

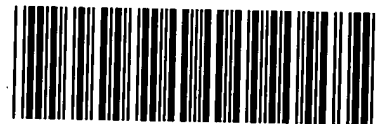
COMPANY REGISTRATION NUMBER 06448915

**CORT BUSINESS SERVICES UK LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2014**

SATURDAY



\*A47JJ9SS\*

A19

16/05/2015

#124

COMPANIES HOUSE

# **CORT BUSINESS SERVICES UK LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2014**

---

<b>CONTENTS</b>	<b>PAGE</b>
Officers and professional advisers	<b>1</b>
Directors' report	<b>2</b>
Independent auditor's report to the shareholders	<b>4</b>
Profit and loss account	<b>5</b>
Balance sheet	<b>6</b>
Notes to the financial statements	<b>7</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	<b>13</b>
Notes to the detailed profit and loss account	<b>14</b>

---

# **CORT BUSINESS SERVICES UK LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

---

### **THE BOARD OF DIRECTORS**

J. Pederson  
G. M. Smith  
L. Lenson  
D. Lansford

### **COMPANY SECRETARY**

D. Lansford

### **REGISTERED OFFICE**

Unit 28 Barwell Business Park  
Leatherhead Road  
Chessington  
Surrey  
KT9 2NY

### **AUDITOR**

Menzies LLP  
Chartered Accountants  
Ashcombe House  
5 The Crescent  
Leatherhead  
Surrey  
KT22 8DY

# **CORT BUSINESS SERVICES UK LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2014**

---

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company is the rental of domestic furniture.

### **DIRECTORS**

The directors who served the company during the year were as follows:

J. Pederson  
G. M. Smith  
L. Lenson  
D. Lansford

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **AUDITOR**

Menzies LLP have been re-appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# CORT BUSINESS SERVICES UK LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

---

## SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:  
Unit 28 Barwell Business Park  
Leatherhead Road  
Chessington  
Surrey  
KT9 2NY

Signed on behalf of the directors



G M Smith

Director

Approved by the directors on 29/4/15

# CORT BUSINESS SERVICES UK LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CORT BUSINESS SERVICES UK LIMITED

YEAR ENDED 31 DECEMBER 2014

---

We have audited the financial statements of CORT Business Services UK Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

*Andrew Hookway*

ANDREW HOOKWAY (Senior Statutory Auditor)  
For and on behalf of  
MENZIES LLP  
Chartered Accountants  
& Statutory Auditor

Ashcombe House  
5 The Crescent  
Leatherhead  
Surrey  
KT22 8DY

*14 May 2015*

# CORT BUSINESS SERVICES UK LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2014

---

	Note	2014 £	2013 £
<b>TURNOVER</b>	<b>2</b>	7,038,667	5,870,595
Cost of sales		1,618,537	1,410,256
<b>GROSS PROFIT</b>		5,420,130	4,460,339
Distribution costs		724,155	574,858
Administrative expenses		3,356,143	3,256,642
<b>OPERATING PROFIT</b>	<b>3</b>	1,339,832	628,839
Interest receivable and similar income		19,350	4,463
Interest payable and similar charges		-	(5,167)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,359,182	628,135
Tax on profit on ordinary activities		-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,359,182	628,135

---

The notes on pages 7 to 11 form part of these financial statements.

# CORT BUSINESS SERVICES UK LIMITED

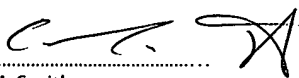
## BALANCE SHEET

31 DECEMBER 2014

	Note	2014		2013	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		3,380,550		3,234,122
<b>CURRENT ASSETS</b>					
Stocks		8,065		5,671	
Debtors	6	864,139		1,183,026	
Cash at bank and in hand		2,015,346		1,360,585	
		<u>2,887,550</u>		<u>2,549,282</u>	
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>1,438,662</u>		<u>1,163,727</u>	
<b>NET CURRENT ASSETS</b>			<u>1,448,888</u>		<u>1,385,555</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,829,438</u>		<u>4,619,677</u>
<b>CREDITORS: Amounts falling due after more than one year</b>					
Other creditors	8		<u>10,847</u>		<u>17,072</u>
			<u>4,818,591</u>		<u>4,602,605</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	14		7,595,762		8,738,958
Profit and loss account	15		(2,777,171)		(4,136,353)
<b>SHAREHOLDERS' FUNDS</b>			<u>4,818,591</u>		<u>4,602,605</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved by the directors and authorised for issue on 29/4/15, and are signed on their behalf by:

  
.....  
G. M. Smith

Company Registration Number: 06448915

The notes on pages 7 to 11 form part of these financial statements.



# CORT BUSINESS SERVICES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

---

### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### Going concern

Despite the losses incurred in previous financial years, the parent company have continued to give a high level of support both in terms of financial resources and providing strategic assistance assisting the company to achieve a profit this year. They have confirmed their long-term commitment to support.

#### Turnover

##### a) Operating lease income

Income from the operating lease rental of domestic and office furniture is recognised in the profit and loss account in the period to which it relates.

##### b) Finance lease income

Amounts due from lessees in respect of assets held under finance leases are included in debtors at the amount of the net investment in the lease.

Rental payments under finance leases are apportioned between interest, which is credited to the profit and loss account as gross earnings, and repayment of capital, which reduces the amount due from the lessee.

Gross earnings from finance leases are allocated to accounting periods to give a constant periodic rate of return on the net cash investment in the lease, using the investment period method of allocation. The initial direct costs incurred in negotiating and arranging finance leases are charged to the profit and loss account in the period in which they are incurred.

