

05 June 2025

WORKSPACE GROUP PLC FULL YEAR RESULTS

PERFORMANCE IN LINE WITH EXPECTATIONS UNDERLYING RENTAL INCOME GROWTH AND DIVIDEND INCREASED

Workspace Group PLC (“Workspace”), London’s leading owner and operator of sustainable, flexible work space today announces its results for the year to 31 March 2025. The comments in this announcement refer to the period from 1 April 2024 to 31 March 2025 unless otherwise stated.

Commenting on the results, Lawrence Hutchings, Chief Executive Officer said:

“We have delivered a solid full year performance in line with expectations in what has been a volatile macroeconomic and competitive environment. Underlying rental income was up 1.7% and LFL rent per sq. ft. grew 4.8%, helping to balance the fall in LFL occupancy in the year due to the impact of larger unit vacations. These challenges will continue in the coming year, but we now have a very clear, deliverable strategy in place to stabilise and rebuild our occupancy and drive rental growth.

Looking through a wider lens, having now been CEO of Workspace for more than six months, I have thoroughly reviewed our business, as well as conducted extensive, expert third-party market research which validates our new strategy. A number of strategic actions successfully undertaken since January have further reinforced my confidence in Workspace’s potential. We are leaders in a structural growth market, catering to the most exciting, innovative, creative and growing SMEs in London. We have a lot to play for inside a significant market opportunity.

We have forensically analysed the portfolio and know that where we have the right properties, with the right amenities, in the right locations we are able to deliver superior returns and income growth. Having disposed of over £100m worth of assets in the year, we will look to further recycle capital in the medium-term into our conviction assets, positioning the business to scale over the longer-term.

There is still a lot of work to do and it will take time to see the full impact, but I am confident that we have a strategy to deliver a market-leading product and experience for our customers and that we are well placed to be a growing, income-led business, with a focus on dividend growth and creating long-term, enduring value for our shareholders.”

Financial highlights: Underlying rental income growth, dividend increased, marginal valuation reduction

- Underlying rental income^{†1} up 1.7% to £135.5m (31 March 2024: £133.2m), net rental income down 3.2% (£4.1m) to £122.1m (31 March 2024: £126.2m) following disposals
- Trading profit after interest[†] up 1.2% (£0.8m) to £66.8m (31 March 2024: £66.0m)
- Total dividend of 28.4p per share (31 March 2024: 28.0p)
- Property valuation of £2,368m an underlying² reduction of 2.4% (£58m) from March 2024
- Like-for-like portfolio valuation down 1.6%² over the full year with ERV per sq. ft. up 1.0% to £50.85 and equivalent yield out 10bps to 6.8%
- Profit before tax of £5.4m (31 March 2024: £192.8m loss) reflecting trading profit after interest less the reduction in the property valuation

- EPRA net tangible assets per share[†] down 3.3% from 31 March 2024 to £7.74 (31 March 2024: £8.00)
- Robust balance sheet with £260m of undrawn facilities and cash and LTV at 34% (31 March 2024: 35%)
- Average cost of debt over the year³ was 4.1% with 91% of debt at fixed rates as at 31 March 2025

Good overall customer demand, occupancy impacted by larger customer leavers

- Active year with 1,266 lettings and 500 renewals completed with a total rental value of £46.4m, highlighting the appeal of our flexible offer
- Like-for-like rent per sq. ft. up 4.8% to £48.08
- Like-for-like rent roll down 0.8% to £107.9m, reflecting a higher than usual level of larger customers vacating in the period
- Like-for-like occupancy at 83.0% (31 March 2024: 88.0%⁴)

Accretive asset management and sustainability activity to drive customer demand

- Active capital recycling with £100.5m of disposals exchanged or completed in the year, and a further £10.3m completed in April 2025, broadly in line with book values
- Refurbishment and extension of Leroy House in Islington completed, our first net zero building, delivering 57,000 sq. ft. of new space across 101 units
- Eight larger refurbishment projects underway delivering 509,000 sq. ft. of new and upgraded space
- Excellent performance against our environmental objectives, with a 7% reduction in operational energy intensity across the core portfolio and an 8% increase in EPC A and B rated space, making 60% of the whole portfolio A/B rated

Summary Results

	31 March 2025	31 March 2024	Change
Financial performance			
Net rental income [†]	£122.1m	£126.2m	-3.2%
Trading profit after interest [†]	£66.8m	£66.0m	+1.2%
Profit/(Loss) before tax	£5.4m	(£192.8m)	
Full year dividend per share	28.4p	28.0p	+1.4%
Valuation			
EPRA net tangible assets per share [†]	£7.74	£8.00	-3.3%
Property valuation [†]	£2,368m	£2,446m	-2.4% ²
Financing			
Loan to value [†]	34%	35%	
Undrawn bank facilities and cash	£260m	£145m	

[†] Alternative performance measure (APM). The Group uses a number of financial measures to assess and explain its performance. Some of these which are not defined within IFRS are considered APMs.

¹ Underlying change adjusted for disposals.

² Underlying change excluding capital expenditure and disposals.

³ After amortisation of issue costs and commitment fees.

⁴ Restated for the transfer in of Old Dairy, Shoreditch where occupancy is now stabilised post refurbishment, the transfer out of Archer Street Studios, Soho, and Rainbow Industrial Estate (part), Raynes Park, which have been sold, the transfer out of Shaftesbury Centre, Ladbroke Grove to non-core which has been exchanged for sale and the transfer out of The Biscuit Factory site in Bermondsey which is undergoing major refurbishment.

For media and investor enquiries, please contact:

Workspace Group PLC

020 7138 3300

Lawrence Hutchings, Chief Executive Officer

Dave Benson, Chief Financial Officer

Paul Hewlett, Director of Strategy & Corporate Development

Clare Marland, Head of Corporate Communications

FGS Global

020 7251 3801

Chris Ryall

Guy Lamming

Details of results presentation

Workspace will host a strategy update alongside the FY results presentation and Q&A for analysts and investors on Thursday, 05 June 2025 at 9:00am. The venue for the presentation is Eventspace, at Salisbury House, 114 London Wall, EC2M 5QD.

The presentation and Q&A can also be accessed live via webcast, available at the following link:

<https://secure.emincote.com/client/workspace/workspace027>

Notes to Editors

About Workspace Group PLC:

Workspace is London's leading owner and operator of flexible workspace, currently managing 4.3 million sq. ft. of sustainable space at 67 locations in London and the South East.

We are home to some 4,000 of London's fastest growing and established brands from a diverse range of sectors. Our purpose, to give businesses the freedom to grow, is based on the belief that in the right space, teams can achieve more. That in environments they tailor themselves, free from constraint and compromise, teams are best able to collaborate, build their culture and realise their potential.

We have a unique combination of a highly effective and scalable operating platform, a portfolio of distinctive properties, and an ownership model that allows us to offer true flexibility. We provide customers with blank canvas space to create a home for their business, alongside leases that give them the freedom to easily scale up and down within our well-connected, extensive portfolio.

We are inherently sustainable – we invest across the capital, breathing new life into old buildings and creating hubs of economic activity that help flatten London’s working map. We work closely with our local communities to ensure we make a positive and lasting environmental and social impact, creating value over the long term. Workspace was established in 1987, has been listed on the London Stock Exchange since 1993, is a FTSE 250 listed Real Estate Investment Trust (REIT) and a member of the European Public Real Estate Association (EPRA).

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For more information on Workspace, visit www.workspace.co.uk

CHIEF EXECUTIVE'S STATEMENT

Workspace has delivered a resilient performance this year, despite operating in a tough economic and competitive climate. Net rental income was £122.1m following disposals, which drove a 1.2% increase in trading profit to £66.8m. We saw a small reduction in the property valuation, largely driven by lower occupancy at our like-for-like properties.

Despite the robust performance in 2024/25, our outlook is more challenging. We have seen an increase in supply and softer demand due to macroeconomic factors. While we saw some positive signs on demand in the fourth quarter, our business model and flexible offer means that we have visibility on a stock of space coming back to us, which will further impact occupancy. That in turn will work its way through to earnings in 2025/26.

It is clear we have a lot of work to do to mitigate the challenges we're seeing. It is going to require some tough decisions and discipline as we embed a culture of operational excellence, which sits at the heart of our refreshed strategy, which we are presenting to the market today.

There is no fundamental change in our strategy. We will continue to own high-quality London real estate, we will continue to service SMEs and we will remain in the flexible space market. The Board and I remain confident in our franchise and this confidence is based on evidence from significant and thorough market research we have commissioned in recent months. This research tells us that London is a growth market, the SME market within London is growing and flex space is also growing.

Against this backdrop, while our fundamental strategy is not changing, our strategic approach is. A focus on short, medium and long-term outcomes will ensure agility and, by doubling down on operational excellence, we will deliver a growing, income-led business that creates long-term, enduring value for our shareholders.

Our number one priority in the near-term is to recover the occupancy we have lost. To do that, we need to go back to basics and focus on what our customers want from us. I am confident that we have the right strategy to rebuild occupancy but it will take some time to see the impact of our initiatives.

Over the past few months, we have been piloting a number of projects which have delivered some exciting outcomes. These have included capital-light refurbishments at selected properties addressing high-touch communal areas in response to customer feedback, more targeted marketing aimed at larger customers and optimisation of our sales process. All of these initiatives can deliver marked improvements in retention and new customer acquisition.

In the medium term, we will be more clinical in recycling capital by disposing of low conviction assets, identified following a detailed review of our portfolio, and investing in our conviction and high conviction properties with a keen focus on returns.

Beyond this, we have identified areas where we need to sharpen up operationally to win on the ground once more. There are significant opportunities to enhance our operating platform through a more efficient use of technology and by better leveraging the data and insights we have within the platform.

