

**TOG 7 Limited (Previously known
as The Office Group Limited)**

Report and Unaudited

Financial Statements

Year Ended

31 December 2021

Company Number 06418630

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TOG 7 Limited (Previously known as The Office Group Limited)

Company Information

Directors	M Green G Kataký O Olsen J Blank E Sanna
Registered number	06418630
Registered office	The Smiths Building 179 Great Portland Street London W1W 5PL
Accountants	BDO LLP 55 Baker Street London W1U 7EU

TOG 7 Limited (Previously known as The Office Group Limited)

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TOG 7 Limited (Previously known as The Office Group Limited)

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report together with the financial statements for the year ended 31 December 2021.

Business review

TOG 7 Limited ("the Company") is an indirect subsidiary of Cheetah Holdco Limited, the indirect parent of the trading entities hereafter referred to as The Office Group ("TOG", "the Group"). On 6 July 2017, a majority shareholding was acquired in Cheetah Holdco Limited by Blackstone Real Estate Partners Europe V.

On 19 September 2022 TOG completed the merger with another flexible workspace provider, Fora. The merger has brought together two highly complementary businesses within the flexible workspace sector, businesses that have similar cultures, values & visions for the future.

The principal activity of the Company during the year was an intermediate holding company. There has been no change to the activities of the Company during the year ended 31 December 2021. Although as an intermediate holding entity the Company has not been directly impacted by the COVID-19 pandemic there has clearly been an impact on the overall Group by the pandemic which is discussed in more detail within the Strategy section of the Strategic Report.

Business model

Key activities

TOG is one of Europe's leading flexible office providers, providing office space on flexible contracts and memberships to a wide range of clients. Properties are held on a freehold or leasehold basis and redeveloped into beautifully designed workplaces. In addition, TOG also provides meeting rooms, events and a platform for community and networking thousands of members.

TOG assets

Within the group TOG has a total of 45 locations at 31 December 2021, including 7 held within a joint venture, representing over 1.6 million sq ft. 8 of these buildings are owned freehold or long leasehold. This combined with a leasehold portfolio with a weighted average unexpired term of 14 years provides a strong and robust foundation for years to come.

TOG members

The TOG brand has proven to resonate with companies from start-ups to well-established corporates across a broad spectrum of industries. TOG is committed to providing a high level of service and remains connected to the needs of its customers. This enables the Group to respond by driving the continual enhancement of the service and amenities in our space, particularly in wellness, food & beverage, technology and sustainability.

Strategy

TOG's core objective is to achieve meaningful growth via acquisition opportunities, capitalising on the market shift across all sizes of business towards more flexible and design-led working environments. The impact of COVID-19 has led to an acceleration in the pre-existing trend toward quality flexibility, variety and amenity in work setting. Large corporates are increasingly viewing flexible workspace as a core part of their real estate strategy, TOG expects this shift to continue and for flexible workspace to form a larger part of their space take.

The driving force behind the significant steps taken in advancing our technology, wellness and amenities is our focus on enhancing member experience. TOG continually evaluates its product in line with forecasted trends, ensuring it maintains agility to meet the changing needs of its members. TOG has invested in the technology and people to develop and deliver more sophisticated systems with a direct benefit to the member experience.

TOG 7 Limited (Previously known as The Office Group Limited)

Strategic Report (continued) for the Year Ended 31 December 2021

Strategy (continued)

The merger with Fora in September 2022 brings together two strong brands and creates an even stronger platform for growth. The combined Group has plans to create a premier flexible workspace group in London and other key European cities and is well positioned to draw on the expertise and scale of both companies. Both brands will retain their current identities until a full brand review has taken place.

Trends and factors

COVID-19 has accelerated trends impacting how people work and live. The way that people want to engage with spaces has changed and TOG has been able to capitalize on that through the workspaces that the Group provides. As well as continuing to monitor licence fee rates, occupancy and costs we also have a dedicated Procurement team who negotiate cost efficient controls and where possible make our buildings as energy efficient as we can to manage costs and reduce environmental impact.

Many of the largest and most forward-thinking businesses in the world are now demanding shorter term, and more flexible solutions to their space requirements. Clients also see this flexibility and focus on design, wellness and sustainability as an important element in attracting and retaining the right calibre of staff, particularly in a post pandemic world where there is a need to provide greater amenity and alternate work settings that cannot be replicated via working from home or in many corporate offices.

