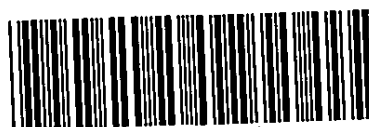


The Office (Kirby) Limited

REPORT AND FINANCIAL STATEMENTS

Year ended
31 December 2009

MONDAY



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COMPANIES HOUSE

Company Registration No 6356912

The Office (Kirby) Limited

DIRECTORS, OFFICERS AND ADVISORS

DIRECTORS

C Green
P Newborough
O Olsen

COMPANY SECRETARY

C Green

REGISTERED OFFICE

175-185 Grays Inn Road
London
WC1X 8UP

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

The Office (Kirby) Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of The Office (Kirby) Limited for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The principal activity of the company is that of provider of office space for rental

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Office traded successfully through a challenging year in 2009. Income was strong at the beginning of the year, largely due to committed licence agreements from 2008 with the second quarter presenting challenges as the wider economy went into recession. This required intensive management to maintain rental levels and reduce voids.

We are delighted with the company's ability to react to adverse market conditions and finish 2009 with excellent occupancy, running into 2010 achieving high, and in some instances, record levels of income per square foot. This provides the foundation for an exciting 2010 in which the company aims for growth of income from the current portfolio and expansion with opportunities for new centres.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office since 1 January 2009

C Green
P Newborough
O Olsen

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

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

By order of the board



C Green
Secretary

Date 02/08/2010

The Office (Kirby) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 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 period. In preparing these financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgments and estimates that are reasonable and prudent, and
- c 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OFFICE (KIRBY) LIMITED

We have audited the financial statements on pages 5 to 14. 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).

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.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 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

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/UKNP.

Opinion on the 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 2009 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.

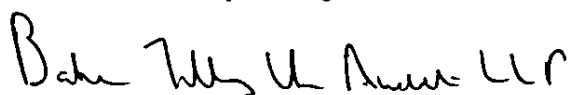
Opinion on other matter prescribed by the Companies Act 2006

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 and the directors' report in accordance with the small companies regime.



HOWARD FREEDMAN (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Dated 3/8/2010

The Office (Kirby) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2009

	<i>Notes</i>	Year ended 31 December 2009 £	Period ended 31 December 2008 £
TURNOVER	1	92,256	169,244
Administrative expenses		(141,455)	(215,346)
Other operating income		-	156,269
OPERATING PROFIT / (LOSS)		(49,199)	110,167
Bank interest receivable		2	14,348
Interest payable	2	(284,583)	(777,640)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(333,780)	(653,125)
Taxation	5	(117,428)	-
LOSS FOR THE FINANCIAL YEAR	12	(451,208)	(653,125)

The loss for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

The Office (Kirby) Limited

BALANCE SHEET

31 December 2009

Company Registration No 6356912

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	6	11,723,636	8,138,970
CURRENT ASSETS			
Debtors	7	1,535,190	1,042,175
Cash at bank and in hand		63,575	67,503
		<u>1,598,765</u>	<u>1,109,678</u>
CREDITORS Amounts falling due within one year	8	(10,788,565)	(6,381,032)
NET CURRENT LIABILITIES		<u>(9,189,800)</u>	<u>(5,271,354)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,533,836</u>	<u>2,867,616</u>
CREDITORS Amounts falling due after more than one year	9	(3,520,641)	(3,520,641)
PROVISION FOR LIABILITIES	10	(117,428)	-
NET LIABILITIES		<u>(1,104,233)</u>	<u>(653,025)</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	(1,104,333)	(653,125)
SHAREHOLDERS' FUNDS	15	<u>(1,104,233)</u>	<u>(653,025)</u>

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime

The financial statement on pages 5 to 14 were approved by the board and authorised for issue on 02/08/2010



C Green
Director

The Office (Kirby) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable standards, under the historical cost convention and on the going concern basis. Current year figures shown in the financial statements cover the year ended 31 December 2009. Comparative figures cover the period from the company's incorporation on 30 August 2007 to 31 December 2008. The company commenced trading on 10 October 2007.

GOING CONCERN

The ability of the company to continue as a going concern is dependent upon the continued support of the company's parent company and the facilities made available to the parent company by its bankers and one of its shareholders.

The directors of the company's immediate parent, The Office Group Holdings Limited, have confirmed that The Office Group Holdings Limited will provide sufficient support to allow the company to pay its debts as they fall due.

The parent company's bank facilities are based upon certain bank covenants, one of which relies upon a loan to property value ratio, being met. Based upon the valuations of the properties held by the company and its fellow subsidiary undertakings ("the group") at the balance sheet date, as prepared by the directors of those companies, this lending covenant has been met.