Since joining the business at the end of 2024, I have spent a lot of time getting out to see the assets and meet our teams, both at head office and across our sites around London. Workspace

has a fantastic team who truly live by our values, and I've been blown away by the dedication and energy of the people I've met in our centres and our head office.

Workspace is a brilliant business, with its almost 40-year legacy and role as a pioneer in offering space on flexible terms. There is an enormous respect for what we do as a business, from creating a platform for social mobility in London, to preserving beautiful, historic and characterful buildings for the next generation.

We have seen the impact of strategic initiatives we put in place in the fourth quarter of 2024/25 on our trading performance. This has demonstrated what can be achieved when we pull together as a team. I look forward to seeing the results as our refreshed strategy is brought to life. By enhancing our core business in the short term, we will be able to accelerate income growth in the medium term and innovate to take advantage of opportunities to scale over the longer term.

BUSINESS REVIEW

CUSTOMER ACTIVITY

We have seen resilient customer demand with 1,266 lettings completed in the year with a total rental value of £31.8m.

	Monthly Average					
	FY 2024/25	FY 2023/24	Q4 2024/25	Q3 2024/25	Q2 2024/25	Q1 2024/25
Enquiries	703	788	796	628	700	688
Viewings	507	524	585	457	486	499
Lettings	106	103	130	91	99	102

The good level of customer lettings has been offset by a higher than usual level of customer vacations in the period, including a number of larger customers. In line with our strategy, we are subdividing some of these larger spaces into smaller units, for which we see stronger demand and achieve higher pricing, as well as implementing marketing initiatives specifically targeted at larger businesses to drive leasing.

Customer demand in the first quarter of 2025/26 is expected to be quieter, impacted by the timing of bank holidays and a more challenging macro environment, with 631 enquiries, 465 viewings and 65 new lettings in April 2025.

RENT ROLL

Total rent roll, representing the total annualised net rental income at a given date, was down 2.8% (£4.0m) in the year to £139.4m at 31 March 2025.

Total Rent Roll	£m
At 31 March 2024	143.4
Like-for-like portfolio	(0.9)
Completed projects	0.8
Projects underway and design stage	0.4
South East Office	0.2
Disposals	(4.5)
At 31 March 2025	139.4

The total Estimated Rental Value (ERV) of the portfolio, comprising the ERV of the like-for-like portfolio and those properties currently undergoing refurbishment or redevelopment (but only including properties at the design stage and non-core properties at their current rent roll and occupancy), was £191.9m at 31 March 2025.

Like-for-like portfolio

The like-for-like portfolio represents 77% of the total rent roll as at 31 March 2025. It comprises 39 properties with stabilised occupancy excluding recent acquisitions, buildings impacted by significant refurbishment or redevelopment activity, or contracted for sale.

Like for Like	Six Months Ended		
	31 Mar 25	30 Sep 24 ¹	31 Mar 24 ¹
Occupancy	83.0%	84.2%	88.0%
Occupancy change ²	(1.2%)	(3.8%)	(0.4%)
Rent per sq. ft.	£48.08	£47.12	£45.86
Rent per sq. ft. change	2.0%	2.7%	3.4%
Rent roll	£107.9m	£107.1m	£108.8m
Rent roll change	0.7%	(1.6%)	3.0%

¹ Restated for the transfer in of Old Dairy, Shoreditch where occupancy is now stabilised post refurbishment, the transfer out of Archer Street Studios, Soho, and Rainbow Industrial Estate (part), Raynes Park, which have been sold, the transfer out of Shaftesbury Centre, Ladbroke Grove to non-core which has been exchanged for sale and the transfer out of The Biscuit Factory site in Bermondsey which is undergoing major refurbishment.

² Absolute change

We have continued to move pricing forward across our like-for-like portfolio with rent per sq. ft. increasing by 4.8% in the year to £48.08. Like-for-like occupancy was down by 5.0% to 83.0% in the year, with an overall decrease in like-for-like rent roll of 0.8% (£0.9m) to £107.9m, reflecting the higher than usual level of customer vacations in the period, as noted above.

We have seen ERV per sq. ft. increase by 1.0% in the year. If all the like-for-like properties were at 90% occupancy at the CBRE estimated rental values at 31 March 2025, the rent roll would be £125.1m, £17.2m higher than the actual rent roll at 31 March 2025.

Completed Projects

There are seven projects in the completed projects category. Rent roll increased overall by £0.8m in the year to £7.8m.

If the buildings in this category were all at 90% occupancy at the ERVs at 31 March 2025, the rent roll would be £12.3m, an uplift of £4.5m.

Projects Underway – Refurbishments

We are currently underway on eight larger refurbishment projects that will deliver 509,000 sq. ft. of new and upgraded space. As at 31 March 2025, rent roll was £13.0m, up £0.4m in the year.

Assuming 90% occupancy at the ERVs at 31 March 2025, the rent roll at these eight buildings once they are completed would be £23.5m, an uplift of £10.5m.

Projects at Design Stage

These are properties where we are well advanced in planning a refurbishment or redevelopment that has not yet commenced. As at 31 March 2025, the rent roll at these properties was £2.7m, no change to March 2024.

South East Office

As at 31 March 2025, the rent roll of the South East office portfolio, comprising eight buildings, was £7.0m, up £0.2m.

Assuming 90% occupancy (or current occupancy if higher) at the ERVs at 31 March 2025, the rent roll would be £9.1m, an uplift of £2.1m.

Non-core

As at 31 March 2025, the rent roll of the non-core portfolio was £1.0m, no change to March 2024.

Disposals

During the year, there was £100.5m in exchanged or completed sales, broadly in line with book values. In aggregate, disposals have delivered £77m of proceeds (net of sales costs) in the year, at a combined net initial yield of 4.2%.

In April, we exchanged and completed on the sale of Q West in Brentford for £10.3m, in line with the March 2025 valuation.

PROFIT PERFORMANCE

Trading profit after interest for the year was up 1.2% (£0.8m) on the prior year to £66.8m.

£m	31 Mar 2025	31 Mar 2024
Underlying rental income	135.5	133.2
Unrecovered service charge costs	(4.2)	(4.7)
Empty rates and other non-recoverable costs	(11.4)	(9.8)
Services, fees, commissions and sundry income	(0.3)	1.3
Underlying net rental income	119.6	120.0
Disposals	2.5	6.2
Net rental income	122.1	126.2
Administrative expenses - underlying	(20.7)	(22.0)
Administrative expenses - share based costs ¹	(2.6)	(3.3)
Net finance costs	(32.0)	(34.9)
Trading profit after interest	66.8	66.0

¹ These relate to both cash and equity settled costs

Underlying rental income increased £2.3m to £135.5m, reflecting the increase in average rent per sq. ft. achieved over the last year. Net rental income was down 3.2% (£4.1m) to £122.1m following the disposals made over the last year.

Unrecovered service charge costs decreased by £0.5m, with costs tightly controlled and the majority of costs recovered from customers.

Empty rates and other non-recoverable costs increased by £1.6m due to lower occupancy, which also impacted net revenue from services, fees, commissions and sundry income together with increased unrecovered energy, hospitality and events costs.

Underlying administrative expenses decreased by £1.3m to £20.7m, with lower staff costs reflecting performance in the year and tight control of other costs offsetting inflation. Share-based costs decreased by £0.7m to £2.6m driven by lower vesting levels.

Net finance costs decreased by £2.9m to £32.0m in the year reflecting the reduction in average net debt following asset disposals. The average debt balance over the year was £19.0m lower than in the prior year.

Profit before tax was £5.4m compared to a loss of £192.8m in the prior year.

£m	31 Mar 2025	31 Mar 2024
Trading profit after interest	66.8	66.0
Change in fair value of investment properties	(56.3)	(255.3)
Loss on sale of investment properties	(1.5)	(2.3)
Other costs	(3.6)	(1.2)
Profit/(loss) before tax	5.4	(192.8)
Adjusted underlying earnings per share	34.5p	34.1p

The change in fair value of investment properties, including assets held for sale, was a decrease of £56.3m compared to a decrease of £255.3m in the prior year.

The loss on sale of investment properties of £1.5m was driven by costs associated with disposals in the year.

Other costs include one-off items relating to the replacement of our finance and property management system and CRM system as well as one-off costs relating to the new CEO appointed in the year.

Adjusted underlying earnings per share, based on trading profit after interest and calculated on a diluted share basis, was up 1.2% to 34.5p. The calculation of adjusted, basic, diluted and EPRA earnings per share is shown in note 8 to the financial statements.

DIVIDEND

Our dividend policy is based on trading profit after interest, taking into account our investment and acquisition plans and the distribution requirements that we have as a REIT, recognising the importance to our shareholders of paying a regular, growing dividend, whilst ensuring the total dividend per share in each financial year is fully covered by adjusted underlying earnings per share.

Based on trading profit performance and confidence in the longer-term prospects of the Company, the Board is recommending a final dividend of 19.0p per share, taking the full year dividend to 28.4p (2024: 28.0p), to be paid on 1 August 2025 to shareholders on the register at 4 July 2025. The dividend will be paid as a REIT Property Income Distribution (PID) net of withholding tax where appropriate.

PROPERTY VALUATION

At 31 March 2025, our property portfolio was independently valued by CBRE at £2,368m, an underlying decrease of 2.4% (£58m) in the year. The main movements in the valuation are set out below:

	£m
Valuation at 31 March 2024	2,446
Capital expenditure	60
Disposals	(80)
Underlying revaluation movement	(58)
Valuation at 31 March 2025	2,368

A summary of the full year valuation and revaluation movement by property type is set out below:

£m	Valuation 31 March 2025	Underlying revaluation decrease
Like-for-like properties	1,764	(29)
Completed projects	175	(4)
Refurbishments	322	(16)
South East office	76	(7)
Non-core	31	(2)
Total	2,368	(58)

Like-for-like Properties

There was an 1.6% (£29m) underlying decrease in the valuation of like-for-like properties to £1,764m. This was driven by a 10bps outward shift in equivalent yield (£54m) due to an increased void assumption, offset by a 1.0% increase in the ERV per sq. ft. (£25m).

