

Workspace Holdings Limited

Company registration number - 03729646

Annual report and financial statements

For the year ended 31 March 2020

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Workspace Holdings Limited

Directors' report for the year ended 31 March 2020

The directors present their report and the audited financial statements of Workspace Holdings Limited (the 'Company') for the year ended 31 March 2020.

Principal activities

Workspace Holdings Limited is a UK incorporated and domiciled 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 profit before taxation for the year to 31 March 2020 is £123,200 (2019: profit of £125,028).

An interim dividend of £nil was paid during the year (2019: £nil).

The directors do not recommend a final dividend for the financial year (2019: £nil).

Future developments

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

D N Benson (Appointed 1 April 2020)

Financial risk management

The Company is part of the Workspace group (the "Group"). Risk is managed on a Group basis. The Risk Committee of the Group is responsible for the Group risk management framework. This comprises identifying and evaluating the risks that the Group faces and ensuring that appropriate controls and processes are in place to manage these risks. It also comprises responsibility for the oversight of the risk management process. An important part of the Group risk management framework is to have documented policies and procedures in place.

The Directors of the Company are responsible for ensuring that the Company complies with the Group's risk management framework. Assurance as to the effectiveness of and compliance with the risk management framework and internal controls is provided by the Group's risk management functions. The Directors consider its risk management framework is appropriate for a company of its size and complexity.

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 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explaining in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Workspace Holdings Limited

Directors' report for the year ended 31 March 2020 (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.

Statement of 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.

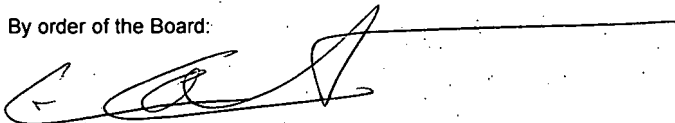
Independent auditors

For the year ended 31 March 2020, KPMG LLP were reappointed as auditors of Workspace Group PLC and its subsidiaries, including Workspace Holdings Limited.

Small companies provision statement

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 be 'C Carfora', written over a horizontal line.

C Carfora
Company secretary

17 December 2020

Workspace Holdings Limited

Independent auditors' report to the members of Workspace Holdings Limited

Opinion

We have audited the financial statements of Workspace Holdings Limited ("the company") for the year ended 31 March 2020 which comprise the Profit and loss account, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period"). We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects. However, as we cannot predict all future events or conditions and subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

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

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

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

Workspace Holdings Limited

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 1-2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditors' responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Kelly (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

17 December 2020

Workspace Holdings Limited

Profit and loss account for the year ended 31 March 2020

	Note	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Interest receivable and similar income	2	123,200	125,028
Profit before taxation	3	123,200	125,028
Tax on profit	5	-	-
Profit and total comprehensive income for the financial year		123,200	125,028

All amounts above relate to continuing operations.

There were no other comprehensive income, other than the profit for the financial year.

The notes on pages 8 to 10 form part of these financial statements.

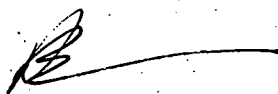
Workspace Holdings Limited

Balance sheet as at 31 March 2020

	Note	2020 £	2019 £
Current assets			
Debtors	6	3,421,191	3,297,991
Net current assets		3,421,191	3,297,991
Total assets less current liabilities		3,421,191	3,297,991
Net assets		3,421,191	3,297,991
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		3,421,189	3,297,989
Total shareholders' funds		3,421,191	3,297,991

The notes on pages 8 to 10 form part of these financial statements.

The financial statements on pages 5 to 10 were approved by the Board on 17 December 2020 and signed on its behalf by:



D N Benson
Director

Workspace Holdings Limited

Company registration number - 03729646

Workspace Holdings Limited

Statement of changes in equity for the year ended 31 March 2020

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance at 31 March 2018	2	3,172,961	3,172,963
Profit for the financial year	-	125,028	125,028
Balance at 31 March 2019	2	3,297,989	3,297,991
Profit for the financial year	-	123,200	123,200
Balance at 31 March 2020	2	3,421,189	3,421,191

The notes on pages 8 to 10 form part of these financial statements.

