

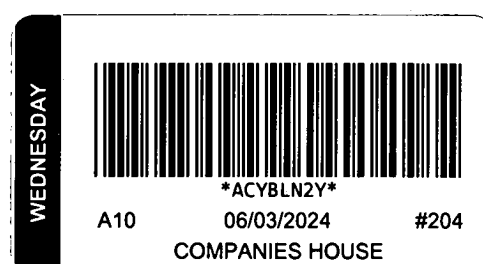
## **The Office Group Midco Limited**

Annual Report and Financial Statements

For the Year Ended

31 December 2022

Company Number 07355718



# The Office Group Midco Limited

## Company Information

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<b>Directors</b>	O Olsen E Sanna J Blank M Hitchcock L Machenaud
<b>Registered number</b>	07355718
<b>Registered office</b>	The Smiths Building 179 Great Portland Street London W1W 5PL
<b>Independent auditor</b>	Deloitte LLP 2 New Street Square London EC4A 3BZ

# **The Office Group Midco Limited**

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# The Office Group Midco Limited

## Strategic Report for the Year Ended 31 December 2022

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### Introduction

The Directors present their Strategic Report for The Office Group Midco Limited ("the Company") for the year ended 31 December 2022. The Company is a holding company with no trading assets, but is a subsidiary undertaking of Concert JV Holdco Limited ("the Group") which is the ultimate parent Company incorporated in Jersey. The Strategic Report focuses on the Group. Any points specific to the Company are stated.

### Our purpose

The Company is part of a Group who provides flexible office space to clients. The Group's purpose is to energise and empower people to create their best work. We lead, challenge and set the standard for what the workspace experience can be. We do this by creating beautifully designed buildings and progressive memberships, making the spaces (and contracts) flexible to allow businesses to thrive. We respond to the architecture, location and context of each building so that we can generate a real sense of ownership and community. We are ambitious for continued growth but with only the best buildings being run by the best people. The people in our buildings are at the heart of our business and these relationships drive how we act as a business.

### Ownership

On 19 September 2022, a joint venture between Blackstone Real Estate Partners VIII, Blackstone Real Estate Partners Europe V and Brockton Capital Fund III GP Limited was completed. The joint venture brought together the operations of Fora Holdings Limited ("FORA") and Cheetah Concert Holdco Limited creating Concert JV Holdco Limited as the immediate parent company of the newly combined business.

Cheetah Concert Holdco Limited is wholly owned by Cheetah Wild Holdco Limited which is ultimately controlled by Blackstone Real Estate Partners VIII and Blackstone Real Estate Partners Europe V, being funds managed and controlled by affiliates of Blackstone Inc. (hereby referred to collectively as "Blackstone"), with Blackstone and Brockton Capital both having joint control of the combined Group.

Fora Holdings Limited is controlled by Fora Group Holdings Limited which is ultimately controlled by Brockton Capital Fund III GP Limited, the General Partner of Brockton Capital Fund III (General Partner) LP, the General Partner of Brockton Capital Fund III LP.

The combination has brought together two highly complementary businesses within the flexible workspace sector, businesses that have similar cultures, values & visions for the future. The combination was enacted through the creation of a Joint Venture arrangement.

### Business model

The Company has not been impacted in the year through the combination. The business model of the Company (which is part of the Group) is outlined below:

#### *Key activities*

The business 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 well designed workplaces. The business also operates third party properties through either a Joint Venture agreement or a Management Agreement. In addition, the business also provides meeting rooms, events and a platform for community and networking for thousands of members.

#### *Members*

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

# The Office Group Midco Limited

## Strategic Report (continued) for the Year Ended 31 December 2022

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### Strategy

The Group's core objective is to achieve meaningful growth via acquisition, lease or management agreement 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 settings. The way people work has changed drastically since the pandemic and corporates of all sizes are increasingly viewing flexible workspace as a core part of their real estate strategy.