A further covenant requires the group to maintain a bank balance of at least £500,000 at all times. The terms of the covenant have been satisfied throughout the year and maintained since the year end.

The directors recognise that the company balance sheet is in a net current liability position as at 31 December 2009, however, on the basis of current financial projections, facilities available and the continued support of the company's parent company, the directors are confident that the group and the company have adequate resources to continue in operational existence for the foreseeable future and, accordingly, they consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

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 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is a binding agreement to sell the asset and the gain or loss expected to arise on sale has been recognised.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which 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 a non-discounted basis.

TANGIBLE FIXED ASSETS

In accordance with Statement of Standard Accounting Practice No 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. If the deficit is considered permanent it is recognised within the profit and loss account. No depreciation is provided in respect of investment properties. This accounting policy is not in accordance with the requirements of the Companies Act 2006 but the directors consider that it results in the accounts giving a true and fair view as these properties are not held for consumption in the business operations but for investment. Properties in the course of construction are carried at historic cost and are not depreciated.

Other tangible fixed assets are included at historic cost.

The Office (Kirby) Limited

ACCOUNTING POLICIES

Depreciation is provided on all tangible fixed assets, other than investment properties and properties in the course of construction, at the following annual rates in order to write each asset down to its estimated residual value evenly over its estimated useful life as follows

Fixtures, fittings and equipment	25% on cost
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Property in the course of construction are not depreciated

IMPAIRMENTS

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the profit and loss account.

TURNOVER

Turnover represents amounts receivable for rental income and services provided in the year, net of VAT

Income is recognised by reference to the period in which rent falls due

CAPITALISATION OF FINANCE COSTS

Finance costs directly attributable to the construction of tangible fixed assets incurred up to the time that identifiable major capital projects are ready for service, are capitalised as part of the cost of the assets

The Office (Kirby) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss on ordinary activities before taxation was made in the United Kingdom and derived from its principal activity

Turnover in the year was derived from tenants occupying the building upon completion of the refurbishment that had been carried out on the building

2	INTEREST PAYABLE	Year ended 31 December 2009 £	Period ended 31 December 2008 £
	Interest payable on bank loan	140,660	308,474
	Management charge for share of group interest	143,923	469,166
		<u>284,583</u>	<u>777,640</u>

3	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	Year ended 31 December 2009 £	Period ended 31 December 2009 £
	Loss on ordinary activities before taxation is stated after charging		
	Auditor's remuneration	7,000	6,875
	Depreciation – owned assets	12,482	-
		<u>19,482</u>	<u>6,875</u>

4 DIRECTORS'S EMOLUMENTS

The company's directors are employed under contracts of service with one of the company's fellow subsidiaries. These costs are recharged to the company within the management charge of £89,685 (2008 £63,234) which also includes recharged administration costs borne by the fellow subsidiary on behalf of the company. Consequently, it is not possible to identify separately the amount relating to directors' emoluments. Directors' emoluments are disclosed in the consolidated accounts of The Office Group Holdings Limited.

5	TAXATION	Year ended 31 December 2009 £	Period ended 31 December 2008 £
	Current tax		
	UK corporation tax on losses of the year	-	-
	Total current tax	<u>-</u>	<u>-</u>
	Deferred taxation		
	Origination and reversal of timing differences	190,598	-
	Prior year deferred tax adjustments	(73,170)	-
	Total deferred tax	<u>117,428</u>	<u>-</u>
	Tax on loss on ordinary activities	<u>117,428</u>	<u>-</u>

The Office (Kirby) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

5	TAXATION (continued)	Year ended 31 December 2009 £	Period ended 31 December 2008 £
	Factors affecting tax charge for year/period		
	The tax assessed for the year varies from the standard rate of corporation tax 28% (2008 28.5%) as explained below		
	Loss on ordinary activities before tax	(333,780)	(653,125)
		<hr/>	<hr/>
	Loss on ordinary activities multiplied by standard rate of corporation tax of 28% (2008 28.5%)	(93,458)	(186,141)
	Effects of		
	Income not taxable	-	(44,537)
	Capital allowances for year in excess of depreciation	(89,797)	(245)
	Tax losses carried forward	93,362	92,256
	Group relief not paid for	139,705	76,289
	Transfer pricing adjustment	52,652	63,301
	Other timing differences	(102,464)	(923)
		<hr/>	<hr/>
	Current tax charge for the year/period	-	-
		<hr/>	<hr/>

A deferred tax asset in respect of tax losses in the year of £nil (2008 £121,623) has not been recognised in the financial statements due to the uncertainty as to the timing of future profits