Workspace Holdings Limited

Notes to the financial statements for the year ended 31 March 2020

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 Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006.

In preparing the financial statements the Company has taken advantage of the following disclosure exemptions conferred by FRS 101:

- a) The requirements of IAS 7 to provide a Statement of cash flows and related notes for the year;
- b) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- c) The requirements of IAS 1 to disclose information on the management of capital;
- d) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- e) The requirements of paragraph 17 and 18a of 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;
- f) The requirements of IFRS 7 on financial instruments disclosures;

The above disclosure exemptions are allowed because equivalent disclosures are included in the Group consolidated financial statements of Workspace Group PLC into which the Company is consolidated.

(b) Significant judgements, key assumptions and estimates

The preparation of financial statements in conformity with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006 requires the use of estimates and judgements that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Not all of these accounting policies require management to make subjective or complex judgements. Management do not consider there to be any significant judgements within the accounting policies applied in the Company's financial statements.

The principal accounting policies, which have been applied consistently throughout the financial year, are set out below:

(c) Going concern

The potential impact of the Covid-19 pandemic on the operations of the Group has been a key consideration when assessing the appropriateness of applying the going concern basis in the preparation of the financial statements. In considering this, the Directors have reviewed a financial forecast and cashflow model for the 24 month period to 31 March 2022. The model has been prepared on the basis of a severe but plausible downside scenario which includes key assumptions around the continued impact of Covid-19 alongside other principal risks.

Key assumptions in this scenario include:

- A further reduction of 12% in occupancy and 6% in pricing.
- Occupancy to stabilise at the low point of March 2021 with a limited and slow recovery thereafter.
- A further 20% reduction in NRI reflecting risk of unrecoverable rent.
- An expansion in investment yields of 100bps at March 2021.

The Directors fully considered the Principal risks of the Company and how they may impact the model. Further details of the principal risks and how they are impacted by Covid-19 can be found in the Group's Annual Report.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due or at least one year after these financial statements are signed and therefore have prepared the financial statements on a going concern basis.

Workspace Holdings Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

(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. Any 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.

2 Interest receivable and similar income

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Interest receivable on loan to parent company	123,200	125,028
	123,200	125,028

Interest receivable on the loan with the parent company is on an arm's length basis at an average rate of 3.7% (2019: 4.0%).

3 Profit before taxation

Auditors' remuneration (audit services only) has been borne by a fellow subsidiary. This amounted to £1,460 (2019: £1,460).

The Company has no employees (2019: 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.

Workspace Holdings Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

5 Tax on profit

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
Current tax:		
UK corporation tax on profit for the financial year	-	-
Tax on profit	-	-

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
Profit before taxation	123,200	125,028
Profit before taxation at standard rate of corporation tax in the UK of 19% (2019: 19%)	23,408	23,755
Utilisation of losses	(23,408)	(23,755)
Total tax on profit	-	-

The UK corporation tax rate was 19% for the year ended 31 March 2020 and this has been reflected in the financial statements. A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly.

6 Debtors

	2020 £	2019 £
Amounts owed by Group undertakings (parent company)	3,295,993	3,171,666
Amounts owed by Group undertakings (fellow subsidiaries)	125,198	126,325
	3,421,191	3,297,991

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 3.7% (2019: 4.0%). All other amounts are interest free.

7 Called up share capital

	2020 £	2019 £
Allotted and fully paid: 2 (2019: 2) ordinary shares of £1 each	2	2

8 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 Canterbury Court, 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.

9 Related party transactions

The Company has taken advantage of the disclosure exemption under FRS 101 not to disclose related transactions between wholly owned group undertakings, which would otherwise qualify as related parties (IAS 24 Related Party Disclosures). The Company had no other transactions with related parties during either year.