During 2021 the lead flow of new business has increased back to and recently beyond pre pandemic levels. TOG expects that flexible contracts will be more desirable during uncertain times; an opinion supported by leading global real estate experts and widely reported in the mainstream press. TOG was ready for a strong return to normal operations, having prepared its buildings with an improved technology offer, revised layouts and furniture settings and new health and safety protocols.

Since the year end more and more people are returning to offices and a number of our buildings have demonstrated a return to pre COVID-19 occupancy levels which supports this trend.

Principal risks and uncertainties

Economic Downturn

A significant portion of the Group's costs are fixed which creates a risk to profitability if either occupancy or license fee rates fall. Although a significant portion of the Group's regular operating costs are fixed, some will be impacted by rising inflation and energy price increases. As well as continue to monitor licence fee rates, occupancy and costs we also have a dedicated Procurement team who negotiate cost efficient contracts and where possible make our buildings as energy efficient as we can to control costs. The Group monitors occupancy and license fee rates on a weekly basis. The Group's clients are from a diverse range of industries. At the year-end TOG had a mixed portfolio which comprised 10 freeholds with a total sqft of 487,458 and 31 leaseholds with total sqft of 1,422,198. This mixed portfolio helps mitigate this risk to an extent as its EBITDA* margins are higher than would otherwise be possible with a pure leasehold model, reducing the exposure to falls in income.

This risk is further mitigated by TOG's strategy of providing a long-term home for businesses as well as its emphasis on central London, the largest flexible office market in the world. This is further evidenced by the increase in longer term commitments from clients over the last twelve months. The average commitment in 2021 was 16 months compared to 14 months in 2020.

On 23 June 2016, the UK voted to leave the European Union (EU). On 31 January 2020 the UK left the EU after consensus was reached by the two parties on a withdrawal agreement. Britain's decision to leave the EU has not had any adverse impact on the business to date. The Group has found that the economic uncertainty created has increased demand for flexible workspace by clients wishing to avoid long term lease commitments. TOG's international expansion into Germany further mitigates the risk by providing greater opportunities for market growth and diversification.

* EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

TOG 7 Limited (Previously known as The Office Group Limited)

Strategic Report (continued) for the Year Ended 31 December 2021

Principal risks and uncertainties (continued)

While the economy is recovering, short- and medium-term inflationary pressures are becoming embedded in market expectations. To monitor the effects of this on the Group, we regularly track the construction costs of developments versus expectations and any inflationary impacts on those costs to understand the impact on our business.

The latter part of 2022 has seen interest rates rise in the UK as the Bank of England tries to tackle inflation. Although the TOG group has debt facilities in place these are fully hedged with an interest rate cap instrument against interest rate rises as per a condition of the facility agreements and will continue to be hedged for the duration of the facilities.

Covid-19 uncertainty

The Group's performance during the year was impacted by the coronavirus pandemic but to a much lesser extent than in 2020. Occupancy for December 2021 was 75% vs 64% at December 2020. The main risk to the Group in relation to the pandemic is the potential emergence of new variants and the efficacy of vaccines to new strains, necessitating further lockdowns but this risk has reduced substantially.

The directors have considered the going concern assumption in light of COVID-19 and the potential ongoing impact on customers and the underlying performance of the Group's assets. Given the impact on the ways people work as a result of the pandemic, this is expected to increase the demand for TOG's product. TOG has confidence that this trend will continue as people have now, at least in part, returned to the offices and companies are permanently adjusting their real estate strategies to incorporate a higher proportion of flexible office space. This is particularly true of well-designed, modern office space, which is becoming an increasingly important part of the overall employee offer. This is further evidenced by the growing number of listed landlords who are recognising this shift and increasing their exposure to the sector.

Client Retention

The majority of clients are bound to commitments 12-36 months. The Group manages this risk by monitoring the proportion of revenue from clients having a policy of not over committing to licensing to one client, having a proactive and early renewals process and staggering the exit of larger clients over several months. The Group is increasingly offering longer term commitments to larger clients, further mitigating the risk of losing clients.

Financial Market Volatility

The Group has existing facilities through a funding package of senior and mezzanine debt provided by 3 lenders, including the funding package secured to acquire the Chancery House asset. There is a risk that these loans may not be refinanced at competitive prices, or at all, due to market volatility at the time of refinancing. The funding requirements of the Group are reviewed regularly and options for alternative sources of funding monitored. The existing senior and mezzanine funding package will mature in February 2024, and the Chancery House funding package will mature in February 2025.

