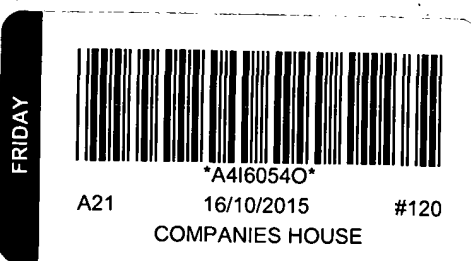


Workspace Holdings Limited

Company registration number - 3729646

Annual report and financial statements

For the year ended 31 March 2015



Workspace Holdings Limited

Directors' report for the year ended 31 March 2015

The directors present their report and the audited financial statements of Workspace Holdings Limited ('the Company') for the year ended 31 March 2015.

Principal activities

Workspace Holdings Limited is an intermediate holding company. At the year end it did not hold any investments.

The Company is a wholly owned subsidiary of Workspace Group PLC and a member of a Group Real Estate Investment Trust (REIT) whereby no tax is payable on the Group's property rental business.

Results and dividends

The Company's loss on ordinary activities before taxation for the year to 31 March 2015 is £6,980,980 (2014: profit of £30,393,686).

The profit last year was mainly as a result of a reversal of an impairment loss of £39.6m on the Company's investments. This was reduced by a £9.2m interest cost on the Company's loan resulting in a profit of £30.4m. Due to a lower loan balance the interest cost and loss for the current year is £7.0m.

An interim dividend was paid during the year of £180,000,000 (2014: nil).

The directors do not recommend a final dividend for the financial year (2014: nil)

Future developments

During the year the Company disposed of its subsidiary undertaking, Workspace 14 Ltd, to Workspace Group PLC at book value. The directors are reviewing the future activities of the Company and do not intend to liquidate the Company in the foreseeable future.

Directors

The following directors served during the financial year and up to the date of signing these financial statements:

G C Clemett
J P Hopkins

Financial risk management

The directors of Workspace Group PLC manage the Group's financial risk and financial instruments on a group basis. Disclosures relating to the Group's financial instruments can be found in notes 16 and 17 of the Group's Annual Report. The Company itself has limited exposure to risks arising from financial instruments having no external borrowings or financial investments at the year end.

Statement of 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

Workspace Holdings Limited

Directors' report for the year ended 31 March 2015 (continued)

Directors' indemnities

As permitted by the Parent Company's Articles of Association, the directors have the benefit of an indemnity provision which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Disclosure of information to auditors

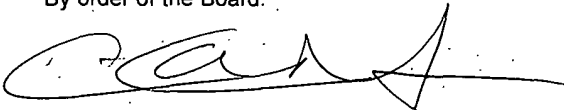
In accordance with section 418 of the Companies Act 2006, the directors who held office at the date of approval of this report confirm that, so far as they are aware there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP are deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the Board:

A handwritten signature in black ink, appearing to read 'C Carfora', with a long horizontal line extending to the right.

C Carfora
Company secretary

28 September 2015

Workspace Holdings Limited

Independent auditors' report to the members of Workspace Holdings Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

We have audited

The financial statements, which are prepared by Workspace Holdings Limited, comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion 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.

Workspace Holdings Limited

Independent auditors' report to the members of Workspace Holdings Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic report.

We have no exceptions to report arising from this responsibility.

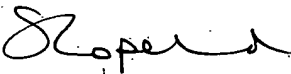
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities 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.

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

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Sonia Copeland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

~~28~~ September 2015

Workspace Holdings Limited

Profit and loss account for the year ended 31 March 2015

	Note	Year ended 31 March 2015	Year ended 31 March 2014
		£	£
Interest receivable and similar income		8,099	2,181
Reversal of impairment loss		-	39,552,566
Interest payable and similar charges	2	(6,989,079)	(9,161,061)
(Loss)/profit on ordinary activities before taxation	3	(6,980,980)	30,393,686
Tax on (loss)/profit on ordinary activities	5	2,109,950	1,342,196
(Loss)/profit for the financial year	11	(4,871,030)	31,735,882

All amounts above relate to continuing operations.

There were no other recognised gains or losses, other than the (loss)/profit for the financial year.

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

The notes on pages 7 to 10 form part of these financial statements.

Workspace Holdings Limited

Balance sheet as at 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	7	-	363,620,321
Current assets			
Debtors	8	2,802,247	1,342,196
Creditors: amounts falling due within one year	9	-	(177,289,240)
Net current assets/(liabilities)		2,802,247	(175,947,044)
Total assets less current liabilities		2,802,247	187,673,277
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	2,802,245	187,673,275
Total shareholders' funds	12	2,802,247	187,673,277

The notes on pages 7 to 10 form part of these financial statements.

The financial statements on pages 5 to 10 were approved by the Board on 28 September 2015 and signed on its behalf by:



G C Clemett
Director

Workspace Holdings Limited

Company registration number - 3729646

Workspace Holdings Limited

Notes to the financial statements for the year ended 31 March 2015

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below:

(b) Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment which is taken to the profit and loss account. Reversals of previous impairments are credited back to profit and loss account.

(c) Trade and other debtors

Trade and other debtors are recognised at cost and subsequently measured at cost less provision for impairment where it is established there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtor. The provision is charged to the profit and loss account.

(d) Taxation

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

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

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

(e) Cash flow statement

The Company has taken advantage of the exemption in FRS 1 (Revised 1996) 'Cash Flow Statements' not to produce a cash flow statement as one is prepared by its ultimate parent company (Workspace Group PLC).