There has also been an increased demand by office landlords wanting to move to providing flexible workspaces given the excess demand. The Group is able to take advantage of this using its expertise in the sector to provide management services for landlords. The increase in this revenue stream further diversifies the portfolio with a low capital investment required which is particularly attractive given the current instability in the financial and economic environments and inflationary pressures.

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

The combination 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 groups. During 2022 both brands retained their current identities. A full brand review was undertaken in 2023 and through 2024 which will create a new combined vision and strategy for the Group going forward.

### Trends and factors

COVID-19 accelerated trends impacting how people work and live. The way that people want to engage with spaces has changed over the last few years and the Group has been able to capitalize on that through the flexible workspaces that the Group provides. As well as continuing to monitor licence fee rates, occupancy and costs we also have a dedicated procurement team aligned with a ESG team, who negotiate cost efficient controls and where possible make our buildings as energy efficient as we can to both 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. This is very apparent in a post pandemic world where there is a need to provide greater amenities and alternate work settings that cannot be replicated via either working from home or in many traditional corporate offices.

During 2022 the lead flow of new business has increased beyond pre pandemic levels. The Group 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. The Group 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.

# The Office Group Midco Limited

## Strategic Report (continued) for the Year Ended 31 December 2022

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### Risk management & internal control

Risk Management & Internal Control is operated at a combined Group wide level. The Board is ultimately responsible for ensuring the Group maintains a system of internal control that is appropriate for the various business environments in which it operates.

Business risks are identified through a system of continuous monitoring. During 2023 the combined Group has begun formalising its risk control framework which includes the following key features:

- Creation of an audit & risk committee, which is a formal committee of the Group board.
- Risk appetite statements which set out the tolerance the business has for identified risks.
- A risk register which identifies and evaluates risks to which the Group may be exposed so that they can be managed in line with risk policies.
- Regular reporting of ongoing and emerging risks to assess whether risk positions are within the limits set by the risk appetite.
- Implementation of an internal audit function which will provide independent assurance on the effectiveness of business risk management and the overall operation of the risk framework.

### Principal risks and uncertainties

#### *Economic Environment*

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 continuing 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. The Group also mitigates against certain risks by having a portfolio of clients who have contracts greater than 12 months. The Group's percentage of contracts after 12 months was 65% at year end.

The Group has a property portfolio of mixed tenures which helps mitigate this risk to an extent as its EBITDA (earnings before interest, tax, depreciation and amortisation) margins are higher than would otherwise be possible with a pure leasehold model, reducing any exposure to falls in income.

This risk is further mitigated by the Group'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.

The Group has found that any economic uncertainty created has increased demand for flexible workspace by clients wishing to avoid long term lease commitments.

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 and throughout 2023 has seen interest rates rise in the UK as the Bank of England tries to tackle inflation. Although the 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. The Group has also taken advantage of the increased interest rates by placing surplus cash in money market deposit accounts to earn interest income.

Forecasting and scenario modelling has been undertaken, including sensitivities arising from the current macroeconomic environment, to help plan for future impacts on the business. A downside scenario has been analysed in connection with the going concern assessment, details of which are set out in note 2 'Accounting Policies' within 'Going concern'.

# The Office Group Midco Limited

## Strategic Report (continued) for the Year Ended 31 December 2022

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### Principal risks and uncertainties (continued)

#### *Client Retention*

The majority of clients are bound to commitments of between 12 and 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.

#### *Cybersecurity*

Cybersecurity continues to be a focal point for the combined Group in light of the increasingly digital nature of modern business operations and the rising prevalence of cyber threats. Recognising the importance of securing our digital assets, our approach encompasses a comprehensive suite of proactive and reactive measures aimed at risk mitigation.

Our proactive measures involve maintaining robust and updated systems and protocols, which include advanced security software, continuous network monitoring, and multi-factor authentication mechanisms. This is supplemented with continuous vulnerability assessments, quarterly phishing simulations, and annual penetration tests to identify potential security gaps. On the reactive front, we have incident response plans in place, ensuring swift action and minimum disruption in the event of a security breach.