Business Interruption

The business could be adversely affected by major external events which could result in TOG being unable to carry out its business for a sustained period. TOG has business continuity plans and procedures in place and benefits from the growing diversity of its portfolio across London. TOG has taken the necessary steps to make its buildings safe for clients, with workspaces supporting physical distancing and new health and safety protocols.

TOG 7 Limited (Previously known as The Office Group Limited)

Strategic Report (continued) for the Year Ended 31 December 2021

Principal risks and uncertainties (continued)

Regulatory Risk

The directors ensure the Group complies with, and where possible is ahead of current regulations. As a matter of policy, the Group compliance checks all clients against leading databases and conducts annual independent audits of clients' files, going further than is currently recommended as industry best practice. The Group also monitors sanction lists on a regular basis to ensure the latest restrictions are adhered to. Another key area of focus is the requirement to comply with increasing health and safety as well as environmental regulations. This is one of the factors driving the development of the flexible office market due to the increasing administrative burden it forces on small businesses.

Environment, Social and Governance

The directors have considered the impact of TOG's activities on the environment, its workforce, stakeholders and the wider community.

TOG's primary focus in 2021 was the improvement of data quality to enable future decision making. Tracking our scope 1 and 2 emissions accurately, and developing scope 3 emissions reporting and embodied carbon frameworks.

- Scope 1 – this looks at Green House Gas (GHG) emissions that we make directly — for example running boilers and company vehicles.
- Scope 2 - these are the emissions we make indirectly – for example when the electricity or energy we buy for heating and cooling buildings
- Scope 3 - in this category go all the emissions associated, not with the Company itself, but that the organisation is indirectly responsible for, up and down its value chain. For example, Purchasing products from its suppliers, waste generation, employee commuting to work and business travel.

TOG has employed sustainability policies focused on developing higher performance buildings, improving operational efficiency and enabling long term strategic improvement. This includes a 3 year commitment to renewable energy, improvements in recycling rates and the construction of London's largest cross laminated timber office building at our new development, the Black and White Building in Shoreditch.

TOG has rolled out a new framework setting out the key TOG values, core competencies and behaviours for our employees. Programmes actively promoting good health, wellbeing and which provide training and support for mental health have been provided to all staff. TOG has also rolled out Diversity and Inclusion training to all employees in the business during the year, this initiative will be a key focus for the group over the coming years.

Financial performance

The Company made an operating loss of £20k (2020 - £6k) in the year and net profit was £59k (2020 - £694k). The performance of the Company has remained consistent with the prior year.

The directors do not recommend payment of a dividend.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or financial position of the business.

TOG 7 Limited (Previously known as The Office Group Limited)

Strategic Report (continued) for the Year Ended 31 December 2021

S172 statement

The directors confirm that during the year under review, through their business decisions, they have acted to promote the long term success of the Company for the benefit of shareholders, whilst considering the potential impact of those decisions on the Company's stakeholders. The factors considered would often include the likely long term consequences of the decision, the interests of employees, the relationships with customers and suppliers, the impact on the community and environment, maintaining the Company's reputation and acting fairly for all members of the Company.

The directors receive regular updates on stakeholder views from senior management. The directors seek to achieve an appropriate balance of stakeholder preferences, which in turn will assist the Company in achieving its long term growth objectives.

This report was approved by the board and signed on its behalf.



M Green
Director

Date: 15/12/2022

TOG 7 Limited (Previously known as The Office Group Limited)

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Company is an intermediate holding company.

Change of name

The Company passed a special resolution on 7 September 2022 changing its name from The Office Group Limited to TOG 7 Limited.

Directors

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

C Green (resigned 19 September 2022)
M Green
G Kataký
O Olsen
J Blank (appointed 19 September 2022)
E Sanna (appointed 19 September 2022)

Results and dividends

The profit for the year, after taxation, amounted to £59k (2020 - £694k).

The directors did not declare a dividend in the year (2020 - £Nil).

Share issue

On 22 December 2021 the Company issued a further 7,070,000 ordinary £1 shares at par.