ERV growth has returned to a lower, historically more normal level of annual increase, with pricing at most centres now back at or above pre-Covid levels. We saw stronger growth in ERV for smaller space, which represents the majority of our lettings activity, with an increase of 3.4% in the year for units under 1,000 sq. ft., compared to larger spaces where ERVs decreased by 0.8%. This reflects our approach to implement a wide range of smaller unit refurbishments and subdivisions to align our spaces with customer demand.

	31 Mar 2025	31 Mar 2024 ¹	Change
ERV per sq. ft.	£50.85	£50.33	1.0%
Rent per sq. ft.	£48.08	£45.86	4.8%
Equivalent yield	6.8%	6.7%	0.1% ²
Net initial yield	5.6%	5.6%	-
Capital value per sq. ft.	£645	£664	(2.9%)

¹ Restated for the transfer in of Old Dairy, Shoreditch where occupancy is now stabilised post refurbishment, the transfer out of Archer Street Studios, Soho, and Rainbow Industrial Estate (part), Raynes Park, which have been sold, the transfer out of Shaftesbury Centre, Ladbroke Grove to non-core which has been exchanged for sale and the transfer out of The Biscuit Factory site in Bermondsey which is undergoing major refurbishment.

² Absolute change

A 2.5% increase in ERV per sq. ft. would increase the valuation of like-for-like properties by approximately £46m while a 25bps increase in equivalent yield would decrease the valuation by approximately £61m.

Completed Projects

There was an underlying decrease of 2.2% (£4m) in the value of the seven completed projects to £175m. This was driven by a 0.6% decrease in the ERV per sq. ft. The overall valuation metrics for completed projects are set out below:

	31 Mar 2025
ERV per sq. ft.	£35.80
Rent per sq. ft.	£31.08
Equivalent yield	6.9%
Net initial yield	4.1%
Capital value per sq. ft.	£459

Current Refurbishments

There was an underlying decrease of 4.7% (£16m) in the value of our current refurbishments to £322m.

The decreases in respect of refurbishments reflected the combination of an outward movement yields, increase in build costs and reduction in ERVs.

South East Office

There was a 8.4% (£7m) underlying decrease in the valuation of the South East office portfolio to £76m with 50bps outward shift in equivalent yield, and a 1.7% decrease in ERV per sq. ft. The overall valuation metrics are set out below:

	31 Mar 2025
ERV per sq. ft.	£28.58
Rent per sq. ft.	£24.13
Equivalent Yield	10.3%
Net Initial Yield	8.9%
Capital Value per sq. ft.	£227

REFURBISHMENT ACTIVITY

A summary of the status of the refurbishment pipeline at 31 March 2025 is set out below:

Projects	Number	Capex spent	Capex to spend	Upgraded and new space (sq. ft.)
Underway	8	£58m	£32m	509,000
Design stage	6	£0m	£335m	520,000
Design stage (without planning)	4	£0m	£113m	222,000

Activity is ongoing at our major refurbishment projects; Chocolate Factory in Wood Green, where we are delivering 45,000 sq. ft. of new and upgraded space with practical completion achieved in May 2025, and The Biscuit Factory in Bermondsey, which will deliver 31,000 sq. ft. of new space towards the end of the year. We have also started on site at The Centro Buildings in Camden, where we are transforming a traditional office building, Atelier House, into a Workspace business centre with 41 units, a café and meeting room, and expect to attain practical completion in October 2025.

In addition to these major refurbishment projects, in order to pilot some of our new strategic initiatives, we have undertaken some capital-light refurbishment work at two sites, The Leather Market in London Bridge, and Vox Studios in Vauxhall. The work has addressed high-impact areas including entrances, external and internal breakout spaces, cafes, corridors and bathrooms. All changes have centred on addressing customer feedback and initial customer reactions have been very positive.

SUSTAINABILITY

We have an inherently sustainable portfolio, underpinned by our refurbishment led ethos resulting in 40-70% lower emissions, compared to industry best practice, from our development and refurbishment activities and our energy efficient operations. The average energy intensity of our portfolio is 15% lower than industry best practice for net zero carbon offices, set at 90kWhe/m²¹. Further improving the energy efficiency of our buildings is key in helping us to achieve our target of being a net zero carbon business.

The Workspace portfolio is currently 60% EPC A and B rated, an increase of 8% in the year, ensuring our portfolio is future proofed against the proposed regulated trajectory for all commercial buildings to be EPC A/B rated by 2030. We also continue to procure 100% renewable electricity, with two-thirds of this demand being met via our power purchase agreement with a solar plant in Devon. In the year we also achieved a 7% reduction in operational energy intensity across the core portfolio.

To ensure we build long-term climate resilience, we have updated our net zero carbon commitment - being the first UK REIT to adopt the latest building sector guidance from science based targets - committing us to a target of 90% emissions reduction by 2040 against our 2020 baseline. We are pleased to report that we have already reduced our emissions by 35% and have strong foundations in place to continue to drive climate action at pace.

¹<https://ukgbc.org/wp-content/uploads/2020/01/UKGBC-Net-Zero-Carbon-Energy-Performance-Targets-for-Offices.pdf>

CASH FLOW

A summary of cash flows is set out below:

£m	31 Mar 2025	31 Mar 2024
Net cash from operations after interest [†]	77	63
Dividends paid	(56)	(51)
Capital expenditure	(60)	(71)
Property disposals and cash receipts	77	118
Other	(3)	(12)
Net movement	35	47
Opening debt (net of cash)	(855)	(902)
Closing debt (net of cash)	(820)	(855)

[†] excludes £8.8m of VAT payment (2024) relating to the sale of Riverside included in 'Other'

There is a reconciliation of net debt in note 16(b) in the financial statements.

The overall decrease of £35m in net debt largely reflects the disposals made in the period.

NET ASSETS

Net assets decreased in the year by £46.7m to £1,502m. EPRA net tangible assets (NTA) per share at 31 March 2025 was down 3.3% (£0.26) to £7.74.

EPRA NTA per share	£
At 31 March 2024	8.00
Adjusted trading profit after interest	0.34
Property valuation deficit	(0.30)
Dividends paid	(0.28)
Other	(0.02)
At 31 March 2025	7.74

The calculation of EPRA NTA per share is set out in note 9 of the financial statements.

TOTAL ACCOUNTING RETURN

The total accounting return for the year was 0.3% compared to -10.9% in the prior year ended March 2024. The total accounting return comprises the change in absolute EPRA net tangible assets per share plus dividends paid in the year as a percentage of the opening EPRA net tangible assets per share. The calculation of total accounting return is set out in note 9 of the financial statements.

FINANCING

As at 31 March 2025, the Group had £25m of available cash and £235m of undrawn facilities:

	Drawn amount £m	Facility £m	Maturity
Private placement notes	300.0	300.0	2025-2029
Green bond	300.0	300.0	2028
Secured loan	65.0	65.0	2030
Term loan	80.0	80.0	2026
Bank facilities	100.0	335.0	2026-2028
Total	845.0	1,080.0	

The majority of the Group's debt comprises long-term fixed rate committed facilities including a £300m green bond, £300m of private placement notes, and a £65m secured loan facility.

Shorter term liquidity and flexibility is provided by floating-rate sustainability-linked Revolving Credit Facilities (RCFs) totalling £335m which were £100m drawn as at 31 March 2025. In November, the terms of the £135m RCF were amended to extend the maturity to 30 November 2028, with options to extend by up to a further two years and an option to increase the facility amount to £255m, subject to lender consent. In addition, an £80m term loan facility was agreed with an initial maturity of November 2026 and with the option to extend by up to two further years, subject to lender consent. In May 2025 the terms of the £200m RCF were amended to extend the maturity to 30 June 2029, with options to extend by up to a further two years and an option to increase the facility amount to £300m, subject to lender consent. Following the refinancing, on a pro-forma basis, the average debt facility maturity at 31 March 2025 was 3.1 years (31 March 2024: 3.4 years).

In February 2024, £100m of the floating rate bank borrowings were swapped to an all in fixed rate of 6.1% for two years. At 31 March 2025, the Group's effective interest rate excluding the impact of capitalisation but including amortisation of issue costs and commitment fees was 4.0% based on SONIA at 4.5%, with 91% (£745m) of the debt at fixed or hedged rates. The average interest cost of our fixed-rate borrowings is 3.3% and our un-hedged floating-rate bank borrowings had an average margin of 1.8% over SONIA. A 1% change in SONIA would change the effective interest rate by 0.1% (at current debt levels).

At 31 March 2025, loan to value (LTV) was 34% (31 March 2024: 35%) and interest cover, based on net rental income and interest paid over the last 12-month period, was 3.8 times (31 March 2024: 3.7 times), providing good headroom on all facility covenants. Our net debt to earnings ratio (calculated as net debt divided by trading profit before interest, but excluding depreciation and amortisation), improved from 8.3 times to 8.1 times during the year.

FINANCIAL CONSIDERATIONS FOR 2025/26

Looking ahead to our new financial year, recent macroeconomic events combined with slower economic growth and high levels of competition will continue to impact our business in the near term. As announced in our post-close financial update, we expect trading profit headwinds driven by a lower opening rent roll, further large unit vacations, additional costs from higher national insurance and higher living wages and additional refinancing costs due to the repayment of £80m of private placement notes in August.

We have already taken a number of tangible actions to stabilise our business, but these will take time to take full effect and we will likely see continued pressure on occupancy in the year ahead, given visibility we have on more large customers vacating in H1. We are also working hard to deliver efficiencies to mitigate cost increases through streamlining our support functions to create a leaner, faster organisation, as well as a focus on non-recoverable property costs and general administrative expenses.