##### c) Other

Other turnover amounts comprise the invoiced value of goods and services supplied by the company, excluding value added tax.

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Rental assets	-	between 2 and 5 years with 0-40% residual value
Fixtures & Fittings	-	15% straight line
Motor Vehicles	-	over the term of the lease
Computer Equipment	-	45% straight line

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

# CORT BUSINESS SERVICES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

---

### 1. ACCOUNTING POLICIES *(continued)*

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2. TURNOVER

Overseas turnover amounted to 1.62% (2013 - Nil) of the total turnover for the year.

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Staff pension contributions	46,336	45,712
Depreciation of owned fixed assets	763,273	852,036
Depreciation of assets held under hire purchase agreements	7,545	7,545
Loss/(Profit) on disposal of fixed assets	10,948	(54)
Auditor's fees	17,740	15,015
(Profit)/ Loss on disposal of fixed asset (rental)	17,791	20,371

# CORT BUSINESS SERVICES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### 4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Aggregate remuneration	150,847	144,951
Value of company pension contributions to money purchase schemes	<u>39,470</u>	<u>39,470</u>
	<u>190,317</u>	<u>184,421</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2014 No	2013 No
Money purchase schemes	<u>1</u>	<u>1</u>

### 5. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
<b>COST</b>	
At 1 January 2014	5,840,976
Additions	1,423,643
Disposals	(1,543,618)
<b>At 31 December 2014</b>	<u>5,721,001</u>
<b>DEPRECIATION</b>	
At 1 January 2014	2,606,854
Charge for the year	778,364
On disposals	(1,044,767)
<b>At 31 December 2014</b>	<u>2,340,451</u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2014</b>	<u>3,380,550</u>
At 31 December 2013	<u>3,234,122</u>

Included in the cost value of fixed assets at the year is £5,445,197 (2013 - £5,223,556) of assets used to generating rental income by the company. At the year end accumulated depreciation for these items totalled £2,167,491 (2013 - £2,126,976).

#### Hire purchase agreements

Included within the net book value of £3,380,550 is £18,864 (2013 - £26,409) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £7,545 (2013 - £7,545).

### 6. DEBTORS

	2014 £	2013 £
Trade debtors	478,016	691,326
Other debtors	<u>386,123</u>	<u>491,700</u>
	<u>864,139</u>	<u>1,183,026</u>

# CORT BUSINESS SERVICES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

---

### 6. DEBTORS *(continued)*

The debtors above include the following amounts falling due after more than one year:

	2014 £	2013 £
Other debtors	136,395	218,119

Included in other debtors is £223,140 which is the investment in finance lease arrangements.

### 7. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	144,789	228,910
Other taxation and social security	261,474	192,481
Hire purchase agreements	6,791	6,791
Other creditors	1,025,608	735,545
	<u>1,438,662</u>	<u>1,163,727</u>

### 8. CREDITORS: Amounts falling due after more than one year

	2014 £	2013 £
Hire purchase agreements	10,847	17,072

### 9. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2014 £	2013 £
Hire purchase agreements are analysed as follows:		
Current obligations	6,791	6,791
Non-current obligations	10,847	17,072
	<u>17,638</u>	<u>23,863</u>

#### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

### 10. PENSIONS

The company operates a defined contribution scheme for certain employees. The assets of this scheme are held separately from those of the company in an independent administered fund. The pension charge for this scheme amounted to £46,336 (2013 - £45,712). As at 31 December 2014 there were £15,712 of pension contributions accrued (2013 - £14,400).

# CORT BUSINESS SERVICES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### 11. DEFERRED TAXATION

The company has further unused tax losses of £2,456,267 that are available to offset against future taxable profits.

### 12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2014 £	2013 £
Operating leases which expire:		
Within 1 year	-	91,118
Within 2 to 5 years	294,809	144,041
	<u>294,809</u>	<u>235,159</u>

### 13. RELATED PARTY TRANSACTIONS

At 31 December 2014 the company owed £45,907 to the director G. M. Smith (2013 - £42,008).

The company has taken advantage of the exemption conferred by Financial Reporting Standard for Smaller Entities (effective April 2008) not to disclose transactions with members of the group headed by Berkshire Hathaway Inc on the grounds that 100% of the voting rights in the company are controlled within that group.

### 14. SHARE CAPITAL

Allotted, called up and fully paid:

	2014 No	£	2013 No	£
Ordinary shares (2013 - 8,738,958) of £1 each	<u>7,595,762</u>	<u>7,595,762</u>	<u>8,738,958</u>	<u>8,738,958</u>

During the year the directors have made a resolution to cancel £1,143,196 of the company's ordinary share capital and repay that amount to CORT Business Services Corporation, its sole shareholder.

### 15. PROFIT AND LOSS ACCOUNT

	2014 £	2013 £
Balance brought forward	(4,136,353)	(4,764,488)
Profit for the financial year	1,359,182	628,135
Balance carried forward	<u>(2,777,171)</u>	<u>(4,136,353)</u>

### 16. ULTIMATE PARENT COMPANY

The ultimate parent company is considered to be Berkshire Hathaway Inc, a company incorporated in the United States of America and quoted on the New York Stock Exchange. The company's immediate parent is CORT Business Services Corporation, a company incorporated in the United States of America.

# **CORT BUSINESS SERVICES UK LIMITED**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31 DECEMBER 2014**

---

**The following pages do not form part of the statutory financial statements  
which are the subject of the independent auditor's report on pages 4 to 5.**