TOG 7 Limited (Previously known as The Office Group Limited)

Directors' Report (continued) for the Year Ended 31 December 2021

Going concern

The Company reports a net profit of £59k (2020 - £694k) for the year. The Company has net current liabilities of £6,288k (2020 - £6,367k) and net assets of £14,201k (2020 - £7,072k) with cash and cash equivalents of £4k (2020 - £4k).

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its intermediate parent company, Cheetah Holdco Limited, to meet its liabilities as they fall due during the going concern assessment period.

This assessment is dependent on Cheetah Holdco Limited not seeking repayment of the amounts currently due to its group, which at 31 December 2021 amounted to £32,807k, and providing additional financial support during the going concern assessment period. The directors have received a letter from Cheetah Holdco Limited, the Group's indirect parent undertaking, indicating its intent to provide additional funding as is needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, during the going concern assessment period. Cheetah Holdco Limited has received a similar letter from its direct parent Cheetah Wild Holdco Limited (Jersey) which has also received a similar letter from its indirect parent undertakings, Blackstone Real Estate Partners Europe V and Blackstone Real Estate Partners VIII. As is the case for any entity placing reliance on other related entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors have also noted that on 19 September 2022, through the creation of a joint venture ultimate parent undertaking Concert JV Holdco Limited, incorporated in Jersey and backed by Blackstone Real Estate Partners and Brockton Capital, the Cheetah Holdco Limited group merged with another flexible workspace provider the Fora Group Holdings Limited group.

Having considered this change in its ultimate ownership structure, the directors do not anticipate that the merger will result in any significant changes in the organisation of the business in the going concern period and so have concluded that it does not affect the Company's going concern assessment.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Streamlined Energy and Carbon Reporting (SECR)

The Company is exempt from the requirement to include Streamlined Energy and Carbon Reporting ('SECR') data due to this information being included in the group report of the Ultimate Parent Undertaking, Cheetah Holdco Limited. The Group report is prepared for the same financial year end as the Company and complies with the SECR requirements as set out in Part 7A of Schedule 7 of the Companies Act.

TOG 7 Limited (Previously known as The Office Group Limited)

Directors' Report (continued) for the Year Ended 31 December 2021

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained 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 also 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.

This report was approved by the board and signed on its behalf.



M Green
Director

Date:

15/12/2022

TOG 7 Limited (Previously known as The Office Group Limited)

Chartered Accountants' Report to the Board of Directors on the preparation of the Unaudited Financial Statements of TOG 7 Limited For the Year Ended 31 December 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of TOG 7 Limited for the year ended 31 December 2021 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulations/a-z>.

It is your duty to ensure that TOG 7 Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of TOG 7 Limited. You consider that TOG 7 Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of TOG 7 Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of directors of TOG 7 Limited, as a body, in accordance with the terms of our engagement letter dated 23 April 2020. Our work has been undertaken solely to prepare for your approval the accounts of TOG 7 Limited and state those matters that we have agreed to state to the board of directors of TOG 7 Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than TOG 7 Limited and its board of directors as a body for our work or for this report.

BDO LLP

BDO LLP
Chartered Accountants
London
United Kingdom

Date: 16/12/2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

TOG 7 Limited (Previously known as The Office Group Limited)

Statement of Profit and Loss and Other Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 £000	2020 £000
Operating costs		(20)	(6)
Operating loss		(20)	(6)
<i>Interest receivable and similar income</i>	5	2,452	2,219
Interest payable and similar charges	6	(2,373)	(1,519)
Profit before tax		59	694
Tax on profit	7	-	-
Profit for the financial year		59	694

All amounts relate to continuing operations.

There was no other comprehensive income for 2021 (2020:£Nil).

The notes on pages 14 to 24 form part of these financial statements.

TOG 7 Limited (Previously known as The Office Group Limited)

Registered number:06418630

Balance Sheet as at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	8	39,829	32,779
Current assets			
Debtors: amounts falling due within one year	9	29,516	27,058
Cash and cash equivalents		4	4
		<u>29,520</u>	<u>27,062</u>
Current liabilities			
Creditors: amounts falling due within one year	10	(35,808)	(33,429)
Net current liabilities		<u>(6,288)</u>	<u>(6,367)</u>
Total assets less current liabilities		<u>33,541</u>	<u>26,412</u>
Creditors: amounts falling due after more than one year	11	(19,340)	(19,340)
Net assets		<u>14,201</u>	<u>7,072</u>
Capital and reserves			
Share capital	12	7,071	1
Merger reserve	12	6,293	6,293
Retained earnings	12	837	778
		<u>14,201</u>	<u>7,072</u>

TOG 7 Limited (Previously known as The Office Group Limited)

Registered number:06418630

Balance Sheet (continued) as at 31 December 2021

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M Green
Director

Date: 15/12/2022

The notes on pages 14 to 24 form part of these financial statements.