We expect capital expenditure to be maintained at a similar level to last year, around £50-60m, as we continue to progress with planned asset management projects, including the refurbishments of Chocolate Factory and The Biscuit Factory, alongside tactical capital-light refurbishments to enhance our offering in conviction and high conviction buildings. This will be offset by recycled capital from asset disposals. As we look further ahead, we have confidence that our strategic plan will ensure we deliver a market-leading product for our rapidly growing client base of creative and innovative SME's, whilst at the same time delivering long term, enduring value for our shareholders.

PROPERTY STATISTICS

	Half Year ended			
	31 Mar 2025	30 Sep 2024	31 Mar 2024	30 Sep 2023
Workspace Portfolio				
Property valuation	£2,368m	£2,423m	£2,446m	£2,505m
Number of locations	67	73	77	79
Lettable floorspace (million sq. ft.)	4.3	4.3	4.5	4.7
Number of lettable units	4,744	4,650	4,678	4,718
Rent roll of occupied units	£139.4m	£140.1m	£143.4m	£141.9m
Average rent per sq. ft.	£41.50	£40.27	£38.21	£36.81
Overall occupancy	78.5%	81.5%	83.0%	83.5%
Like-for-like number of properties	39	39	43	42
Like-for-like lettable floor space (million sq. ft.)	2.7	2.7	2.9	2.9
Like-for-like rent roll growth	0.7%	(1.6%)	3.0%	6.4%
Like-for-like rent per sq. ft. growth	2.0%	2.7%	3.4%	6.8%
Like-for-like occupancy movement	(1.2%)	(3.8%)	(0.4%)	(0.6%)

- 1) The like-for-like category has been restated in the current financial year for the transfer in of Old Dairy, Shoreditch where occupancy is now stabilised post refurbishment, the transfer out of Archer Street Studios, Soho, and Rainbow Industrial Estate (part), Raynes Park, which have been sold, the transfer out of Shaftesbury Centre, Ladbroke Grove to non-core which has been exchanged for sale and the transfer out of The Biscuit Factory site in Bermondsey which is undergoing major refurbishment.
- 2) Like-for-like statistics for prior years are not restated for the changes made to the like-for-like property portfolio in the current financial year.
- 3) Overall rent per sq. ft. and occupancy statistics includes the lettable area at like-for-like properties and all refurbishment and redevelopment projects, including those projects recently completed and also properties where we are in the process of obtaining vacant possession.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board assesses and monitors the principal risks of the business and considers how these risks could best be mitigated, where possible, through a combination of internal controls and risk management.

The financial year has seen continued risks to the UK economy with political instability, inflation and the ongoing disruption from tariffs weakening consumer confidence and leaving macroeconomic conditions challenging. This has led to softer demand and coincided with an increasing supply of flexible space across London which means the challenges we face are intensifying.

Overall however, key risks that could affect the Group's medium-term performance and the factors that mitigate these risks have not materially changed from those set out in the Group's Annual Report and Accounts 2024.

These risks have been assessed in line with the 2018 UK Corporate Governance Code requirements and are shown below. The Board is satisfied that we continue to operate within our risk profile.

Risk Area	Mitigating activities
<p>Customer demand</p> <p>Opportunities for growth could be missed without a clearly differentiated brand positioning strategy and products to meet the evolving demands of target customers. Macroeconomic factors, including political instability and geopolitical tensions, weak economic growth, inflationary pressures, higher interest rates, as well as increased supply of flexible space, could also impact our customers.</p> <p>RISK IMPACT</p> <ul style="list-style-type: none"> • Fall in occupancy levels at our properties • Reduction in rent roll • Reduction in property valuation 	<ul style="list-style-type: none"> • Broad mix of buildings across London with different space offerings, at various price points to match customer requirements. • Pipeline of refurbishment and redevelopments to further enhance the portfolio. • Enhanced market insight, segmentation, data and reporting to track customer trends, optimise sales performance and develop new propositions. • Increased accountability for centre staff to maintain ongoing relationships with our customers, understand their requirements and implement change to meet their needs. • Business plans are stress tested to assess the sensitivity of forecasts to reduced levels of demand and implement contingency measures. • Targeted marketing creates demand for Workspace and drives conversion to viewings, with advertising content and messaging regularly reviewed and updated.
<p>Financing</p> <p>There may be a reduction in the availability of long-term financing due to an economic recession, which may result in an inability to grow the business and impact Workspace's ability to deliver services to customers.</p> <p>RISK IMPACT</p> <ul style="list-style-type: none"> • Inability to fund business plans and invest in new opportunities • Increased interest costs as we refinance long term fixed debt 	<ul style="list-style-type: none"> • We regularly review funding requirements for business plans, and we have a wide range of options to fund our forthcoming plans. We also prepare a five-year business plan which is reviewed and updated annually. • We have a broad range of funding relationships in place and regularly review our refinancing strategy. • We maintain a specific interest rate profile via the use of fixed rates on the majority of our debt facilities so that our interest payment profile is broadly stable. We also had a £100m interest rate hedge in place throughout the year to further fix our interest costs.

Risk Area	Mitigating activities
<ul style="list-style-type: none"> Negative reputational impact amongst lenders and in the investment community 	<ul style="list-style-type: none"> Loan covenants are monitored and reported to the Board on a monthly basis, and we undertake detailed cash flow monitoring and forecasting. In November 2024 we refinanced the £135m RCF to November 2028 and extended the £200m RCF by a further 12 months to December 2026 as well as taking out an £80m term loan, providing further certainty over our funding position going forwards. In May 2025 the £200m bank debt facility was refinanced out to June 2029 further extending our average debt maturity.
<p>Valuation</p> <p>Macroeconomic uncertainty, reductions in occupancy or pricing, or failure to meet ESG legislation targets could have an impact on asset valuations. With a decrease in net income and ERV and an increase in property yield, valuations fall. This may result in a reduction in return on investment and negative impact on covenant testing.</p> <p>RISK IMPACT</p> <ul style="list-style-type: none"> Financing covenants linked to loan to value ('LTV') ratio. Impact on share price. 	<ul style="list-style-type: none"> Market-related valuation risk is largely dependent on independent, external factors. We maintain a conservative LTV ratio which can withstand a severe decline in property values without covenant breaches. We monitor changes in sentiment in the London real estate market, yields, and pricing to track possible changes in valuation. CBRE, a leading full-service real estate services and investment organisation, provides twice-yearly independent valuations of all our properties. We manage and invest in our properties, planning and undertaking upgrades where necessary, to ensure they are compliant with current Minimum Energy Efficiency Standards (MEES) for EPCs. Alternative use opportunities, including mixed-use developments, are actively pursued across the portfolio.
<p>Acquisition pricing</p> <p>Inadequate appraisal and due diligence of a new acquisition could lead to paying above market price leading to a negative impact on valuation and rental income targets.</p> <p>RISK IMPACT</p> <ul style="list-style-type: none"> Negative impact on valuation Impact on overall shareholder return 	<ul style="list-style-type: none"> We have an acquisition strategy determining key criteria such as location, size and potential for growth. These criteria are based on the many years of knowledge and understanding of our market and customer demand. A detailed appraisal is prepared for each acquisition and is presented to the Investment Committee for challenge and discussion prior to authorisation by the Board. The acquisition is then subject to thorough due diligence prior to completion, including capital expenditure and risks associated with ESG concerns. Workspace will only make acquisitions that are expected to yield a minimum return and will not knowingly overpay for an asset. We undertake appropriate property, financial and tax due diligence including a review of ESG when required.
<p>Customer payment default</p> <p>Uncertainty remains around the macroeconomic environment. Although inflation and interest rates have reduced during the period, given the broader geopolitical climate and recent increases to living wage and national insurance costs, there remains a risk of an economic downturn, which could put pressure on rent collection figures.</p> <p>RISK IMPACT</p>	<ul style="list-style-type: none"> Rent collection and customer payment levels have remained strong throughout the year, however the economic environment remains challenging. The risk continues to be mitigated by strong credit control processes and an experienced team of credit controllers, able to make quick decisions and negotiate with customers for payment. In addition, we hold a three-month deposit for the majority of customers.

Risk Area	Mitigating activities
<ul style="list-style-type: none"> Negative cash flow and increasing interest costs Breach of financial covenants 	<ul style="list-style-type: none"> Centre staff maintain relationships with customers and can identify early signs of potential issues.
<p>Cyber security</p> <p>A cyber attack could lead to a loss of access to Workspace systems or a network disruption for a prolonged period of time. This could damage Workspace's reputation and inhibit our ability to run the business.</p> <p>RISK IMPACT</p> <ul style="list-style-type: none"> Inability to process new leases and invoice customers Reputational damage Increased operational costs 	<ul style="list-style-type: none"> Cyber security risk is managed using a mitigation framework comprising network security, IT security policies and third-party risk assessments. Controls are regularly reviewed and updated and include technology such as next generation firewalls, multi layered access control through to people solutions such as user awareness training, mock-phishing emails and cyber attack simulations. Assurance over the framework's performance is gained through an independent maturity assessment, penetration testing and network vulnerability testing, all performed annually. We are committed to continue the adoption of the NIST Cybersecurity Framework to enhance our cyber security maturity. This adoption will strengthen risk management, improve controls, fortify incident response, and ensure consistent protection and recovery, validated through external independent assessments.
<p>Resourcing</p> <p>Ineffective succession planning, recruitment, and people management could lead to limited resourcing levels and a shortage of suitably skilled individuals to be able to achieve Workspace's objectives and grow the business. Inadequate resourcing may also result in management being spread too thinly and a decline in effectiveness.</p> <p>RISK IMPACT</p> <ul style="list-style-type: none"> Increased costs from high staff turnover Delay in growth plans Reputational damage 	<ul style="list-style-type: none"> We have a robust recruitment process to attract new joiners and established interview and evaluation processes with a view to ensuring a good fit with the required skill set and our corporate culture. We have diversified our recruitment pools, including the launch of a new apprenticeship programme to ensure we have a diverse talent pool. Various incentive schemes align employee objectives with the strategic objectives of the Group to motivate employees to work in the best interests of the Group and its stakeholders. This is supported by a formal appraisal and review process for all employees. Our HR and People teams run a broad training and development programme designed to ensure employees are supported and encouraged to progress with learning and study opportunities. We have an in-house Recruitment Manager who oversees the entire recruitment process and ensures that we have a diverse and wide-ranging talent pool. The HR team utilises a candidate applicant tracking system to track the source of applications. This allows us to manage the process better and diversify our talent from various application sources. At the same time, we have revised our internal application process for existing employees with 31 individuals being internally promoted during this period and 63% of new starters being recruited directly without recruitment agencies.