The Office (Kirby) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

6 TANGIBLE FIXED ASSETS

	Investment Property £	Property in the course of construction £	Fixtures, fittings & equipment £	Total £
COST				
At 1 January 2009	-	8,137,043	1,927	8,138,970
Additions	-	3,395,631	201,517	3,597,148
Transfer	11,532,674	(11,532,674)	-	-
At 31 December 2009	11,532,674	-	203,444	11,736,118
DEPRECIATION				
At 1 January 2009	-	-	-	-
Charge for year	-	-	12,482	12,482
At 31 December 2009	-	-	12,482	12,482
NET BOOK VALUE				
At 31 December 2009	11,532,674	-	190,962	11,723,636
At 31 December 2008	-	8,137,043	1,927	8,138,970

During the year, £365,949 (2008 £65,307) of finance costs directly attributable to the financing of freehold property developments were capitalised at the weighted average cost of the related borrowings. The total capitalised finance costs at 31 December 2009 was £431,256 (2008 £65,307).

The property in the course of construction is used as security against a bank loan held by The Office Group Holdings Ltd, the company's parent undertaking.

The valuation of the investment property was carried out on 31 December 2009 by C Green, a director of the company and Chartered surveyor, on an open market basis. The stated cost value was not deemed materially different from the open market value, hence no revaluation adjustment has been made.

In accordance with the requirements of Statement of Standard Accounting Practice number 19 ("SSAP 19"), but contrary to the requirements of the Companies Act 2006, investment properties are not depreciated. Instead they are re-valued annually, which the directors consider necessary in order for the financial statements to show a true and fair view.

The Office (Kirby) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

7	DEBTORS	2009 £	2008 £
	Trade debtors	110,790	3,415
	Amounts owed by group undertakings	1,407,320	1,004,296
	Other debtors	-	10,925
	Prepayments	17,080	23,539
		<u>1,535,190</u>	<u>1,042,175</u>
8	CREDITORS Amounts falling due within one year	2009 £	2008 £
	Trade creditors	172,537	58,486
	Amounts owed to group undertakings	10,246,242	6,029,461
	Accruals and deferred income	342,737	293,085
	Other taxation and social security	27,049	-
		<u>10,788,565</u>	<u>6,381,032</u>
9	CREDITORS Amounts falling due after more than one year	2009 £	2008 £
	Unsecured loan notes	<u>3,520,641</u>	<u>3,520,641</u>
	Repayable between two and five years	<u>3,520,641</u>	<u>3,520,641</u>
10	PROVISION FOR LIABILITIES	2009 £	2008 £
	Deferred taxation		
	The provision for deferred tax is made up as follows		
	Accelerated capital allowances	90,038	-
	Tax losses carried forward	(93,362)	-
	Other timing differences	120,752	-
		<u>117,428</u>	<u>-</u>
		2009 £	2008 £
	Provision at 1 January	-	-
	Deferred tax charge to profit and loss account	117,428	-
	Provision at 31 December	<u>117,428</u>	<u>-</u>

The Office (Kirby) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

11	CALLED UP SHARE CAPITAL	2009 £	2008 £
	Authorised 2,000 ordinary shares of 50p each	1,000	1,000
	Allotted, issued and fully paid 200 ordinary shares of 50p each	100	100
12	PROFIT AND LOSS ACCOUNT		2009 £
	1 January 2009		(653,125)
	Loss for the financial year		(451,208)
	31 December 2009		(1,104,333)
13	RELATED PARTY TRANSACTIONS		
	The company has taken advantage of the exemption conferred by Financial Reporting Standard No 8, not to disclose transactions with fellow group companies. Other than the transactions with group companies, there were no related party transactions during the year.		
14	CAPITAL COMMITMENTS	2009 £	2008 £
	Capital expenditure contracted for but not provided in the financial statements	-	2,811,000
15	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2009 £	2008 £
	New share capital subscribed	-	100
	Loss for the financial year/period	(451,208)	(653,125)
	Net deduction to shareholders' funds	(451,208)	(653,025)
	Opening shareholders' funds	(653,025)	-
	Closing shareholders' funds	(1,104,233)	(653,025)
16	CONTINGENT LIABILITIES		
	All assets of The Office (Kirby) Limited have been pledged as security for a group bank loan held by The Office Group Holdings Limited. At 31 December 2009 the group bank loan was £24,464,213 (2008 £22,536,555).		

The Office (Kirby) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

17 ULTIMATE PARENT COMPANY

The Office Group Holdings Limited owns 100% of the issued ordinary share capital of the company and is therefore its immediate parent company. Copies of the financial statements of The Office Group Holdings Limited can be obtained from 175-185 Gray's Inn Road, London WC1X 8UP.

The ultimate parent company is Bridges Ventures Limited. Copies of that company's financial statements can be obtained from 1 Craven Hill, London, W2 3EN.

Both the immediate and ultimate parent companies are registered in England and Wales.