77)
	<u>-</u>	<u>(38)</u>

### 18. Share capital

	2021 £	2020 £
<b>Authorised, allotted, called up and fully paid</b>		
200 (2020 - 200) Ordinary shares of £0.50 each	<u>100</u>	<u>100</u>

# The Office (Marylebone) Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

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### 19. Events after the reporting date

The Office Group ("TOG") announced on 14 March 2022 that there was a proposal to merge with another flexible workspace provider, Fora. This was subject to regulatory approval from the Competition and Markets Authority (CMA), and this was granted on 3 August 2022. On 19 September 2022 TOG legally completed the merger.

With the demand for flexible workspaces growing rapidly, the merger has brought together two highly complementary businesses within the flexible sector, businesses that have similar cultures, values & visions for the future. The combined group comprises 72 premier locations across both the UK and Germany, with a plan to continue to grow. The only impact on the Company of this event is a change in control structure as disclosed in note 20, and the subsequent decisions around group rationalization as laid out below.

#### *PIK loan notes:*

Since the year end Blackstone have injected cash in the form of PIK Loan notes issued by Cheetah Bidco Limited. Cheetah Bidco Limited is an indirect subsidiary of Cheetah Holdco Limited. These PIK Loan notes amount to £32m, £23m and £17m issued during February 2022, June 2022 and September 2022 respectively.

#### *Group rationalization:*

In November 2022, following on from the review of the structure where properties and operations were transferred to The Office Group Properties Limited in March 2021, the Group continued to review its structure and commenced the second phase with the aim to simplify the legal structure.

As a result of this review, it is intended that the Company will be liquidated.

The intention is that debtor or creditor balances held within the Company will be settled in full, and any intra-group balances will be formalised with a loan agreement and waived. In addition, relevant intra-group loan notes held by the Company will also be formally waived.

The directors have considered the declining economic conditions that are impacting the group and consider these to be a non-adjusting post balance sheet event. As a result the increasing inflation and foreign exchange movements have no impact to the carrying values reported at the balance sheet date.

### 20. Ultimate parent company and control

Up to and including 18 September 2022, the Company was an indirect subsidiary undertaking of Cheetah-Wild Holdco Limited which was the ultimate parent company incorporated in Jersey. Following the merger with Fora on 19 September 2022, the ultimate parent company is Concert JV Holdco Limited, incorporated in Jersey. The immediate parent company before and after the merger is TOG 7 Limited (Previously known as The Office Group Limited), registered in the United Kingdom.

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 results of the Company are consolidated is that headed by TOG UK Mezzco Ltd registered in the United Kingdom.

Copies of the Group financial statements of Cheetah Holdco Limited and TOG UK Mezzco Ltd will be available on request from Companies House.

# **The Office (Marylebone) Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021**

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### **21. Contingent liabilities**

All assets of The Office (Marylebone) Limited have been pledged as security for a group bank loan held by The Office Group Holdings Limited and TOG UK Mezzco Ltd. At 31 December 2021 the group bank loan was £376,081k (2020 - £375,177k).