Risk Area	Mitigating activities
<p>Third party relationships</p> <p>Poor performance from one of Workspace's key contractors or third-party partners could result in an interruption to or reduction in the quality of our service offering to customers or could lead to significant disruptions and delays in any refurbishment or redevelopment projects.</p> <p>RISK IMPACT</p> <ul style="list-style-type: none"> • Decline in customer confidence • Increased project or operational costs • Fall in customer demand • Weaker cash flow • Reputational damage 	<ul style="list-style-type: none"> • Workspace has in place a robust tender and selection process for key contractors and partners. Contracts contain service-level agreements that are monitored regularly, and actions are taken in the case of underperformance. • For key services, Workspace maintains relationships with alternative providers so that other solutions would be available if the main contractor or third party was unable to continue providing their services. Processes are in place to identify key suppliers and understanding any specific risks that require further mitigation. • Workspace remains committed to being London Living Wage compliant for all service providers.
<p>Regulatory</p> <p>A failure to keep up to date and plan for changing regulations in key areas such as health and safety and sustainability, could lead to fines or reputational damage</p> <p>RISK IMPACT</p> <ul style="list-style-type: none"> • Increased costs • Reputational damage 	<ul style="list-style-type: none"> • Health and safety is one of our primary concerns, and strong leadership promotes a culture of awareness throughout the business. We have well-developed policies and procedures in place to help ensure that any workers, employees, or visitors on site comply with strict safety guidelines, and we work with well-respected suppliers who share our high-quality standards in health and safety. This year saw the recruitment of a new role (Health and Safety Manager) to support our commitment to Health and Safety throughout the business. • Health and safety management systems are updated in line with changing regulations and regular audits are undertaken to identify any potential improvements. • Sustainability requirements are becoming increasingly important for the Group, and we take this responsibility seriously. We have committed to becoming a net zero carbon business and being climate resilient. We undertake an annual review of all ESG regulations and our policies and procedures to ensure compliance. We also closely monitor and manage physical risk arising from climate change along with a mitigation strategy. • Workspace has a robust legal framework in place, managed by the Company Secretary and Head of Legal, to ensure full compliance with applicable laws, regulations, and corporate governance.
<p>Climate change</p> <p>Failure to recognise that climate change presents a financial risk to our business, alongside our customers' increasing expectations for the sustainable operation of our properties, could have a significant impact on the business.</p> <p>RISK IMPACT</p> <ul style="list-style-type: none"> • Loss of rent roll • Negative impact on value • Reduced occupancy levels 	<ul style="list-style-type: none"> • The inherent risk from climate change is universal, with a high likelihood of risk materialising in the near future resulting in a potentially material impact on businesses in general. For Workspace, our risk is lower when compared to many other real estate businesses, in particular our exposure to physical risk. However, transition risk is an industry-wide risk and is impacting all real estate businesses due to the environmental impact associated with the sector. As a result, the regulatory requirements continue to become more stringent. In response to this, Workspace has been proactively managing its risk exposure. Our mitigation strategy includes: • Periodic assessment of our climate risk exposure, using climate modelling every time the portfolio changes.

Risk Area	Mitigating activities
<ul style="list-style-type: none"> • Reputational damage 	<ul style="list-style-type: none"> • Bi-annual review of control measures and their effectiveness by our Risk Management Group and the Environmental Committee. • Active management of acute physical risks such as floods and storms across the portfolio through emergency preparedness, site maintenance surveys and business continuity planning. • Delivery of net zero carbon and EPC upgrades across the portfolio to manage transition risk. • Embedding of climate-related objectives linked with remuneration, to incentivise focused action. • Active management of our energy and raw materials costs via efficiency measures and design optimisation.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £m	2024 £m
Revenue	1	185.2	184.3
Direct costs ¹	1	(63.1)	(58.1)
Net rental income	1	122.1	126.2
Administrative expenses	2	(23.3)	(25.3)
Trading profit		98.8	100.9
Loss on disposal of investment properties and assets held for sale	3(a)	(1.5)	(2.3)
Other expenses	3(b)	(3.6)	(1.2)
Change in fair value of investment properties	10	(55.9)	(251.2)
Impairment of assets held for sale		(0.4)	(4.1)
Operating profit/(loss)		37.4	(157.9)
Finance costs	4	(32.0)	(34.9)
Profit/(loss) before tax		5.4	(192.8)
Taxation	6	–	0.3
Profit/(loss) for the financial year after tax		5.4	(192.5)
Basic earnings/(loss) per share	8	2.8p	(100.4p)
Diluted earnings/(loss) per share	8	2.8p	(100.4p)

1. Direct costs in 2025 includes impairment of receivables of £1.0m (2024: £0.8m). See note 1 for additional information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £m	2024 £m
Profit/(loss) for the financial year		5.4	(192.5)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Change in fair value of other investments	12	0.1	1.1
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of derivatives		(0.3)	0.2
Other comprehensive (loss)/income in the year		(0.2)	1.3
Total comprehensive income/(loss) for the year		5.2	(191.2)

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £m	2024 £m
Non-current assets			
Investment properties	10	2,351.7	2,408.5
Intangible assets		1.1	2.2
Property, plant and equipment	11	3.4	3.0
Other investments	12	3.3	3.2
Derivative financial instruments	16(e)	–	0.2
Deferred tax		0.3	0.3
		2,359.8	2,417.4
Current assets			
Trade and other receivables	13	32.8	36.7
Assets held for sale	10	45.2	65.7
Cash and cash equivalents	14	32.7	11.6
		110.7	114.0
Total assets		2,470.5	2,531.4
Current liabilities			
Trade and other payables	15	(92.2)	(93.0)
Borrowings	16(a)	(79.9)	–
Derivative financial instruments	16(e)	(0.1)	–
		(172.2)	(93.0)
Non-current liabilities			
Borrowings	16(a)	(761.4)	(854.8)
Lease obligations	17	(34.7)	(34.7)
		(796.1)	(889.5)
Total liabilities		(968.3)	(982.5)
Net assets		1,502.2	1,548.9
Shareholders' equity			
Share capital	19	192.1	191.9
Share premium	19	295.6	296.6
Investment in own shares		(0.3)	(9.9)
Other reserves	20	71.2	93.0
Retained earnings		943.6	977.3
Total shareholders' equity		1,502.2	1,548.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

		Attributable to owners of the Parent					
	Notes	Share capital £m	Share premium £m	Investment in own shares £m	Other reserves £m	Retained earnings £m	Total shareholder s' equity £m
Balance at 31 March 2023		191.6	295.5	(9.9)	91.0	1,219.5	1,787.7
Loss for the financial year		–	–	–	–	(192.5)	(192.5)
Other comprehensive income for the year		–	–	–	1.3	–	1.3
Total comprehensive income/(loss)		–	–	–	1.3	(192.5)	(191.2)
Transactions with owners:							
Dividends paid	7	–	–	–	–	(50.6)	(50.6)
Share-based payments		0.3	1.1		0.7	0.9	3.0
Balance at 31 March 2024		191.9	296.6	(9.9)	93.0	977.3	1,548.9
Profit for the financial year		–	–	–	–	5.4	5.4
Other comprehensive loss for the year		–	–	–	(0.2)	–	(0.2)
Total comprehensive (loss)/income		–	–	–	(0.2)	5.4	5.2
Transactions with owners:							
Dividends paid	7	–	–	–	–	(54.5)	(54.5)
Own shares transferred in prior years ²		–	–	9.3	–	(9.3)	–
Cost of shares awarded to employees		–	–	0.3	–	–	0.3
Share-based payments		0.2	(1.0) ¹	–	(0.4)	3.5	2.3
Share options lapsed in prior years ³		–	–	–	(21.2)	21.2	–
Balance at 31 March 2025		192.1	295.6	(0.3)	71.2	943.6	1,502.2

1. The movement in the year on share premium relates to the excess between the nominal value and the vested share price on awarded shares to employees in the previous year. This has been reclassified to retained earnings in the current year.
2. In the year the Group transferred the excess amounts held in the investment in own shares reserve to retained earnings in accordance with the carrying value of the remaining shares held. The transfer should have been made prior to the date of the opening comparative period but was omitted. The error is not considered material and hence it is being corrected in the current year.
3. In the year the Group transferred amounts held in the share-based payment reserve to retained earnings in relation to share options that had lapsed in prior years. The transfer should have been made prior to the date of the opening comparative period but was omitted. The error is not considered material and hence it is being corrected in the current year.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £m	2024 £m
Cash flows from operating activities			
Cash generated from operations	18	105.1	87.7
Interest paid		(28.5)	(33.8)
Net cash inflow from operating activities		76.6	53.9
Cash flows from investing activities			
Purchase of investment properties		–	–
Capital expenditure on investment properties		(58.9)	(71.7)
Proceeds from government grant		0.7	1.5
Proceeds from disposal of investment properties (net of sale costs)		36.5	22.3
Proceeds from disposal of assets held for sale (net of sale costs)		40.4	96.2
Purchase of intangible assets		(0.4)	(0.8)
Purchase of property, plant and equipment		(1.8)	(0.4)
Other expenses		–	(1.2)
Net cash inflow from investing activities		16.5	45.9
Cash flows from financing activities			
Finance costs for new/amended borrowing facilities		(1.3)	(0.8)
Repayment of bank borrowings	16(h)	(355.5)	(211.0)
Draw down of bank borrowings	16(h)	341.5	156.0
Settlement of share schemes		(0.4)	(0.2)
Dividends paid	7	(56.3)	(50.7)
Net cash outflow from financing activities		(72.0)	(106.7)
Net Increase/(decrease) in cash and cash equivalents		21.1	(6.9)
Cash and cash equivalents at start of year	14	11.6	18.5
Cash and cash equivalents at end of year	14	32.7	11.6

