The Office Group Holdings Limited

Report and Financial Statements

Year Ended

31 December 2019

Company Number 10768770

The Office Group Holdings Limited

Company Information

Directors	C Green M Green G Kataky O Olsen
Registered number	10768770
Registered office	The Smiths Building 179 Great Portland Street London W1W 5PL
Independent auditor	KPMG LLP 15 Canada Square London E14 5GL

The Office Group Holdings Limited

Contents

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 that of an intermediate holding Company.

Directors

The directors who served during the year were:

C Green
M Green
G Kataky
O Olsen

Directors' responsibilities

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 Company is a subsidiary of TOG UK Pledgeco Ltd and an indirect parent of the trading entities hereafter referred to as The Office Group (TOG). The company declared and paid an interim dividend of £Nil (2018 - £62.1m). The directors do not recommend payment of a final dividend.

Principal Risks and Uncertainty due to Brexit and Covid-19

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 loss of £10.69m for the year (2018 - loss of £1.09m) and has net current assets of £215m (2018 - £204m). The current year loss includes the interest on the refinanced debt for the full 12 months of the year. The prior year includes interest on the refinanced debt from November 2018 to year-end.

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 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 auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, 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.

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M Green
Director

Date: 28 September 2020

Independent Auditor's Report to the Members of The Office Group Holdings Limited

Opinion

We have audited the financial statements of The Office Group Holdings 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 loss 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.

P Barron

Paul Barron (senior statutory auditor)
For and on behalf of KPMG LLP, statutory auditor
Chartered Accountants
15 Canada Square, London, E14 5GL

Date: 29 September 2020

The Office Group Holdings Limited

Statement of Profit and Loss and Other Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £000	2018 £000
Revenue		-	-
Administrative expenses		**(52)**	(16)
Operating loss		**(52)**	(16)
Interest payable	5	**(10,495)**	(1,076)
Other finance expense		**(146)**	-
Loss before tax		**(10,693)**	(1,092)
Tax on loss	6	-	-
Loss for the financial year		**(10,693)**	(1,092)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(10,693)**	(1,092)

All amounts relate to continuing operations.

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

The Office Group Holdings Limited
Registered number:10768770

Balance Sheet
as at 31 December 2019

	Note		2019 £000		2018 £000
Fixed assets					
Investments	7		**263,000**		263,000
Current assets					
Financial assets	8	**-**		146	
Debtors	9	**206,101**		204,579	
Cash 28 September 2020		**13,876**		2,812	
		219,977		207,537	
Creditors: amounts falling due within one year	10	**(4,757)**		(3,237)	
Net current assets			**215,220**		204,300
Total assets less current liabilities			**478,220**		467,300
Creditors: amounts falling due after more than one year	11		**(289,119)**		(267,506)
Net assets			**189,101**		199,794
Capital and reserves					
Share capital	12		**-**		-
Retained earnings	12		**189,101**		199,794
			189,101		199,794

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:

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M Green
Director

Date: 28 September 2020

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

The Office Group Holdings Limited

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Share capital £000	Share premium account £000	Retained earnings £000	Total equity £000
Balance at 31 December 2017	-	263,000	-	263,000
Comprehensive loss for the year				
Loss for the year	-	-	(1,092)	(1,092)
Contributions by and distributions to owners				
Dividends	-	-	(62,114)	(62,114)
Capital reduction	-	(263,000)	263,000	-
At 31 December 2018	-	-	199,794	199,794
Comprehensive loss for the year				
Loss for the year	-	-	(10,693)	(10,693)
Balance at 31 December 2019	-	-	189,101	189,101

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

1. General information

The Office Group Holdings 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

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 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;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2. Accounting policies (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.

2.3 Exemption from preparation of consolidated financial statements

The financial statements contain information about The Office Group Holdings 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 loss of £10.69m for the year (2018 - loss of £1.09m) and has net current assets of £215m (2018 - £204m).

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 considered the level of financial support including that which may be available to the Company by an intermediate parent company, Cheetah Holdco Limited. Cheetah Holdco Limited has indicated that, should it be required, it intends to support the company to ensure it is able to meet its current liabilities for at least the next 12 months following approval of the financial statements. 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 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 of the company on the going concern basis.

2.6 Investment in subsidiaries

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

2.7 Financial assets

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

2. Accounting policies (continued)

2.8 Loans and receivables

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

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

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

2.9 Financial liabilities

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

2.9.1 Fair value through profit or loss

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

2.9.2 Other financial liabilities

Other financial liabilities include the following items:

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

2. Accounting policies (continued)

2.10 Derivative financial instruments

Derivative financial instruments, comprising interest rate caps for hedging purposes, are initially recognised at cost and are subsequently measured at fair value being the estimated amount that the Group would receive or pay to terminate the agreement at the reporting date, taking into account current interest rate expectations and the current credit rating of counterparties. The gain or loss at each fair value remeasurement date is recognised in the consolidated statement of profit or loss and other comprehensive income. Amounts payable or receivable under such arrangements are included within finance costs.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

3. Auditor's remuneration

Auditor's remuneration of £3,090 (2018 - £3,000) which is borne by The Office Group Islington Limited is not represented in the profit and loss account.