In our commitment to building a resilient cybersecurity culture, we have recently re-launched our employee security awareness programme. Regular training is provided to all staff members to raise awareness of potential cyber threats and to foster best practices for digital security.

All end-user devices are encrypted and have the latest antimalware protection in place.

Finally, we maintain cyber risk insurance to mitigate financial losses related to potential cyber incidents. Our cybersecurity strategy is continually revised and updated to address evolving risks, ensuring we are well-positioned to protect our stakeholders' interests and uphold our operational integrity in the increasingly digital world in which we operate.

#### *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 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.

# The Office Group Midco Limited

## Strategic Report (continued) for the Year Ended 31 December 2022

### Financial performance

The Company is an intermediate holding company of entities which hold the majority of the flexible office spaces in the wider Group. During the year, the operating loss the Company made is a result of no revenue being generated in the Company due to its nature of being a holding Company. The net profit generated by the Company is driven by interest received on intercompany loan notes with a subsidiary.

In 2021 the Company received revenue from related parties within the Group in relation to management services, this has ceased in 2022. The Company made an operating loss of £26k (2021 - profit of £16k) in the year and profit for the year was £1,898k (2021 - £2,389k). The performance of the Company has remained consistent and is expected to continue on this basis in 2023 and beyond.

The Directors do not recommend payment of a dividend (2021 - £Nil).

### 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.

### S172 statement

Section 172 of the Companies Act 2006 requires the Board of Directors (the "Board") to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard to the interests of stakeholders. The Company is a holding company and does not have operations of its own.

The Directors have considered the matters set out in section 172 (1) (a) to (f) when performing their duty under section 172, which states:

A Director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) The likely consequences of any decision in the long term.
- (b) The interests of the Company's employees.
- (c) The need to foster the Company's business relationships with supplies, customers and others.
- (d) The impact of the Company's operations on the community and the environment.
- (e) The desirability of the Company maintaining a reputation for high standard of business conduct, and
- (f) The need to act fairly as a between members of the Company.

Where the application differs for the Company, an account of the difference are listed below.

172 (1) (b), the Company does not have any employees.

172 (1) (c), the Company has limited stakeholder interaction, other than for the provision of supporting finance, the details of which are described within these financial statements.

172 (1) (d), the Company does not have any trade operations that impact the community or environment.

The Company is a holding company and does not have operations of its own and the Directors have also considered a Group approach. The Group has several key stakeholder groups, including employees, customers, suppliers and business partners, and the communities in which the Group operates.



## The Office Group Midco Limited

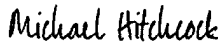
### Strategic Report (continued) for the Year Ended 31 December 2022

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The Directors confirm that during the year under review, through their business decisions, they have acted to promote the long-term success of the Group and Company for the benefit of shareholders, whilst considering the potential impact of those decisions on the Group's stakeholders. The factors considered would often include the 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 Group's reputation and acting fairly for all members of the Group.

The Board strives to take decisions for the long term, with the aim of understanding and respecting the views and needs of the Group's stakeholders and its ultimate shareholders to whom the Group is accountable. 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 Group in achieving its long-term growth objectives.

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

DocuSigned by:  
  
75708FA35D68407.....  
**M Hitchcock**  
Director

Date: 29 February 2024

# The Office Group Midco Limited

## Directors' Report for the Year Ended 31 December 2022

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The Directors present their report and the financial statements for the year ended 31 December 2022.

### Principal activity

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

### Directors

The Directors who served during the year and up to the date of signing this report were:

M Green (resigned 17 January 2023)  
G Katakya (resigned 5 June 2023)  
O Olsen  
E Sanna (appointed 19 September 2022)  
J Blank (appointed 19 September 2022)  
C Green (resigned 9 October 2023)  
M Hitchcock (appointed 19 January 2023)  
L Machenaud (appointed 6 June 2023)

### Results and dividends

The Directors do not recommend payment of a dividend (2021 - £Nil).

### Prior year adjustment

The Directors have identified that in the prior year, the intra-group loans were incorrectly presented as a current asset. As a result of this, the Directors have restated the comparative information in the balance sheet, resulting in an increase in investments within fixed assets and a decrease in debtors within current assets (see note 16).