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 March 2025 or 2024 but is derived from those accounts. Statutory accounts for 2024 have been delivered to the Registrar of Companies, and those for 2025 will be delivered in due course. The auditor has reported on those accounts; their reports were i) unqualified and i) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The accounting policies are consistent with those contained in the Group's last annual report and accounts for the year ended 31 March 2024, with exception of the following:

BASIS OF PREPARATION

These condensed financial statements are presented in Sterling, which is the Company's functional currency and the Group's presentation currency, and have been prepared and approved by the Directors on a going concern basis, in accordance with United Kingdom adopted international accounting standards.

The Board is required to assess the appropriateness of applying the going concern basis in the preparation of the financial statements. Macroeconomic and geo-political issues, including the impact of US tariffs on UK businesses and their supply chains, have heightened wider concerns around the UK economy and mean there is a continuing risk of an economic downturn. In this context, the Directors have fully considered the business activities and principal risks of the Group.

In preparing the assessment of going concern, the Board has reviewed a number of different scenarios over the 12-month period from the date of signing of these financial statements. These scenarios include a severe, but realistically possible, scenario which includes the following key assumptions:

A reduction in occupancy, reflecting weaker customer demand for office space.

A reduction in the pricing of new lettings, resulting in a reduction in average rent per sq. ft..

Elevated levels of counterparty risk, with bad debt significantly higher than pre-pandemic levels.

Continued elevated levels of cost inflation.

Further increases in SONIA rates impacting the cost of variable rate borrowings.

Estimated rental value reduction in-line with the decline in average rent per sq. ft. and outward movement in investment yields resulting in a lower property valuation.

The appropriateness of the going concern basis is reliant on the continued availability of borrowings, sufficient liquidity and compliance with loan covenants. All borrowings require compliance with LTV and Interest Cover covenants. As at the tightest test date in the scenarios modelled, the Group could withstand a reduction in Net Rental Income of 12% compared to the March 2025 Net Rental Income and a fall in the asset valuation of 37% compared to 31 March 2025 before these covenants are breached, assuming no mitigating actions are taken.

As at 31 March 2025, the Company had significant headroom with £260m of cash and undrawn facilities. The majority of the Group's debt is long-term fixed-rate committed facilities comprising a £300m green bond, £300m of private placement notes, a £65m secured loan facility and an £80m term loan. Shorter-term liquidity and flexibility is provided by floating-rate bank facilities which comprise of £335m of sustainability-linked revolving credit facilities (RCFs) made up of £135m which was renewed in November 2024 to November 2028 and £200m which was renewed in May 2025 at the current rate to June 2029. Both facilities include the potential to be extended by a further two years subject to lender consent. The £135m has the option to increase the facility amount by up to £120m and the £200m RCF has the option to increase the facility amount by up to £100m, both subject to lender consent.

For the full period of assessment under the scenario tested, the Group maintains sufficient headroom in its cash and loan facilities.

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

Consideration of climate change

In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosure on pages 99 to 106 this year. There has been no material impact identified on the financial reporting judgements and estimates. In particular, the Directors considered the impact of climate change in respect of the following areas:

the potential impact on the valuation of our investment properties due to transition risks;

going concern and viability of the Group over the next three years; and the capital expenditure required to upgrade our assets' EPC ratings and deliver our net zero targets.

Whilst there is currently minimal medium-term impact expected from climate change, the Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in the preparation of the Group's financial statements.

NEW ACCOUNTING STANDARDS, AMENDMENTS AND GUIDANCE

a) During the year to 31 March 2025 the Group adopted the following accounting standards and guidance:

IAS 1 (amended)	Classification of Liabilities as Current or Non-Current; Non-Current Liabilities with Covenants; Deferral of Effective Date Amendment
IAS 7 and IFRS 7	Disclosures – Supplier Finance Arrangements
IFRS 16 (amended)	Lease Liability in a Sale and Leaseback

There was no material impact from the adoption of these accounting standards and amendments on the financial statements.

b) The following accounting standards and guidance are not yet effective but are not expected to have a significant impact on the Group's financial statements or result in changes to presentation and disclosure only. They have not been adopted early by the Group:

IAS 21 (amended)	Lack of Exchangeability
IFRS 9 and IFRS 7 (amended)	Amendments to the Classification and Measurement of Financial Instruments
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

1. ANALYSIS OF NET RENTAL INCOME AND SEGMENTAL INFORMATION

	2025			2024		
	Revenue £m	Direct costs ¹ £m	Net rental income £m	Revenue £m	Direct costs ¹ £m	Net rental income £m
Rental income	144.9	(6.7)	138.2	145.0	(4.9)	140.1
Service charges	33.2	(37.4)	(4.2)	32.6	(37.5)	(4.9)
Empty rates and other non-recoverable costs	–	(11.5)	(11.5)	–	(10.2)	(10.2)
Services, fees, commissions and sundry income	7.1	(7.5)	(0.4)	6.7	(5.5)	1.2
	185.2	(63.1)	122.1	184.3	(58.1)	126.2

1. There was one property within the current period (prior period: two) that were non-rent producing. Direct costs relating to investment properties that did not generate any rental income were nil (2024: nil).

Included within direct costs for rental income is a charge of £1.0m (2024: £0.8m) for expected credit losses in respect of receivables from customers in the period.

All of the properties within the portfolio are geographically close to each other and have similar economic features and risks. Management information utilised by the Executive Committee to monitor and review performance is presented as one portfolio. As a result, for the year ended 31 March 2025, management have determined that the Group operates a single operating segment providing business accommodation for rent in and around London.

2. OPERATING PROFIT/(LOSS)

The following items have been charged in arriving at operating profit/(loss):

	2025 £m	2024 £m
Depreciation ¹ (note 11)	1.4	1.7
Staff costs (including share-based payment costs) ¹ (note 5)	31.9	30.5
Repairs and maintenance expenditure on investment properties	5.3	3.7
Trade receivables impairment (note 13)	1.0	0.8
Amortisation of intangibles ²	1.5	0.6
Audit fees payable to the Company's Auditor	0.6	0.8

1. Charged to direct costs and administrative expenses based on the underlying nature of the expenses.

2. During the year the amortisation charge was expensed to administrative costs and other expenses following a change in the expected useful life of the assets (2024: amortisation charge was expensed to administrative costs).

	2025 £000	2024 £000
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Auditor's remuneration: services provided by the Company's Auditor and its associates

Audit fees:

Audit of Parent Company and consolidated financial statements	457	507
Audit of subsidiary financial statements	46	110
	503	617

Fees for other services:

Audit-related assurance services ¹	67	97
Total fees payable to Auditor	570	714

1. Audit-related assurance services consist of £67k for half year review (2024: £97k).

	2025 £m	2024 £m
Total administrative expenses are analysed below:		
Staff costs	13.8	14.8
Equity-settled share-based payments	2.4	3.1
Cash-settled share-based payments	0.2	0.2
Other	6.9	7.2
Total administrative expenses	23.3	25.3

3(a). LOSS ON DISPOSAL OF INVESTMENT PROPERTIES AND ASSETS HELD FOR SALE

	2025 £m	2024 £m
Proceeds from sale of investment properties (net of sale costs)	38.4	12.3
Proceeds from sale of assets held for sale (net of sale costs)	40.4	96.2
Book value at time of sale	(80.3)	(110.8)
Loss on disposal	(1.5)	(2.3)

3(b). OTHER EXPENSES

	2025 £m	2024 £m
Other expenses	(3.6)	(1.2)
	(3.6)	(1.2)

Other expenses include exceptional one-off costs relating to the replacement of our finance and property management system and CRM system of £2.7m (2024: £1.2m), which brings the cumulative spend to date to £5.7m with a forecast spend in the next financial year of £1.2m in relation to the CRM system with an expected go live date in the second half of the year. There are also one-off costs relating to the new CEO appointed in the year of £0.9m (2024: £nil). These costs are outside the Group's normal trading activities.

4. NET FINANCE COSTS

	2025 £m	2024 £m
Interest payable on bank loans and overdrafts	(12.8)	(15.0)
Interest payable on other borrowings	(19.3)	(19.3)
Amortisation of issue costs of borrowings	(1.8)	(1.7)
Interest payable on leases	(2.1)	(2.1)
Interest capitalised on property refurbishments (note 10)	3.4	3.0
Interest receivable	0.6	0.2
Total net finance costs	(32.0)	(34.9)

All finance costs have been calculated in accordance with IFRS 9, re-estimating the cash flows based on the original effective interest rate with any adjustment being taken through the consolidated income statement, with the exception of interest payable on leases which is calculated in accordance with IFRS 16.