TOG 7 Limited (Previously known as The Office Group Limited)

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	1	6,293	84	6,378
Comprehensive income for the year				
Profit for the year	-	-	694	694
Balance at 1 January 2021	1	6,293	778	7,072
Comprehensive income for the year				
Profit for the year	-	-	59	59
Contributions by and distributions to owners				
Shares issued during the year	7,070	-	-	7,070
Balance at 31 December 2021	<u>7,071</u>	<u>6,293</u>	<u>837</u>	<u>14,201</u>

The notes on pages 14 to 24 form part of these financial statements.

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

1. General information

TOG 7 Limited is a private company, limited by shares, registered in England and Wales and domiciled in the United Kingdom. The Company's registered number and registered office address can be found on the Company Information page. The principal activity of the Company is stated in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain properties and financial instruments. The presentation currency used is sterling and amounts have been presented in round thousands ("£'000s").

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in 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
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

New standards, interpretations and amendments adopted from 1 January 2021

- Interest Rate Benchmark Reform – IBOR ‘phase 2’ (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

New standards, interpretations and amendments not yet effective

The following UK-adopted IFRSs have been issued but have not been applied by the Group in these consolidated financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

The following amendments are effective for periods beginning on or after 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments, which have been issued by the IASB but have not yet been adopted by the UKEB, are effective for periods beginning on or after 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The Company is currently assessing the impact of these new accounting standards and amendments.

Other

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

Profit and loss account presentation

The directors have reviewed the presentation of the profit and loss account and consider items to be more appropriately presented using the “by nature” format as this benefits the reader of the financial statements. In preparing the financial statements the “by nature” format has been adopted. This has also been applied to the comparative financial information and this has been represented onto the same basis. The adjustments have not affected previously reported profit or loss or net assets.

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

2. Accounting policies (continued)

2.2 Current and deferred taxation

Tax is recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.3 Exemption from preparation of consolidated financial statements

The financial statements contain information about TOG 7 Limited as an individual company and do not contain consolidated financial information as the parent of its group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the UK consolidated accounts of Cheetah Holdco Limited. The registered office of Cheetah Holdco Limited is 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.

2.4 Judgements and key areas of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgement in applying the Company's accounting policies. There are no estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as at the year end.

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

2. Accounting policies (continued)

2.5 Going concern

The Company reports a net profit of £59k (2020 - £694k) for the year. The Company has net current liabilities of £6,288k (2020 - £6,367k) and net assets of £14,201k (2020 - £7,072k) with cash and cash equivalents of £4k (2020 - £4k).

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its intermediate parent company, Cheetah Holdco Limited, to meet its liabilities as they fall due during the going concern assessment period.

This assessment is dependent on Cheetah Holdco Limited not seeking repayment of the amounts currently due to its group, which at 31 December 2021 amounted to £32,807k, and providing additional financial support during the going concern assessment period. The directors have received a letter from Cheetah Holdco Limited, the Group's indirect parent undertaking, indicating its intent to provide additional funding as is needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, during the going concern assessment period. Cheetah Holdco Limited has received a similar letter from its direct parent Cheetah Wild Holdco Limited (Jersey) which has also received a similar letter from its indirect parent undertakings, Blackstone Real Estate Partners Europe V and Blackstone Real Estate Partners VIII. As is the case for any entity placing reliance on other related entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors have also noted that on 19 September 2022, through the creation of a joint venture ultimate parent undertaking Concert JV Holdco Limited, incorporated in Jersey and backed by Blackstone Real Estate Partners and Brockton Capital, the Cheetah Holdco Limited group merged with another flexible workspace provider the Fora Group Holdings Limited group.

Having considered this change in its ultimate ownership structure, the directors do not anticipate that the merger will result in any significant changes in the organisation of the business in the going concern period and so have concluded that it does not affect the Company's going concern assessment.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.6 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any provision for losses arising on impairment.

2.7 Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity.

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

2. Accounting policies (continued)

2.8 Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers e.g. trade receivables, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairments.

