Workspace 6 Limited

(Company registration no - 3780594)

Report and accounts

For the year ended 31 March 2006

Directors' report for the year ended 31 March 2006

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2006.

Principal activities

Last year the Company sold its remaining investment property. The Company then ceased trading.

Review of business and future developments

The Company has no intention of trading in the foreseeable future.

Results and dividends

The results for the year are set out in the profit and loss account on page 5.

Prior year results have been restated following the adoption of FRS21 (Events after the balance sheet date). FRS21 states that if an entity declares dividends to holders of equity instruments after the balance sheet date, the entity shall not recognise those dividends as a liability at the balance sheet date. The effect of the change in accounting policy was to recognise the dividend for the year ended 31 March 2005 of £10,000 in the current year.

The directors recommend a dividend for the year ended 31 March 2006 of £4,260,283 (2005: £10,000). A profit of £6,304 (2005: £12,213 restated) has been transferred to reserves.

Directors

The following directors served during the year and up to the date of these accounts:

Harry Platt MA, MRTPI
R Mark Taylor BSc, FCA
Madeleine Carragher, FRICS
J Patrick Marples, MRICS

None of the directors held any beneficial interest in the shares of the Company during the year.

Directors' interests at 31 March 2006 in the Ultimate Parent Company are shown in the Annual Report and Accounts of that company.

The directors have received no payment in respect of their services as directors of the Company.

Policy and practice on the payment of creditors

The number of days for trade creditors outstanding at 31 March 2006 has not been calculated for the Company as it has no trade creditors.

Directors' report for the year ended 31 March 2006 (Continued)

Risk Management

The directors of Workspace Group PLC manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Workspace 6 Limited business. The principal risks and uncertainties of Workspace Group PLC, which include those of the Company, are set out on pages 46 and 63 of the group's annual report which does not form part of this report.

Key Performance Indicators

The directors of Workspace Group PLC manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Workspace 6 Limited. The development, performance and position of Workspace Group PLC, which includes the Company, is discussed on pages 2 and 82 of the group's annual report which does not form part of this report.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Audit Information

The directors are satisfied that there is no information needed by the Group's auditors in connection with preparing their audit report of which the auditors are unaware. The directors have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

A Binns
Secretary

8 December 2006

Independent auditors' report to the members of Workspace 6 Limited

We have audited the financial statements of Workspace 6 Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities within the Directors' Report, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Workspace 6 Limited (Continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2006 and of its profit for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

8 December 2006

Profit and loss account
For the year ended 31 March

	Notes	2006	2005 (restated)
		£	£
Turnover - discontinued	2	-	1,000
Cost of sales - discontinued		-	(86)
Gross profit - discontinued		-	914
Administrative expenses - discontinued		-	-
Operating profit		-	914
Loss on disposal of investment properties	3	-	(1,240)
Loss on ordinary activities before taxation	4	-	(326)
Taxation	6	16,304	12,539
Profit on ordinary activities after taxation		16,304	12,213
Dividend paid		(10,000)	-
Retained profit for the financial year	10	6,304	12,213

Statement of total recognised gains and losses

	2006	2005
Profit for the financial year	16,304	12,213
Taxation on valuation surplus realised on sale of property	-	(387,068)
Total recognised gains/(losses) relating to the financial year	16,304	(374,855)

Note of historical cost profits and losses

	2006	2005
Reported loss on ordinary activities before taxation	-	(326)
Realisation of property valuation gains of previous years	-	1,145,555
Historical cost profit on ordinary activities before taxation	-	1,145,229
Historical cost profit for the year retained after taxation and dividends	6,304	770,700

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

Balance sheet
As at 31 March

	Notes	2006	2005 (restated)
		£	£
Current assets			
Debtors	7	4,260,285	4,633,510
Creditors: amounts falling due within one year	8	-	(379,529)
Net current assets		4,260,285	4,253,981
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	4,260,283	4,253,979
Total shareholders' funds	11	4,260,285	4,253,981

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

The financial statements were approved by the Board on 8 December 2006 and signed on its behalf by:

H, Platt.

H Platt

R M Taylor

Notes to the financial statements for the year ended 31 March 2006

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 1985 and UK Generally Accepted Accounting Practice (UK GAAP).

The principal accounting policies are set out below:

(b) Changes in accounting policy

The Company has adopted FRS21 'Events after the balance sheet date' in these financial statements. The adoption of this standard represents a change in accounting policy and the comparative figures have been restated accordingly. Under FRS21 final dividends are not recognised in the profit and loss account, or in debtors/creditors on the balance sheet, until approved by shareholders. Interim dividends are not recognised until paid. The effect of this can be seen in note 10 & 11.

The Company has adopted FRS25 'Financial Instruments: Disclosure and presentation' in these financial statements. The Company is exempt from the disclosure requirements set out in FRS25 paragraphs 51 to 95. Full disclosure is included in note 17 of the group's annual report which does not form part of this report. Comparative figures have not been restated following the adoption of this standard.