4. 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. The directors of the Company are also directors of a number of subsidiaries of the ultimate parent undertaking and are remunerated by Cheetah Holdco Limited (2018 - The Office Islington Limited). The remuneration attributable to the Company is as follows:

	2019 £000	2018 £000
Directors' emoluments	**1**	-

5. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	**9,004**	965
Finance charges	**1,491**	111
	10,495	1,076

The group loan facilities were refinanced in November 2018 and as such the comparative interest figures represent one month of interest charges, compared to a whole year for 2019.

6. Taxation

No liability to UK corporation tax arose for the year.

Factors affecting tax charge for the year

The tax assessed for the year is higher 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
Loss on ordinary activities before tax	**(10,693)**	(1,092)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**(2,032)**	(207)
Effects of:		
Expenses not deductible for tax purposes	-	(4)
Group relief surrendered for no consideration	2,032	211
Tax expense	-	-

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

7. Investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2019	**263,000**
At 31 December 2019	**263,000**
Net book value	
At 31 December 2019	**263,000**
At 31 December 2018	263,000

7. Investments (continued)

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
The Office Group Midco Limited	Ordinary	100%	Intermediate holding company
The Office Group Limited	Ordinary	*100%	Intermediate holding company
The Office Group Properties Limited	Ordinary	*100%	Flexible office provider
EOP DL Limited	Ordinary	*100%	Flexible office provider
The Office Islington Limited	A, B and Deferred	*100%	Management services provider
The Office (Farringdon) Limited	Ordinary	*100%	Flexible office provider
The Office (Shoreditch) Limited	Ordinary	*100%	Flexible office provider
The Office (Bristol1) Limited	Ordinary	*100%	Flexible office provider
The Office (Kirby) Limited	Ordinary	*100%	Flexible office provider
The Office (Marylebone) Limited	Ordinary	*100%	Flexible office provider
TOG Fitness Limited (a)	Ordinary	*100%	Dormant
Creative Debuts Ltd. (b)	Ordinary	*51%	Artwork sale and rental

*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.

7. Investments (continued)

Joint venture

At the year 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.

The subsidiaries and joint ventures as stated above have the registered office address of 179 – 185 Great Portland Street, London, W1W 5PL, United Kingdom.

8. Other financial assets

	2019 £000	2018 £000
Current assets: interest rate derivative	-	146

It is the Company's policy to manage interest rate exposure using interest rate derivatives.

To mitigate the threat of interest rate risk which arises as a result of entering into the London Interbank Offered Rate ("LIBOR") linked loans, the Company has entered into an interest rate cap. Interest rate caps have been taken out in respect of the loans drawn to cap the rate at which the 3 month LIBOR can rise to. The cap rate for the Company as at the period end was 2.25% above LIBOR. The premium has been fully amortised in 2019. The fair value of the instrument is negligible as at the end of 2019.

The interest rate derivatives are marked to market by the relevant third party banks on a quarterly basis in accordance with IFRS 9. Any movement in the mark to market values of the derivatives are taken to the consolidated statement of profit or loss and other comprehensive income.

9. Debtors

	2019 £000	2018 £000
Amounts owed by group undertakings	**205,930**	204,579
Other debtors	**171**	-
	206,101	204,579

All amounts owed by group undertakings are repayable on demand and are not interest-bearing. Included within debtors are amounts receivable from group companies of £205,929,688 (2018 - £204,578,726) which are expected to be recovered in more than 12 months.

10. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	**3,559**	1,247
Other creditors	**14**	-
Accruals	**1,184**	1,990
	4,757	3,237

All amounts owed to group undertakings are payable on demand and are not interest-bearing. Included within creditors are amounts owed to group companies of £3,559,264 (2018 - £1,246,973) which are expected to be settled in more than 12 months.

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

	2019 £000	2018 £000
Bank loans	**293,985**	273,362
Unamortised arrangement fees	**(4,866)**	(5,856)
	289,119	267,506

Unamortised arrangement fees of £4,866,269 at 31 December 2019 includes £1,265,132 expected to be amortised within 1 year.

The bank loan is secured by fixed and floating charges over the assets of the wider trading group (of which The Office Group Holdings Limited is an intermediary holding company). The debt facility matures in February 2024.

The bank loan has an interest charge which is based on a margin above the 3 month weighted average margin above LIBOR. The margin payable by the The Office Group Holdings Ltd on the bank loan, at the period end was 2.62%.

The movement in bank loans of £20,623,767 is due to drawdowns on the loan facility during the year, for funding of capital expenditure.

12. Share capital and other reserves

Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,560,570 (2018 - 1,560,570) Ordinary shares of £0.000100 each	**156**	156
12,542 (2018 - 12,542) Ordinary A shares of £0.000100 each	**1**	1
	157	157

12. Share capital and other reserves (continued)

The share class rights are set out below:

Ordinary 'A' Shares - 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. On 28 November 2018 a reduction of share premium of £263m was undertaken which was credited to retained earnings, thereby creating sufficient distributable reserves to effect the declaration and payment of a dividend of £62.1m, payable to the immediate parent undertaking, TOG UK Pledgeco Ltd on 28 November 2018.

The reduction in share premium resulted in a balance at the year end of £nil.

Retained earnings

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

13. 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.

14. 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, and the immediate parent company is TOG UK Pledgeco Ltd, registered in United Kingdom.

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

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