Loss allowances for trade debtors and contract assets are measured at an amount equal to lifetime expected credit losses (ECLs), i.e. the ECLs that result from all possible default events over the expected life of the asset. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within loans and borrowings in current liabilities on the balance sheet.

2.9 Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

2.9.1 Fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss where the liability is either held for trading or is designated as held at fair value through profit or loss on initial recognition. They are carried in the balance sheet at fair value with changes in fair value recognised in the statement of comprehensive income. The Company does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

2.9.2 Other financial liabilities

Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.
- Loans from group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method. The difference between the fair value of the loan on initial recognition and the amount of the proceeds is credited directly to equity as a capital contribution.

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

2. Accounting policies (continued)

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.11 Interest receivable

Interest receivable is recognised in profit or loss using the effective interest method.

2.12 Interest payable

Interest payable is charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3. Employees and directors

There were no employees for the year ended 31 December 2021 (2020 - Nil). The directors of the Company are also directors of a number of subsidiaries of the ultimate parent undertaking. The directors consider their qualifying services in respect of this Company to be negligible.

4. Auditors' remuneration

The prior year accounts were audited. Auditors remuneration of £4k in 2020 was borne by The Office Islington Limited and is not represented in the profit and loss account.

5. Interest receivable and similar income

	2021 £000	2020 £000
Loan note interest receivable from subsidiaries	<u>2,452</u>	<u>2,219</u>

6. Interest payable and similar charges

	2021 £000	2020 £000
Interest payable on unsecured loan notes	2,373	1,513
Bank charges	-	6
	<u>2,373</u>	<u>1,519</u>

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

7. Taxation

No liability to UK corporation tax arose for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	59	694
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	11	132
Effects of:		
Group relief claimed for nil consideration	(11)	(132)
Total tax charge for the year	-	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly.

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

8. Investments

	Investments in subsidiary companies £000	Loans to subsidiaries £000	Total £000
Cost or valuation			
At 1 January 2021	9,362	23,417	32,779
Additions	7,050	-	7,050
At 31 December 2021	<u>16,412</u>	<u>23,417</u>	<u>39,829</u>
Net book value			
At 31 December 2021	<u>16,412</u>	<u>23,417</u>	<u>39,829</u>
At 31 December 2020	<u>9,362</u>	<u>23,417</u>	<u>32,779</u>

During the year the company subscribed for a further £7,050k of share capital in The Office Islington Limited.

Loans to subsidiaries relate to unsecured loan notes accruing interest at a rates of 10% and 11% per annum, with a maturity date of 31 December 2024.

Subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
The Office Islington Limited	A, B and Deferred	100%	Management services provider
The Office (Farringdon) Limited	Ordinary	100%	Flexible office provider
The Office (Shoreditch) Limited	Ordinary	100%	Flexible office provider
The Office (Bristol1) Limited	Ordinary	100%	Flexible office provider
The Office (Marylebone) Limited	Ordinary	100%	Flexible office provider
The Office (Kirby) Limited	Ordinary	100%	Flexible office provider

The subsidiaries as stated above have the registered office address of 179 Great Portland Street, London, W1W 5PL, United Kingdom.

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

9. Debtors: amounts falling due within one year

	2021 £000	2020 £000
Amounts owed by group undertakings	27,063	27,057
Other debtors	1	1
Accrued income	2,452	-
	29,516	27,058

All amounts owed by group undertakings are unsecured, repayable on demand and are not interest bearing. Amounts owed by group undertakings of £27,064k (2020 - £27,057k) includes amounts of £27,064k (2020 - £27,057k) which are expected to be recovered in more than 12 months.

The accrued income balance consists of accrued interest on intercompany loan notes issued by subsidiaries of the Company - The Office (Shoreditch) Limited, The Office (Bristol1) Limited, The Office (Kirby) Limited and The Office (Marylebone) Limited.

10. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	-	2
Amounts owed to group undertakings	32,807	32,797
Other creditors	127	129
Accruals	2,874	501
	35,808	33,429

The accruals balance consists of interest payable on the intercompany loan notes held by The Office Group Midco Limited. The loan notes are disclosed within Creditors: amounts falling due after more than one year.

All amounts owed to group undertakings are unsecured, repayable on demand and are not interest bearing. Amounts owed to group undertakings of £32,807k (2020 - £32,797k) includes amounts of £32,807k (2020 - £32,797k) which are expected to be recovered in more than 12 months.

