The Office Group Midco Limited

Report and Financial Statements

Year Ended

31 December 2019

Company Number 07355718

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The Office Group Midco Limited

Company Information

Directors	C Green M Green G Kataky O Olsen
Registered number	07355718
Registered office	The Smiths Building 179 Great Portland Street London W1W 5PL
Independent auditors	KPMG LLP 15 Canada Square London E14 5GL

The Office Group Midco Limited

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The Office Group Midco Limited

Directors' Report
for the year ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

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

Directors

The directors who served during the period were:

C Green
M Green
G Kataky
O Olsen

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £1.5m (2018 - loss £4.3m).

The directors do not recommend the payment of a final dividend.

Principal Risks and Uncertainty due to Brexit

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 Company or its underlying trading subsidiaries to date. Economic uncertainty has increased the demand for flexible workspace, as clients wish to avoid long term lease commitments. The Company continues to monitor the situation closely to gauge the possible impact on the Company and its investments in subsidiaries, as well as the sector and the UK economy.

The coronavirus (COVID) pandemic has impacted the world, UK and property industry in the first six months of 2020 with the short, medium and long-term impact on economic conditions being uncertain. The ability to be able to adapt and be flexible will benefit TOG during these uncertain times and as seen from the impact of Britain's decision to leave the EU uncertainty may lead to an increased demand for the Group's product.

Going concern

The Company reports a net profit of £1.5m (2018 loss of - £4.3m) for the year and has net liabilities of £24.5m (2018 - £26.0m).

Included within amounts payable to group undertakings at the year end is an amount of £206.4m (2018 - £202.9m) payable to The Office Group Holdings Limited, the immediate parent Company. The directors of The Office Group Holdings Limited do not intend to call for repayment of the intercompany debt for a period of at least 12 months from the date of this report. As with any company placing reliance on other Group 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, in light of the above, and having made appropriate enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. For this reason, they continue to adopt the going concern basis in preparing the Company's accounts. In adopting the going concern basis for preparing the financial statements, the directors have considered the Group's principal risks and uncertainties.

The directors have considered the level of financial support including that which may be available to the Company by an intermediate parent company, Cheetah Holdco Limited. The directors specifically considered the impact of the COVID pandemic as part of their assessment of the Company's ability to continue in operational existence. The directors have assessed the sensitised cash flow forecasts prepared by Cheetah Holdco Limited which are for a period in excess of 12 months from the date of authorisation of the financial statements and which consider a plausible but severe down-side scenario. Where applicable, assumptions applied include reductions of revenue below committed revenues, limited cost base savings and assuming longer than expected recovery periods. The results of the assessment performed have led the directors to conclude on the appropriateness of preparing the financial statements on the going concern basis.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

....
M Green
Director

Date: 28 September 2020

Independent Auditors' Report to the Members of The Office Group Midco Limited

Opinion

We have audited the financial statements of The Office Group Midco Limited ("the company") for the year ended 31 December 2019 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

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

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

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

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

Paul Barron (senior statutory auditor)
For and on behalf of KPMG LLP, statutory auditor
Chartered Accountants
United Kingdom

Date: 29 September 2020

The Office Group Midco Limited

Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 December 2019

	Note	2019 £000	2018 £000
Revenue	6	100	100
Administrative expenses		(5)	(49)
Operating profit		95	51
Interest receivable and similar charges	4	1,509	1,509
Interest payable and expenses	5	-	(6,227)
Other finance income		-	(12)
Profit/(loss) before tax		1,604	(4,679)
Tax on profit/(loss)	8	(146)	351
Profit/(loss) for the financial year		1,458	(4,328)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		1,458	(4,328)

All activities arise from continuing operations.

The notes on pages 10 to 20 form part of these financial statements.

The Office Group Midco Limited
Registered number:07355718

Balance Sheet
as at 31 December 2019

	Note		2019 £000		2018 £000
Fixed assets					
Investments	9		19,664		19,664
Current assets					
Debtors	10	162,127		160,756	
Cash at bank and in hand		87		100	
		162,214		160,856	
Creditors: amounts falling due within one year	11	(206,397)		(206,497)	
Net current liabilities			(44,183)		(45,641)
Net liabilities			(24,519)		(25,977)
Capital and reserves					
Share capital	13		1		1
Share premium account			53		53
Capital redemption reserve			2		2
Retained earnings			(24,575)		(26,033)
			(24,519)		(25,977)

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

M Green
Director

Date: 28 September 2020

The notes on pages 10 to 20 form part of these financial statements.

The Office Group Midco Limited

Statement of Changes in Equity
for the year ended 31 December 2019

	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At 1 January 2018	1	53	2	(21,705)	(21,649)
Comprehensive loss for the year					
Loss for the year	-	-	-	(4,328)	(4,328)
At 31 December 2018	1	53	2	(26,033)	(25,977)
Comprehensive income for the year					
Profit for the year	-	-	-	1,458	1,458
At 31 December 2019	1	53	2	(24,575)	(24,519)

The notes on pages 10 to 20 form part of these financial statements.