### Going concern

The financial statements have been prepared on a going concern basis.

Since the merger of the TOG and Fora Groups, a significant amount of work has been completed on integrating the two businesses. This ranges from work on the brand identity and product offering, the technology architecture and team alignment. The integration work has been focused on creating a stabilised business and creating efficiencies in how the business operates and the platforms it utilises to deliver the combined Group strategy.

The Directors have assessed the business plan and cash flow forecasts for the Group for a period of at least 12 months from the date of issuance of these financial statements which reflects the ongoing integration. The forecasts include consideration of future trading performance, capital expenditure, refinancing of debt and continued compliance with debt covenants. In addition to a base-case scenario, being the Directors' view of the most likely outcome, a severe-but-plausible downside forecast has been prepared which reflects the principal risks and uncertainties set out in the Strategic Report. The sensitivities applied in the downside scenario include reductions in occupancy up to 9%, higher than expected inflation and potential increases in cost of debt on refinancing.

# The Office Group Midco Limited

## Directors' Report (continued) for the Year Ended 31 December 2022

As disclosed in full in the Cheetah Holdco Limited accounts, as contemplated in the initial post-merger business plan, under the base case and downside forecasts, before consideration of any loan refinancing, additional funding would be required from the Group's shareholders. The two shareholders have confirmed to the Directors that they intend to provide such financial support. The Directors have received a letter from Cheetah Holdco Limited, the Group's indirect parent undertaking, confirming its intent to provide additional funding to the Group and that it does not intend to seek repayment of the amounts due at the balance sheet date during the going concern assessment period. As is the case for any entity potentially 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 consider the risk of support not being given is remote. In reaching this conclusion, the Directors have assessed the ability and intent of the shareholders to continue to provide the intended support.

As at the year-end date (and as described in more detail in the Cheetah Holdco Limited accounts), the Group now has £597m of debt that matures in August 2024. The Directors are confident to be able to manage the debt maturities in 2024 across the Group. The shareholders of the Group have extensive experience of real estate capital markets. The Directors have consulted with its shareholders in reaching the above conclusion.

Based on the above the Directors consider that the risk of the combined Group failing to trade within the sensitised business case is remote. This includes the risk of not being able to refinance the debt or losing the support of the shareholders. Therefore, the Directors believe that it remains appropriate to prepare 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 a 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.

### Events after reporting date

On 20 September 2022, The Office Group Operations Limited was sold by TOG 7 Limited to The Office Group Limited. The original sale was for a consideration of £1. Upon review this was identified as an unlawful distribution as the book value of The Office Group Operations Limited less the £1 consideration was greater than the distributable reserves in TOG 7 Limited. Management has since corrected this by way of shareholder agreement stating that The Office Group Limited will pay the net asset value at 20 September 2022 for the shares in The Office Group Operations Limited. The £18m intercompany debtor representing the net asset value has been posted in the 2022 financial statements to correct the error. In February 2024, The Office Group Limited sold The Office Group Operations Limited back to TOG 7 Limited for consideration equal to net assets at the point of sale.

### Financial instruments

#### General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to management. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company follows the Group's approach to risk management and further details regarding these policies are set out below. Where the risk is not applicable to the Company or the Company deviates from the Group's policy, it is stated.

# The Office Group Midco Limited

## Directors' Report (continued) for the Year Ended 31 December 2022

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### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The credit risk from the Group's customers is very low as the Group holds deposits for each customer and can deny access to services if payment is outstanding. It is a policy, implemented locally, to assess the credit risk of new customers before entering contracts. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk arises for the Group from its use of variable interest bearing instruments (interest rate risk).

The Group finances its operation through a mixture of retained profits, intergroup loans and external borrowings. The Group borrows at both fixed and floating rates of interest and then utilises interest rate swaps and caps to generate the desired interest and risk profile. Although the Board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

During 2022, the Group's borrowings at variable rate were denominated in Pound Sterling.

### Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'interest rate risk' section above.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial period, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The liquidity risk of each Group entity is managed centrally by the Group finance function.

### Capital disclosures

The Group's objective when maintaining capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group monitors the ratio of bank borrowings to long term property assets. Long term property assets is calculated as the net book value of freehold properties and leasehold property shown in property, plant and equipment.

## The Office Group Midco Limited

### Directors' Report (continued) for the Year Ended 31 December 2022

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#### Matters covered in the Strategic Report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 1 - 5.

#### Qualifying third party indemnity provisions

The Company has provided qualifying third-party indemnities for the benefit of the Directors in the year and up to the date of signing this report.

#### Disclosure of information to auditor

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

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware;
- the Directors have 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 auditor is aware of that information; and
- This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

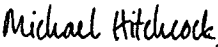
#### Events after the reporting date

There have been no significant events after the reporting date.

#### Auditor

Deloitte LLP, was appointed as auditor during the year, and has indicated its willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:  
  
.....75708FA35066407.....  
**M Hitchcock**  
Director

Date: 29 February 2024

## **The Office Group Midco Limited**

### **Directors' Responsibilities Statement for the Year Ended 31 December 2022**

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The Directors are responsible for preparing the Annual 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), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

# **The Office Group Midco Limited**

## **Independent Auditor's Report to the Members of The Office Group Midco Limited**

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### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of The Office Group Midco Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit and loss and other comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## The Office Group Midco Limited

### Independent Auditor's Report to the Members of The Office Group Midco Limited (continued)

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#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## The Office Group Midco Limited

### Independent Auditor's Report to the Members of The Office Group Midco Limited (continued)

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- The valuation of investments requires significant judgements over determining the recoverable amount which therefore presents a fraud risk as manipulation of these estimates could result in material misstatement. In response to this we have assessed the carrying value of the investments against the recoverable amount to determine whether they supported the carrying value. We also used the implied valuation derived through the combination at the ultimate holding company level to assess the underlying value in the group and where it sat in relation to the investments held.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

## The Office Group Midco Limited

### Independent Auditor's Report to the Members of The Office Group Midco Limited (continued)

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#### Report on other legal and regulatory requirements

##### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

##### Matters on which we are required to report by exception

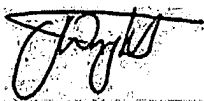
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

##### Use of our report

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.



**James Wright FCA** (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, UK

Date: 29 February 2024

## The Office Group Midco Limited

### Statement of Profit and Loss and Other Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £000	2021 £000
Revenue	4	-	50
Operating costs	4	(26)	(34)
<b>Operating (loss)/profit</b>		<u>(26)</u>	<u>16</u>
Interest receivable and similar charges	7	2,373	2,373
<b>Profit before tax</b>		<u>2,347</u>	<u>2,389</u>
Tax charge	9	(449)	-
<b>Profit for the financial year</b>		<u><u>1,898</u></u>	<u><u>2,389</u></u>

All amounts relate to continuing operations.

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 19 to 31 form part of these financial statements.

# The Office Group Midco Limited

Registered number: 07355718

## Balance Sheet as at 31 December 2022

		2022 £000	As restated* 2021 £000
<b>Fixed assets</b>	<b>Note</b>		
Investments	10	208,979	203,736
		<u>208,979</u>	<u>203,736</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	153	3,056
Cash and cash equivalents		2	12
		<u>155</u>	<u>3,068</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(206,662)	(206,230)
<b>Net current liabilities</b>		<u>(206,507)</u>	<u>(203,162)</u>
<b>Net assets</b>		<u>2,472</u>	<u>574</u>
<b>Capital and reserves</b>			
Share capital	13	214	214
Share premium account	13	21,114	21,114
Capital redemption reserve	13	2	2
Accumulated losses	13	(18,858)	(20,756)
<b>Total equity</b>		<u>2,472</u>	<u>574</u>

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

DocuSigned by:

*Michael Hitchcock*

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**M Hitchcock**

Director

Date: 29 February 2024

\*Refer to note 16 for further information on the prior year restatement.