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

11. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Unsecured loan notes	19,340	19,340

The unsecured loan notes are payable to The Office Group Midco Limited, the direct parent of the company. Interest on the unsecured loan notes is charged at 12.27% per annum (2020 - 12.27%), is payable annually, and is presented within creditors due within one year. The principal value of the loan notes is payable in full on 31 December 2024.

12. Share capital and other reserves

Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
7,071,000 (2020 - 1,000) Ordinary shares of £1.00 each	7,071,000	1,000

On 22 December 2021 the Company issued a further 7,070,000 ordinary £1 shares at par.

Merger reserve

The merger reserve arose as a result of acquisitions of subsidiaries.

Retained earnings

Retained earnings includes all current and prior period retained profits and losses.

13. Events after the reporting date

The Office Group ("TOG") announced on 14 March 2022 that there was a proposal to merge with another flexible workspace provider, Fora. This was subject to regulatory approval from the Competition and Markets Authority (CMA), and this was granted on 3 August 2022. On 19 September 2022 TOG legally completed the merger.

With the demand for flexible workspaces growing rapidly, the merger has brought together two highly complementary businesses within the flexible sector, businesses that have similar cultures, values & visions for the future. The combined group comprises 72 premier locations across both the UK and Germany, with a plan to continue to grow. The only impact on the Company of this event is a change in control structure as disclosed in note 14, and the subsequent decisions around group rationalization as laid out below.

TOG 7 Limited (Previously known as The Office Group Limited)

Notes to the Financial Statements for the Year Ended 31 December 2021

13. Events after the reporting date (continued)

PIK loan notes:

Since the year end Blackstone have injected cash in the form of PIK Loan notes issued by Cheetah Bidco Limited. Cheetah Bidco Limited is an indirect subsidiary of Cheetah Holdco Limited. These PIK Loan notes amount to £32m, £23m and £17m issued during February 2022, June 2022 and September 2022 respectively.

Group rationalization:

In November 2022, following on from the review of the structure where properties and operations were transferred to *The Office Group Properties Limited in March 2021*, the Group continued to review its structure and commenced the second phase with the aim to simplify the legal structure.

The former operating business entities, The Office Islington Limited, The Office (Bristol 1) Limited, The Office (Kirby) Limited, The Office (Marylebone) Limited, The Office (Farringdon) Limited and EOP DL Limited, all of whom have transferred their properties and operations to The Office Group Properties Limited (except for EOP DL Limited), along with existing holding companies: TOG 1 (US) Limited, TOG 3 (Ireland) Limited, TOG 5 (France) Limited, TOG 6 Limited, TOG UK Topco Limited, TOG GH Propco Limited and TOG GH Holdco Limited, are intended to be liquidated.

The intention is that debtor or creditor balances held within these companies will be settled in full, and any intra-group balances will be formalised with a loan agreement and waived. In addition, relevant intra-group loan notes held by the companies will also be formally waived. Investment values will be reviewed for evidence of impairment, with a review of the impact on the underlying net assets associated with each company.

The directors have considered the declining economic conditions that are impacting the group and consider these to be a non-adjusting post balance sheet event. As a result the increasing inflation and foreign exchange movements have no impact to the carrying values reported at the balance sheet date.

14. Ultimate parent company and control

Up to and including 18 September 2022, the Company was an indirect subsidiary undertaking of Cheetah-Wild Holdco Limited which was the ultimate parent company incorporated in Jersey. Following the merger with Fora on 19 September 2022, the ultimate parent company is Concert JV Holdco Limited, incorporated in Jersey. The immediate parent company before and after the merger is The Office Group Midco Limited, registered in the United Kingdom.

The largest Group in which the results of the Company are consolidated is that headed by Cheetah Holdco Limited, registered in the United Kingdom. The smallest Group in which the results of the Company are consolidated is that headed by TOG UK Mezzco Ltd, registered in the United Kingdom.

Copies of the Group financial statements of Cheetah Holdco Limited and TOG UK Mezzco Ltd will be available on request from Companies House.

15. Contingent liabilities

All assets of TOG 7 Limited have been pledged as security for a group bank loan held by The Office Group Holdings Limited and TOG UK Mezzco Ltd. At 31 December 2021 the group bank loan was £376,081k (2020 - £375,177k).