1. General information

The Office Group Midco Limited is a private company incorporated and registered in England and domiciled in the United Kingdom. The registered business number is 07355718 and the registered business address is 179-185 Great Portland Street, London, W1W 5PL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

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 Pound 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 to 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;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 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 paragraphs 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;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

New effective standards:

- IFRS 16: Leases (effective 1 January 2019)

IFRS 16 was released in January 2016 and replaces IAS 17 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard requires all leases (excluding short term and leases of low value items) to be recognised as an asset on the balance sheet, with a corresponding lease liability. Lessees are now required to separately recognise the interest expense on the lease liability and depreciation expense of the right-of-use asset.

The directors do not expect IFRS 16 to have a material impact on the financial statements due to the fact that no leases are currently held within this entity.

- IFRIC 23 Uncertainty over Income Tax Treatments (IFRIC 23)

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation requires:

- The Company to determine whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- The Company to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

The Company applies judgement in identifying uncertain tax positions.

The Company considers that the adoption of the interpretation did not have an impact on the financial statements and no restatements of comparative information have been made in the period ending 31 December 2019 due to adoption of the interpretation.

New and not yet effective standards:

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early. The most significant of these is are as follows, which are all effective for the period beginning 1 January 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material).
- Revised Conceptual Framework for Financial Reporting.

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

2. Accounting policies (continued)

2.2 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. 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 preparing consolidated financial statements

The financial statements contain information about The Office Group Midco Limited as an individual Company and do not contain consolidated financial information as the parent of the 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 EEA consolidated accounts of a larger group.

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.

2. Accounting policies (continued)

2.5 Going concern

The Company reports a net profit of £1.5m (2018 loss of - £4.3m) for the year and has net liabilities of £24.5m (2018 - £26.0m).

Included within amounts payable to group undertakings at the year end is an amount of £206.4m (2018 - £202.9m) payable to The Office Group Holdings Limited, the immediate parent Company. The directors of The Office Group Holdings Limited do not intend to call for repayment of the intercompany debt for a period of at least 12 months from the date of this report. As with any company placing reliance on other Group 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, having made appropriate enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. For this reason they continue to adopt the going concern basis in preparing the Company's accounts. In adopting the going concern basis for preparing the financial statements, the directors have considered the Group's principal risks and uncertainties.

The COVID pandemic, which has impacted the world, UK and property industry in the first six months of 2020, is considered a current principal risk. The short, medium and long-term impact on economic conditions is still uncertain at the time of preparing the financial statements.

The directors have assessed sensitised cash flow forecasts prepared by an intermediate parent company, Cheetah Holdco Limited, which are for a period in excess of 12 months from the date of approval of the financial statements, and which consider a plausible but severe down-side scenario. Based on these forecasts, the directors were led to conclude that the Company will have sufficient funds, through direct support from Cheetah Holdco Limited, to meet its liabilities as they fall due for that period. Where applicable, assumptions applied in preparing cash flow forecasts include reductions of revenue below committed revenues, limited cost base savings and assuming longer than expected recovery periods. Forecasts are also dependent on the Company's immediate, ultimate and intermediate parent companies and fellow subsidiary companies - all under the control of Cheetah Holdco Limited not seeking repayment of the amounts currently due to all group companies, which at 31 December 2019 amounted to £206,406,823. Cheetah Holdco Limited has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group 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 results of the assessment performed have led the directors to conclude on the appropriateness of preparing the financial statements of the Company on the going concern basis.

2. Accounting policies (continued)

2.6 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.

Impairment provisions are recognised when there is objective evidence that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

2.7 Financial liabilities

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

2.7.1 Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of profit or loss and other 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.

2.7.2 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

2. Accounting policies (continued)

2.8 Revenue

Revenue comprises of management fee income from group companies, and is recognised on an accruals basis.

3. Auditors remuneration

Auditors remuneration of £3,090 (2018 - £7,000) which is borne by The Office Islington Limited is not represented in the profit and loss account. The 2018 financial statements were consolidated financial statements.

4. Interest receivable

	2019 £000	2018 £000
Loan note interest receivable	1,509	1,509

The loan note interest receivable is in relation to an unsecured loan note with The Office Group Limited, a direct subsidiary of the Company.

5. Interest payable and similar expenses

	2019 £000	2018 £000
Interest payable on bank loans	-	4,726
Loan arrangement fee amortisation	-	1,501
	-	6,227

The Company's bank loans were fully settled in 2018 and as a result the interest payable in 2019 is £Nil.

6. Revenue

	2019 £000	2018 £000
Management fee income	100	100

7. Employees and directors

There were no employees for the year ended 31 December 2019 nor for the year ended 31 December 2018. Management services are provided to the company by The Office Islington Limited, a fellow group company, and recognised as recharged salary costs.

8. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	273	(351)
Adjustments in respect of prior periods	(127)	-
Total deferred tax	146	(351)
Taxation on profit/(loss) on ordinary activities	146	(351)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit/(loss) on ordinary activities before tax	1,604	(4,679)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	305	(889)
Effects of:		
Expenses not deductible for tax purposes	-	(66)
Group relief surrendered/(claimed) for nil consideration	-	563
Adjustment to tax charge in respect of previous periods	(127)	-
Chargeable gains/(losses)	-	(5)
Effect of tax rate change on opening deferred tax balances	(59)	-
Effect of tax rate change on closing deferred tax balances	27	46
Total tax charge for the year	146	(351)

8. Taxation (continued)

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, and the UK deferred tax asset as at 31 December 2019 has been calculated based on this rate.

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. This will increase the Company's future current tax charge accordingly and increase the total deferred tax asset by £27,224.

9. Investments

	Investments in subsidiary companies £000	Loans to subsidiaries £000	Total £000
Cost			
At 1 January 2019	5,164	14,500	19,664
At 31 December 2019	5,164	14,500	19,664

Investments in subsidiary companies consists of a £14.5m loan note with The Office Group Limited, along with £5.2m equity investments. The loan note accrues interest at 10% per annum and is repayable by 31 December 2020. The intention is to sign an extension of the loan note and as such this has been classified as non-current.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
The Office Group Properties Limited	Flexible office provider	Ordinary	100%
The Office Group Limited	Intermediate holding company	Ordinary	100%
The Office Islington Limited	Management services provider	Ordinary	*100%
The Office (Farringdon) Limited	Flexible office provider	Ordinary	*100%
The Office (Shoreditch) Limited	Flexible office provider	Ordinary	*100%
The Office (Bristol 1) Limited	Flexible office provider	Ordinary	*100%
The Office (Marylebone) Limited	Flexible office provider	Ordinary	*100%
The Office (Kirby) Limited	Flexible office provider	Ordinary	*100%
EOP DL Limited	Flexible office provider	Ordinary	*100%
TOG Fitness Limited (a)	Dormant	Ordinary	*100%
Creative Debuts Ltd. (b)	Artwork sale and rental	Ordinary	*51%

9. Investments (continued)

Subsidiary undertakings (continued)

*Shares held indirectly.

(a) TOG Fitness Limited was dissolved on 4 February 2020.

(b) The Group sold its investment in Creative Debuts Limited on 31 January 2019.

Joint ventures

At the period end the Company held an indirect 50% interest in The Station Office Network LLP. The principal activity of the Company is that of a flexible office provider.

All subsidiaries and joint ventures have the registered office 179–185 Great Portland Street, London, W1W 5PL.

10. Debtors

	2019 £000	2018 £000
Trade debtors	60	-
Amounts owed by group undertakings	155,439	155,381
Other debtors	362	448
Prepayments	-	25
Accrued interest on loan notes	6,035	4,525
Deferred taxation	231	377
	162,127	160,756

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. Included within debtors are amounts receivable from group companies of £155,439,229 (2018 - £155,381,000) which are expected to be recovered in more than 12 months.

11. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	(18)	8
Amounts owed to group undertakings	206,407	206,489
Other taxation and social security	8	-
	206,397	206,497

Amounts owed to group undertakings are unsecured, interest free and payable on demand. Included within creditors are amounts owed to group companies of £206,406,823 (2018 - £206,488,867) which are expected to be settled in more than 12 months.

12. Deferred taxation

	2019 £000	2018 £000
At beginning of year	377	26
(Credited)/charged to profit or loss	(146)	351
At end of year	231	377

The deferred tax asset is made up as follows:

	2019 £000	2018 £000
Tax losses asset	231	377

13. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £0.10 each	1,000	1,000
495 Ordinary A shares of £0.01 each	5	5
	1,005	1,005

14. Post balance sheet events

There are no adjusting post balance sheet events to report. The directors draw attention to the coronavirus pandemic which has impacted the world, UK and property industry in the first six months of 2020, which has an uncertain short, medium and long-term impact on the economic conditions the company operates in. The impact on the value of investment properties and goodwill cannot be reasonably determined at the time of preparation of the financial statements.

Having considered reasonably expected sensitivities in relation to the pandemic, the directors believe it is still appropriate to prepare the accounts on a going concern basis.

Please refer to the Going concern section of Note 2 - Accounting Policies for more information.

15. Ultimate parent company and control

The Company is a subsidiary undertaking of Cheetah-Wild Holdco Limited which is the ultimate parent Company incorporated in Jersey.

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 Company is consolidated is that headed by TOG UK Mezzco Ltd registered in the United Kingdom.

Copies of the Group financial statements of Cheetah Holdco Limited will be available on request from the Company's registered office, 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.