Copies of the consolidated financial statements may be obtained at the registered office of the ultimate parent company (see note 13).

Workspace Holdings Limited

Notes to the financial statements for the year ended 31 March 2015

2 Interest payable and similar charges

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Interest payable on loan from ultimate parent company	6,989,079	7,788,470
Interest payable on loan from subsidiaries	-	1,372,591
	6,989,079	9,161,061

Interest payable on the loan with the ultimate parent company and the Company's subsidiary is on an arm's length basis at an average rate of 5.4% (2014: 5.3%). All other group balances are interest free.

3 (Loss)/profit on ordinary activities before taxation

Auditors' remuneration has been borne by a fellow subsidiary. This amounted to £2,000 (2014: £2,000).

The Company has no employees (2014: none).

4 Directors' emoluments

The emoluments of the directors are paid by other Group companies which makes no recharge to the Company. The directors are also directors of the other Group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the other Group companies.

5 Tax on (loss)/profit on ordinary activities

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Current tax:		
UK corporation tax on (loss)/profit for the financial year	(1,466,369)	(1,342,196)
Adjustments in respect of prior years	(643,581)	-
Tax credit on (loss)/profit on ordinary activities	(2,109,950)	(1,342,196)
The tax assessed for the year is different (2014: different) than the standard rate of corporation tax in the UK - 21% (2014: 23%). The differences are explained below:		
(Loss)/profit on ordinary activities before taxation	(6,980,980)	30,393,686
(Loss)/profit on ordinary activities at standard rate of corporation tax in the UK of 21% (2014: 23%)	(1,466,006)	6,990,548
Amounts not subject to tax	(363)	(502)
Amounts relating to provision for impairment of subsidiary	-	(9,097,090)
Adjustments in respect of prior years	(643,581)	-
Losses carried forward	-	764,848
Total current tax credit	(2,109,950)	(1,342,196)

The UK corporation tax rate was 20% from 1 April 2015 and this has been reflected in the accounts. Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

The Company has £1.3m (2014: £1.9m) tax losses carried forward measured at 20% (2014: 20%). These have not been recognised as a deferred tax asset as they are unlikely to be utilised in the foreseeable future. The Company is currently making taxable losses and thus cannot use these carried forward losses.

Workspace Holdings Limited

Notes to the financial statements for the year ended 31 March 2015

6 Dividends

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Equity - ordinary		
Interim paid: £90,000,000 (2014: nil) per £1 share	180,000,000	-
	180,000,000	-

7 Investments

Shares in subsidiary undertakings:	£
Cost	
Balance at 1 April 2014	363,620,321
Disposals in the year	(363,620,321)
Balance at 31 March 2015	-
Net book value at 31 March 2015	-
Net book value at 31 March 2014	363,620,321

During the year the Company sold its only subsidiary undertaking, Workspace 14 Ltd, to Workspace Group PLC at book value. The proceeds on sale were settled via intercompany account.

The Company is a wholly owned subsidiary of Workspace Group PLC and is included in the consolidated financial statements of that company which are publicly available. Consequently the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

8 Debtors

	2015 £	2014 £
Amounts owed by group undertakings (parent company)	692,175	-
Amounts owed by group undertakings (fellow subsidiaries)	122	-
Corporation tax (group relief receivable)	2,109,950	1,342,196
	2,802,247	1,342,196

Amounts owed by group undertakings are unsecured and repayable on demand. Amounts owed by the parent company is a loan and is subject to interest at an average rate of 5.4% (2014: 5.3%). All other amounts are interest free.

9 Creditors: amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings (parent company)	-	168,139,067
Amounts owed to group undertakings (fellow subsidiaries)	-	9,150,173
	-	177,289,240

Amounts owed to group undertakings are unsecured and repayable on demand. Amounts owed to the parent company is a loan and is subject to interest at an average rate of 5.4% (2014: 5.3%). All other amounts are interest free. Following the payment of the dividend in the year of £180m the Company now has a debtor balance with group undertakings (see note 8).

Workspace Holdings Limited

Notes to the financial statements for the year ended 31 March 2015

10	Called up share capital	2015	2014
		£	£
	Allotted and fully paid:		
	2 (2014: 2) ordinary shares of £1 each	2	2

11	Profit and loss account		£
	Balance at 1 April 2014		187,673,275
	Loss for the financial year		(4,871,030)
	Dividends paid (note 6)		(180,000,000)
	Balance at 31 March 2015		2,802,245

12	Reconciliation of movements in shareholders' funds	2015	2014
		£	£
	(Loss)/profit for the financial year	(4,871,030)	31,735,882
	Dividends paid (note 6)	(180,000,000)	-
	Net movement in shareholders' funds	(184,871,030)	31,735,882
	Opening shareholders' funds	187,673,277	155,937,395
	Closing shareholders' funds	2,802,247	187,673,277

13 Ultimate parent company

The ultimate and immediate parent company and ultimate controlling party is Workspace Group PLC a company incorporated in the UK and registered in England and Wales which heads the smallest and largest group to consolidate these financial statements. The Registered Office of the ultimate parent company is the same as that of the Company which is Chester House, Kennington Park, 1-3 Brixton Road, London, SW9 6DE. Copies of the consolidated financial statements which are reported under IFRS ("International Financial Reporting Standards") and incorporate the results of the Company may be obtained at that address.

14 Related party transactions

The Company has taken advantage of the exemption under FRS 8 'Related Party Disclosures' not to disclose related transactions between wholly owned group undertakings, which would otherwise qualify as related parties. The Company had no other transactions with related parties during the year.