The notes on pages 19 to 31 form part of these financial statements.

## The Office Group Midco Limited

### Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Accumulated losses £000	Total equity £000
<b>Balance at 1 January 2021</b>	1	53	2	(23,145)	(23,089)
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	2,389	2,389
Shares issued during the year	213	21,061	-	-	21,274
<b>Balance at 31 December 2021</b>	<u>214</u>	<u>21,114</u>	<u>2</u>	<u>(20,756)</u>	<u>574</u>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,898	1,898
<b>Balance at 31 December 2022</b>	<u><u>214</u></u>	<u><u>21,114</u></u>	<u><u>2</u></u>	<u><u>(18,858)</u></u>	<u><u>2,472</u></u>

The notes on pages 19 to 31 form part of these financial statements.

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

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### 1. General information

The Office Group Midco 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.

### 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. 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 91-99 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; and
- 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.

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 2. Accounting policies (continued)

#### 2.1 Basis of preparation of financial statements (continued)

##### **New standards, interpretations and amendments adopted from 1 January 2022**

- Onerous contracts – Costs 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).

None of these amendments had any impact on the Company.

##### **New standards, interpretations and amendments not yet effective**

The following UK-adopted IFRSs have been issued but have not been applied by the Company in these 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 the period beginning 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 to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

*The following amendments, which have been issued by the IASB but have not yet been adopted by the UKEB, are effective for the period beginning 1 January 2024:*

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current); and
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

The Company does not expect these new accounting standards and amendments to have a material impact on the Company.

##### **Other**

The Company does not expect any other standards issued by the UKEB, 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. Detail on the nature of the expenses incurred during the year can be seen in more detail under note 4. In preparing the financial statements the "by nature" format has been adopted. This is consistent with prior year accounts.

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

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### 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 UK consolidated accounts of TOG UK Mezzco Limited. The registered office of TOG UK Mezzco Limited is 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.



# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

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### 2. Accounting policies (continued)

#### 2.4 Going concern

The financial statements have been prepared on a going concern basis.

Since the merger of the TOG and Fora Groups, a significant amount of work has been completed on integrating the two businesses. This ranges from work on the brand identity and product offering, the technology architecture and team alignment. The integration work has been focused on creating a stabilised business and creating efficiencies in how the business operates and the platforms it utilises to deliver the combined Group strategy.

The Directors have assessed the business plan and cash flow forecasts for the Group for a period of at least 12 months from the date of issuance of these financial statements which reflects the ongoing integration. The forecasts include consideration of future trading performance, capital expenditure, refinancing of debt and continued compliance with debt covenants. In addition to a base-case scenario, being the Directors' view of the most likely outcome, a severe-but-plausible downside forecast has been prepared which reflects the principal risks and uncertainties set out in the Strategic Report. The sensitivities applied in the downside scenario include reductions in occupancy up to 9%, higher than expected inflation and potential increases in cost of debt on refinancing.

As disclosed in full in the Cheetah Holdco Limited accounts, as contemplated in the initial post-merger business plan, under the base case and downside forecasts, before consideration of any loan refinancing, additional funding would be required from the Group's shareholders. The two shareholders have confirmed to the Directors that they intend to provide such financial support. The Directors have received a letter from Cheetah Holdco Limited, the Group's indirect parent undertaking, confirming its intent to provide additional funding to the Group and that it does not intend to seek repayment of the amounts due at the balance sheet date during the going concern assessment period. As is the case for any entity potentially 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 consider the risk of support not being given is remote. In reaching this conclusion, the Directors have assessed the ability and intent of the shareholders to continue to provide the intended support.

As at the year-end date (and as described in more detail in the Cheetah Holdco Limited accounts), the Group now has £597m of debt that matures in August 2024. The Directors are confident to be able to manage the debt maturities in 2024 across the Group. The shareholders of the Group have extensive experience of real estate capital markets. The Directors have consulted with its shareholders in reaching the above conclusion.