5. EMPLOYEES AND DIRECTORS

Staff costs for the Group during the year were:	2025 £m	2024 £m
Wages and salaries	27.5	26.2
Social security costs	3.2	3.4
Other pension costs (note 24)	1.4	1.3
Equity-settled share-based costs (note 23)	2.6	3.1
	34.7	34.0
Less costs capitalised	(2.8)	(3.5)
	31.9	30.5

The monthly average number of people employed during the year was:	2025 Number	2024 Number
Head office staff (including Directors)	173	166
Estates and property management staff	162	152
	335	318

The emoluments and pension benefits of the Directors are determined by the Remuneration Committee of the Board and are set out in detail in the Directors' Remuneration Report on pages.

Total Directors' emoluments for the financial year were £2.4m (2024: £2.9m), comprising of £2.1m (2024: £2.2m) of Directors' remuneration, £0.3m (2024: £0.6m) gain on exercise of share options and £0.1m (2024: £0.1m) of cash contributions in lieu of pension in respect of three Directors (2024: two).

6. TAXATION

	2025 £m	2024 £m
Current tax:		
UK corporation tax	–	–
Adjustments to tax in respect of previous periods	–	–
	–	–
Deferred tax:		
On origination and reversal of temporary differences	–	(0.3)
	–	(0.3)
Total taxation credit	–	(0.3)

The tax on the Group's profit/(loss) for the year differs from the standard applicable corporation tax rate in the UK of 25% (2024: 25%). The differences are explained below:

	2025 £m	2024 £m
Profit/(loss) before taxation	5.4	(192.8)
Tax at standard rate of corporation tax in the UK of 25% (2024: 25%)	1.4	(48.2)
Effects of:		
REIT exempt income	(17.2)	(19.2)
Changes in fair value not subject to tax as a REIT	14.3	63.8
Share-based payment adjustments	0.2	0.5
Unrecognised losses carried forward	1.0	2.7
Other non-taxable expenses	0.3	0.1
Total taxation credit	–	(0.3)

The Group is a Real Estate Investment Trust ('REIT'). The Group's UK property rental business (both income and capital gains) is exempt from UK corporation tax. The Group estimates that as the majority of its future profits will be exempt from tax, future tax charges are likely to be low.

Profits arising from any residual business activities (e.g. trading activities and interest income), after the utilisation of tax losses, are subject to corporation tax at the main rate of 25% for the period.

The Group currently has an unrecognised asset in relation to tax losses from the non-REIT business carried forward of £8.6m (2024: £8.9m) calculated at a corporation tax rate of 25% (2024: 25%).

7. DIVIDENDS

	Payment date	Per share	2025 £m	2024 £m
For the year ended 31 March 2023:				
Final dividend	August 2023	17.4p	–	33.3
For the year ended 31 March 2024:				
Interim dividend	February 2024	9.0p	–	17.3
Final dividend	August 2024	19.0p	36.5	–
For the year ended 31 March 2025:				
Interim dividend	February 2025	9.4p	18.0	–
Dividends for the year			54.5	50.6
Timing difference on payment of withholding tax			1.8	0.1
Dividends cash paid			56.3	50.7

The Directors are proposing a final dividend in respect of the financial year ended 31 March 2025 of 19.0 pence per ordinary share, which will absorb an estimated £36.5m of retained earnings and cash. If approved by the shareholders at the AGM, it will be paid on 1 August 2025 to shareholders who are on the register of members on 4 July 2025. The dividend will be paid as a REIT Property Income Distribution ('PID') net of withholding tax where appropriate.

8. EARNINGS PER SHARE

Earnings used for calculating earnings per share:	2025 £m	(Restated) 2024 £m ²	2024 £m
Basic and diluted earnings	5.4	(192.5)	(192.5)
Decrease in fair value of investment properties	55.9	251.2	251.2
Impairment of assets held for sale	0.4	4.1	4.1
Loss on disposal of investment properties	1.5	2.3	2.3
Other expenses ² (note 3(b))	3.6	1.2	–
EPRA earnings	66.8	66.3	65.1
Adjustment for non-trading items:			
Other expenses (note 3(b))	–	–	1.2
Taxation	–	(0.3)	(0.3)
Trading profit after interest	66.8	66.0	66.0

Earnings have been adjusted to derive an earnings per share measure as defined by the European Public Real Estate Association ('EPRA') and an adjusted underlying earnings per share measure.

Number of shares used for calculating earnings per share:	2025 Number	(Restated) 2024 Number ²	2024 Number
Weighted average number of shares (excluding own shares held in trust)	191,997,294	191,676,994	191,676,994
Dilution due to share option schemes	1,770,841	1,537,856	1,537,856
Weighted average number of shares for diluted earnings per share	193,768,135	193,214,850	193,214,850

In pence:	2025	2024 (Restated)	2024
Basic earnings/(loss) per share	2.8p	(100.4p)	(100.4p)
Diluted earnings/(loss) per share	2.8p	(100.4p)	(100.4p)
EPRA earnings per share	34.8p	34.6p	34.0p
Diluted EPRA earnings per share	34.5p	34.3p	34.0p
Adjusted underlying earnings per share ¹	34.5p	34.1p	34.1p
Adjusted underlying earnings per share (basic)	34.8p	34.4p	34.4p

1. Adjusted underlying earnings per share is calculated by dividing trading profit after interest by the diluted weighted average number of shares of 193,768,135 (2024: 193,214,850).
2. The EPRA Best Practice Guidelines were updated in 2024, the new guidelines have been adopted and applied for the year ended 31 March 2025. To ensure comparability, EPRA earnings as at 31 March 2024 have been restated in line with the new guidelines. The key change in the guidelines is to include an additional adjustment to EPRA earnings for non-operating and exceptional items. Other expenses (see note 3(b)) are now considered to be adjusting items for this reason.

The diluted loss per share for the period to 31 March 2024 has been restricted to a loss of 100.4p per share, as the loss per share cannot be reduced by dilution in accordance with IAS 33 Earnings per Share.

9. NET ASSETS PER SHARE AND TOTAL ACCOUNTING RETURN

Number of shares used for calculating net assets per share:	2025 Number	2024 Number
Shares in issue at year end	192,143,004	191,910,392
Less own shares held in trust at year end	(57,524)	(139,649)
Dilution due to share option schemes	1,871,843	1,637,759
Number of shares for calculating diluted adjusted net assets per share	193,957,323	193,408,502

EPRA Net Asset Value Metrics

The Group measures financial position with reference to EPRA Net Tangible Assets ('NTA'), Net Reinvestment Value ('NRV') and Net Disposal Value ('NDV').

	March 2025			March 2024		
	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m	EPRA NRV £m	EPRA NTA £m	EPRA NDV £m
IFRS Equity attributable to shareholders	1,502.2	1,502.2	1,502.2	1,548.9	1,548.9	1,548.9
Fair value of derivative financial instruments	0.1	0.1	–	(0.2)	(0.2)	–
Intangibles per IFRS balance sheet	–	(1.1)	–	–	(2.2)	–
Excess of book value of debt over fair value	–	–	39.9	–	–	59.3
Purchasers' costs	161.0	–	–	166.4	–	–
EPRA measure	1,663.3	1,501.2	1,542.1	1,715.1	1,546.5	1,608.2
EPRA measure per share	£8.58	£7.74	£7.95	£8.87	£8.00	£8.32

Total accounting return

	2025 £	2024 £
Total Accounting Return		
Opening EPRA net tangible assets per share (A)	8.00	9.27
Closing EPRA net tangible assets per share	7.74	8.00
Decrease in EPRA net tangible assets per share	(0.26)	(1.27)
Ordinary dividends paid in the year	0.28	0.26
Total return (B)	0.02	(1.01)
Total accounting return (B/A)	0.3%	(10.9%)

The total accounting return for the year comprises the movement in absolute EPRA net tangible assets per share plus dividends paid in the year as a percentage of the opening EPRA net tangible assets per share. The total return for the year ended 31 March 2025 was 0.3% (31 March 2024: – 10.9%).

10. INVESTMENT PROPERTIES

	2025 £m	2024 £m
Balance at 1 April	2,408.5	2,643.3
Capital expenditure	54.3	68.4
Capitalised interest on refurbishments (note 4)	3.4	3.0
Disposals during the year	(38.5)	(12.5)
Change in fair value of investment properties	(55.9)	(251.2)
Disposed properties tenant incentives recognised in advance under IFRS 16	0.2	1.4
Less: Classified as assets held for sale	(20.3)	(43.9)
Balance at 31 March	2,351.7	2,408.5

Investment properties represent a single class of property, being business accommodation for rent in and around London.

Investment properties include buildings with a carrying amount of £291.9m (2024: £317.2m) for which there are lease obligations of £34.7m (2024: £34.7m). Investment property lease commitment details are shown in note 17.

Disposed properties tenant incentives relate to disposed properties during the year, where there were tenant lease incentives accounted for under IFRS 16.

Capitalised interest is included at a rate of capitalisation of 6.7% (2024: 6.8%). The total amount of capitalised interest included in investment properties is £21.5m (2024: £18.1m).

The change in fair value of investment properties is recognised in the consolidated income statement.

Investment property held for sale

	2025 £m	2024 £m
Balance at 1 April	65.7	123.0
Capital expenditure	1.4	1.2
Reclassified from investment properties in the period	20.3	43.9
Disposals during the year	(41.8)	(98.3)
Impairment of assets held for sale	(0.4)	(4.1)
Balance at 31 March	45.2	65.7

Two of the properties classified as held for sale at the end of the prior year were not sold during the year. One of these is retained within current assets as it is still expected to sell within the next 12 months to 31 March 2026. One of them exchanged during the year.

Four (2024: six) additional properties were reclassified as held for sale at year-end. Two of these properties have exchanged for sale and all are likely to complete within the next 12 months. The transfer value is their year-end valuation per CBRE.