(c) Turnover and cost of sales (now discontinued)

Turnover comprises rental income and other sums receivable from occupiers of investment properties (including insurance charges, service charges, other recoverable costs and any premia associated with tenancies) and other sundry income. Turnover is stated exclusive of VAT.

Cost of sales comprises property outgoings directly attributable to investment properties.

(d) Taxation

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

On the disposal of an investment property the element of tax relating to the profit in the year is charged to the profit and loss account and the element relating to earlier revaluation surpluses is included in the statement of total recognised gains and losses.

Notes to the financial statements for the year ended 31 March 2006

1 Accounting policies (cont'd)

(d) Taxation (continued)

Deferred tax assets and liabilities arise from differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

In accordance with FRS19 deferred tax has been recognised in respect of all timing differences which have originated, but not reversed, by the balance sheet date, except that deferred tax has not been recognised on any potential capital gain where a binding sale commitment is not in place.

In adopting FRS19, the Company has chosen not to discount deferred tax assets and liabilities

(e) Cash flow statement

The Company has taken advantage of the exemption in FRS1 (revised) not to produce a cash flow statement as one is prepared by its Ultimate Parent Company.

2 Turnover

Turnover represents rent receivable from investment property (discontinued last year).

3 Loss on disposal of investment properties

	2006	2005
	£	£
Sale proceeds	-	1,880,000
Less selling costs	-	(6,240)
Less net book value on sale	-	(1,905,000)
Utilisation of provision brought forward	-	30,000
	-	(1,240)

4 Loss on ordinary activities before taxation

Auditors' remuneration of £1,000 (2005: £1,000) was borne by a fellow subsidiary.

5 Directors' emoluments

The directors do not receive emoluments for services to the Company as they are paid by a fellow subsidiary for services to the Group. The value of the services in respect of this Company is insignificant.

Notes to the financial statements for the year ended 31 March 2006

6 Taxation

	2006 £	2005 £
UK corporation tax on loss for the year	-	(7,329)
Adjustment in respect of previous periods	(16,304)	(210)
Total current tax	(16,304)	(7,539)
Deferred tax:		
Origination and reversal of timing differences	-	(5,000)
Tax credit	(16,304)	(12,539)

The tax assessed for the period is different from the standard rate of corporation tax in the UK. The differences are explained below:

	2006 £	2005 £
Loss on ordinary activities before taxation	-	(326)
Loss on ordinary activities at standard rate of corporation tax in the UK of 30% (2005: 30%)	-	(97)
Capital allowances in excess of depreciation	-	(7,232)
Capital gains adjustments	-	387,068
Capital gains charged direct to reserves	-	(387,068)
Adjustment in respect of previous periods	(16,304)	(210)
Tax credit	(16,304)	(7,539)

7 Debtors

	2006 £	2005 (restated) £
Due within one year:		
Amounts owed by parent company	4,260,285	3,498,395
Amounts owed by fellow subsidiaries	-	1,135,115
	4,260,285	4,633,510

Amounts owed by the parent company and fellow subsidiaries are unsecured, interest free and repayable on demand.

Notes to the financial statements for the year ended 31 March 2006

8 Creditors: amounts falling due within one year

	2006	2005
	£	£
Corporation tax payable	-	379,529
	-	379,529

9 Share capital

	2006	2005
	£	£
Authorised:		
100 ordinary shares of £1 each	100	100
Issued and fully paid:		
2 ordinary shares of £1 each	2	2

10 Profit and loss account

	£
Balance at 1 April 2005 as previously reported	4,243,979
Prior year adjustment (FRS21)	10,000
Balance at 1 April 2005 as restated	4,253,979
Profit for the year	6,304
Balance at 31 March 2006	4,260,283

Notes to the financial statements for the year ended 31 March 2006

11 Reconciliation of movement in shareholders' funds

	2006	2005 (restated)
	£	£
Profit for the year	16,304	12,213
Dividend	(10,000)	-
Taxation on valuation surplus realised on sale of property	-	(387,068)
Net movement in shareholders' funds	6,304	(374,855)
Opening shareholders' funds as previously reported	4,243,981	4,628,836
Prior year adjustment (FRS21)	10,000	-
Opening shareholders' funds as restated	4,253,981	4,628,836
Closing shareholders' funds	4,260,285	4,253,981

12 Ultimate parent company

The Ultimate and Immediate Parent Company is Workspace Group plc, a company 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 Magenta House, 85 Whitechapel Road, London E1 1DU. Copies of the consolidated accounts which are reported under IFRS ("International Financial Reporting Standards") and which incorporate the results of the Company may be obtained at that address.

13 Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 8 – Related Party Disclosures (FRS 8) not to disclose related party transactions between wholly owned Group undertakings. The Company had no other transactions with related parties during the year.