Based on the above the Directors consider that the risk of the combined Group failing to trade within the sensitised business case is remote. This includes the risk of not being able to refinance the debt or losing the support of the shareholders. Therefore, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### 2.5 Investments in subsidiaries

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

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

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### 2. Accounting policies (continued)

#### 2.6 Financial assets

The Company classifies its financial assets into one category 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.

##### 2.7.1 Fair value through profit or loss

The Company does not have any financial assets held at fair value through profit and loss.

##### 2.7.2 Amortised cost

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.

The Company's financial assets held at amortised cost 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, 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 balance sheet.

#### 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.

##### 2.8.1 Fair value through profit or loss

The Company does not have any financial liabilities held at fair value through profit and loss.

#### 2.8 Financial liabilities (continued)

##### 2.8.2 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.

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 2. Accounting policies (continued)

#### 2.8 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.

#### 2.9 Revenue

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

### 3. Judgements in applying accounting policies and key sources 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.

#### Critical judgements

##### Going concern

- The Directors consider going concern to be a critical judgement for the business given the additional funding that was identified as being required from the Group's shareholders when contemplating the initial post-merger business plan and the upcoming debt maturities of the Group. These considerations are set out in detail in the Directors' Report.

### 4. Revenue

	2022 £000	2021 £000
Management fee income - IFRS 15	-	50

All turnover arose within the United Kingdom.

Of the revenue recognised in line with IFRS 15 'Revenue from Contracts with Customers', in the prior year, £50,000 was recognised over time.

The Company ceased providing management services after June 21 resulting in £Nil fees recognised in the period.

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 5. Operating costs

	2022 £000	2021 £000
Other operating costs	26	34

### 6. Auditor's remuneration

Auditor's remuneration of £7k (2021 - £10k) which is borne by The Office Group Properties Limited is not represented in the statement of profit and loss and other comprehensive income.

### 7. Interest receivable and similar charges

	2022 £000	2021 £000
Loan note interest receivable	2,373	2,373

The loan note interest receivable is in relation to an unsecured loan note with TOG 7 Limited, a direct subsidiary of the Company.

### 8. Employees and Directors

There were no persons employed and remunerated by the Company (including directors) during the period.

No directors received any remuneration from the Company during the current period. All directors are remunerated by other group companies and no recharge is made to The Office Group Midco Limited in respect of their remuneration.

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 9. Taxation

	2022 £000	2021 £000
<b>Corporation tax</b>		
Current tax on profits for the year	449	-
<b>Total current tax</b>	<u>449</u>	<u>-</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	<u>2,347</u>	<u>2,389</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	446	454
<b>Effects of:</b>		
Group relief claimed for nil consideration	-	(454)
Expenses not deductible for tax purposes	3	-
<b>Total tax charged in statement of profit and loss and other comprehensive income</b>	<u>449</u>	<u>-</u>

#### Factors that may affect future tax charges

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 Group's future current tax charge accordingly. The deferred tax asset and liability have been calculated taking into account the period in which the temporary differences are expected to reverse.

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 10. Investments

	Investments in subsidiary companies £000	Loans to group undertakings £000	Total £000
<b>Cost</b>			
At 1 January 2022 (as previously stated)	28,642	19,340	47,982
Prior year adjustment	-	155,754	155,754
At 1 January 2022 (as restated)	28,642	175,094	203,736
Additions	-	5,250	5,250
Amounts waived	-	(7)	(7)
At 31 December 2022	28,642	180,337	208,979

Investments in subsidiary companies consist of equity investments of £28.6m.

Loans to group undertakings consist of £19.3m unsecured loan notes issued by TOG 7 Limited (previously known as The Office Group Limited) in 2008, and extended in 2013 and 2021. The unsecured loan notes accrue interest at 12.27% per annum. £12.3m of unsecured loan notes (of a possible £14.5m) were in issue on the maturity date of 31 August 2020. During 2020, the Company and TOG 7 Limited resolved to:

- Increase the total value of unsecured loan notes that can be in issue to £20.0m;
- Capitalise £7.0m of interest receivable accrued in respect of the unsecured loan notes; and
- Extend the maturity date of the unsecured loan notes to 31 December 2024.

Included in loans to group undertakings is an amount of £155,747k (2021- £155,754k) of informal financing provided to group companies. The balance sheet has been restated to reflect the intention not to request payment of the informal loans to group undertakings within the next year.

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 10. Investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
The Office Group Properties Limited	Flexible office provider	Ordinary	100%
TOG 7 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 (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%

\*Shares held indirectly.

#### Joint ventures

At the year ended 31 December 2022 the Company held an indirect 50% interest in The Station Office Network LLP. The principal activity of the partnership is that of a flexible office provider.

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

The principal place of business for all companies is the United Kingdom.

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 11. Debtors

	2022	As restated 2021
	£000	£000
<b>Current assets</b>		
Amounts owed by group undertakings	150	150
Other debtors	3	4
Prepayments and accrued income	-	2,902
	<u>153</u>	<u>3,056</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The accrued income balance consists of accrued interest of £nil (2021 - £2,902k) on intercompany loan notes issued by TOG 7 Limited which is not expected to be received within the next 12 months. The Company has reclassified these amount within the current year to fixed asset investments to reflect the intention the interest on the loan notes is also expected to be utilised on an continuing basis.

See note 16 for more details on the prior year adjustments.

### 12. Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	-	8
Amounts owed to group companies	206,662	206,222
	<u>206,662</u>	<u>206,230</u>

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

All amounts owed to group undertakings, relate to informal intercompany financing.



# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 13. Share capital and other reserves

#### Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
21,374,000 (2021 - 21,374,000) Ordinary shares of £0.01 each	213,740	213,740
495 (2021 - 495) Ordinary A shares of £0.01 each	5	5
	<u>213,745</u>	<u>213,745</u>

The holders of 'A' Shares have no voting rights attached and are not entitled to receive dividends.

#### Share premium

Share premium records the amount above the nominal value for shares sold.

#### Capital redemption reserve

Capital redemption reserve records amounts transferred from share capital on redemption of issued shares.

#### Retained earnings

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

### 14. Contingent liabilities

All assets of The Office Group Midco 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 2022 the group bank loan was £376,081k (2021 - £376,081k).

### 15. Events after the reporting date

On 20 September 2022, The Office Group Operations Limited was sold by TOG 7 Limited to The Office Group Limited. The original sale was for a consideration of £1. Upon review this was identified as an unlawful distribution as the book value of The Office Group Operations Limited less the £1 consideration was greater than the distributable reserves in TOG 7 Limited. Management has since corrected this by way of shareholder agreement stating that The Office Group Limited will pay the net asset value at 20 September 2022 for the shares in The Office Group Operations Limited. The £18m intercompany debtor representing the net asset value has been posted in the 2022 financial statements to correct the error. In February 2024, The Office Group Limited sold The Office Group Operations Limited back to TOG 7 Limited for consideration equal to net assets at the point of sale.

# The Office Group Midco Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

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### 16. Prior year adjustment

The Directors have identified that in the prior year, the Company's intra-group loans were incorrectly presented as current. As a result of this, the Directors have restated the comparative information in the balance sheet, resulting in an increase in investments within fixed assets and a decrease in debtors within current assets of £155,754k.

There has been no impact on the statement of profit and loss and other comprehensive income.

The Company is required to apply the changes retrospectively and restate the financial statements at the beginning of the earliest comparative period in accordance with IAS 8.

### 17. Ultimate parent company and control

Up to and including 18 September 2022, the Company was a 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 is The Office Group Holdings Limited, registered in the United Kingdom.

The accounts of Concert JV Holdco Limited are not available to the public.

The largest group in which the results of the Company are consolidated is that headed by Concert JV Holdco Limited, registered in Jersey. The smallest group in which the Company is consolidated is that headed by TOG UK Mezzco Ltd, registered in the UK.

Copies of the group financial statements of TOG UK Mezzco Ltd and Cheetah Holdco Limited will be available on request from the Companies' registered office, 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.