Valuation

The Group's investment properties are held at fair value and were revalued at 31 March 2025 by the external valuer, CBRE Limited, a firm of independent qualified valuers, in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards. All the properties are revalued at period end regardless of the date of acquisition. In line with IFRS 13, all investment properties are valued on the basis of their highest and best use. For like-for-like properties, their current use equates to the highest and best use. For properties undergoing refurbishment or redevelopment, most of these are still being used for business accommodation in their current state. However, the valuation at the balance sheet date includes the impact of the potential refurbishment and redevelopment as this represents the highest and best use.

The Executive Committee and the Board both conduct a detailed review of the property valuation to assess whether appropriate assumptions have been applied and that valuations are appropriate. Meetings are held with the valuers to discuss and challenge the valuations, to confirm that they have considered all relevant information.

The valuation of like-for-like properties (which are not undergoing significant refurbishment or redevelopment) is based on the income capitalisation method which applies market-based yields to the Estimated Rental Values ('ERVs') of each of the properties. Yields are based on current market expectations depending on the location and use of the property. ERVs are based on estimated rental potential considering current rental streams and market comparatives whilst also considering the occupancy and timing of rent reviews at each property. Although occupancy and rent review timings are known, and there is market evidence for transaction prices for similar properties, there is still a significant element of estimation and judgement in estimating ERVs. The ERVs include assumptions about future occupancy levels, these are primarily derived from current occupancy levels adjusted as considered necessary by the valuer. As a result of adjustments made to market observable data, the significant inputs are deemed unobservable under IFRS 13.

When valuing properties where Workspace is carrying out a major refurbishment, the residual value method is used. The completed value of the refurbishment is determined as for like-for-like properties above. This is then adjusted for costs to complete and developers' profit

margin. A discount factor is applied to reflect the time period to complete construction and make allowance for construction and market risk to arrive at the residual value of the property.

The discount factor used is the property yield that is also applied to the estimated rental value to determine the value of the completed building. Other risks such as unexpected time delays relating to planned capital expenditure are assessed on a project-by-project basis, looking at market comparable data where possible and the complexity of the proposed scheme.

Redevelopment properties are also valued using the residual value method. The proposed redevelopment which would be undertaken by a residential developer is valued based on the market value for similar sites and then adjusted for costs to complete, developer's profit margin and a time discount factor. Allowance is also made for planning and construction risk depending on the stage of the redevelopment. If a contract is agreed for the sale/redevelopment of the site, the property is valued based on agreed consideration.

For all methods, the valuer is provided with information on tenure, letting, town planning and the repair of the buildings and sites.

The reconciliation of the valuation report total to the amount shown in the consolidated balance sheet as non-current assets, investment properties, is as follows:

	2025 £m	2024 £m
Total per CBRE valuation report	2,367.8	2,446.5
Deferred consideration on sale of property	(0.6)	(0.6)
Head leases treated as leases under IFRS 16	34.7	34.7
Tenant incentives recognised under IFRS 16	(5.0)	(6.4)
Less: Reclassified as assets held for sale	(45.2)	(65.7)
Total investment properties per balance sheet	2,351.7	2,408.5

The Group's investment properties are carried at fair value and under IFRS 13 are required to be analysed by level depending on the valuation method adopted. The different valuation methods are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data.

Level 3 – Use of a model with inputs that are not based on observable market data.

As noted in the significant judgements and critical estimates section, property valuations are complex and involve data which is not publicly available and involve a degree of judgement. All the investment properties are classified as Level 3, due to the fact that one or more significant inputs to the valuation are not based on observable market data.

CBRE have made enquiries to ascertain any sustainability factors which are likely to impact on value, consistent with the scope of their terms of engagement. Sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect the value of an asset, even if not explicitly recognised. This includes key environmental risks; such as flooding, energy efficiency, climate, design, legislation and management considerations – as well as current and historic land use. Where CBRE recognise the value impacts of sustainability, they reflect their understanding of how market participants include sustainability factors in their decisions and the consequential impact on market valuations.

The following table summarises the valuation techniques and inputs used in the determination of the property valuation at 31 March 2025.

Key unobservable inputs:

Property category	Valuation £m	Valuation technique	ERVs – per sq. ft.		Equivalent yields	
			Range	Weighted average	Range	Weighted average
Like-for-like	1,755.8	A	£24-£84	£51	5.9%-8.6%	6.8%
Completed projects	167.8	A	£25-£55	£37	4.9%-7.6%	6.9%
Refurbishments	322.6	A/B	£23-£75	£36	5.3%-10.2%	7.2%
South East Office	75.8	A	£25-£35	£29	8.4%-12.5%	10.3%
Tenant incentives	(5.0)	N/A	–	–	–	–
Head leases	34.7	N/A	–	–	–	–
Total	2,351.7					

A = Income capitalisation method.

B = Residual value method.

See appendices for breakdown of properties by category.

A key unobservable input for redevelopments at planning stage and refurbishments is developer's profit. The range is 0%–15% with a weighted average of 3%.

Costs to complete are not considered to be a significant unobservable input for refurbishments due to the high percentage of costs that are fixed.

Sensitivity analysis:

A +/- 10% movement in ERVs or a +/- 25 basis points movement in yields would result in the following increase/decrease in the valuation.

£m	+/- 10% in ERVs	+/- 25 bps in yields
Like-for-like	+176/-176	-62/+67
Completed projects	+17/-17	-6/+6
Refurbishments	+37/-37	-13/+14
South East Office	+8/-8	-2/+2

The following table summarises the valuation techniques and inputs used in the determination of the property valuation at 31 March 2024.

Key unobservable inputs:

Property category	Valuation £m	Valuation technique	ERVs – per sq. ft.		Equivalent yields	
			Range	Weighted average	Range	Weighted average
Like-for-like	1,833.2	A	£24-£81	£49	4.9%-8.4%	7.0%
Completed projects	137.4	A	£25-£53	£35	6.6%-7.2%	7.3%
Refurbishments	318.5	A/B	£24-£75	£38	5.0%-9.9%	7.3%
Redevelopments	18.9	A/B	£18-£30	£19	4.8%-8.7%	7.4%
South East Office	72.2	A	£25-£40	£30	8.0%-11.4%	10.4%
Tenant incentives	(6.4)	N/A	–	–	–	–
Head leases	34.7	N/A	–	–	–	–
Total	2,408.5					

A = Income capitalisation method.

B = Residual value method.

A key unobservable input for redevelopments at planning stage and refurbishments is developer's profit. The range is 10%–19% with a weighted average of 15%.

Costs to complete is a key unobservable input for redevelopments at planning stage with a range of £273-£416 per sq. ft. and a weighted average of £325 per sq. ft.

Costs to complete are not considered to be a significant unobservable input for refurbishments due to the high percentage of costs that are fixed.

Sensitivity analysis:

A +/- 10% movement in ERVs or a +/- 25 basis points movement in yields would result in the following increase/decrease in the valuation.

£m	+/- 10% in ERVs	+/- 25 bps in yields
Like-for-like	+183/-183	-66/+71
Completed projects	+14/-14	-5/+5
Refurbishments	+35/-35	-15/+17
Redevelopments	+0/-0	-0/+0
South East Office	+27/-27	-9/+9

11. PROPERTY, PLANT AND EQUIPMENT

Cost or valuation	Equipment and fixtures £m
1 April 2023	12.5
Additions during the year	0.5
Disposals during the year	(4.8)
Balance at 31 March 2024	8.2
Additions during the year	1.9
Disposals during the year	(0.2)
Balance at 31 March 2025	9.9
Accumulated depreciation	
1 April 2023	8.1
Charge for the year	1.7
Disposals during the year	(4.6)
Balance at 31 March 2024	5.2
Charge for the year	1.4
Disposals during the year	(0.1)
Balance at 31 March 2025	6.5
Net book amount at 31 March 2025	3.4
Net book amount at 31 March 2024	3.0

12. OTHER INVESTMENTS

The Group holds the following investments:

	2025 £m	2024 £m
2.0% of share capital of Wavenet Limited	3.3	3.2
	3.3	3.2

In accordance with IFRS 9 the shares in Wavenet Limited have been valued at fair value, resulting in £0.1m movement in the financial year (2024: £1.1m), recognised in the consolidated statement of comprehensive income.

13. TRADE AND OTHER RECEIVABLES

Current trade and other receivables	2025 £m	2024 £m
Trade receivables	19.2	22.6
Less provision for impairment of receivables	(3.5)	(3.9)
Trade receivables – net	15.7	18.7
Prepayments, other receivables and accrued income	14.0	16.9
Deferred consideration on sale of investment properties	3.1	1.1
	32.8	36.7

Receivables at fair value

Included within deferred consideration on sale of investment properties is £0.6m (2024: £0.6m) of overage which is held at fair value through profit and loss. As the amounts receivable are expected within the following 12 months they have been classified as current receivables.

The deferred consideration arising on the sale of investment properties relates to cash and overage. The overage has been fair valued by CBRE Limited using appropriate discount rates, and will be revalued on a regular basis. This is a Level 3 valuation of a financial asset, as defined by IFRS 13. The change in fair value recorded in the consolidated income statement was £nil (31 March 2024: £nil).

	2025 £m	2024 £m
Deferred consideration on sale of investment properties		
Balance at 1 April	1.1	11.2
Cash received	–	(10.1)
Additions	2.0	–
Balance at 31 March	3.1	1.1

Receivables at amortised cost

The remaining receivables are held at amortised cost. There is no material difference between the above amounts and their fair values due to the short-term nature of the receivables. Trade receivables are impaired when there is evidence that the amounts may not be collectable under the original terms of the receivable. All the Group's trade and other receivables are denominated in Sterling.

Movements on the provision for impairment of trade receivables are shown below:

	2025 £m	2024 £m
Balance at 1 April	3.9	4.6
Increase in provision for impairment of trade receivables	1.0	0.8
Receivables written off during the year	(1.4)	(1.5)
Balance at 31 March	3.5	3.9

14. CASH AND CASH EQUIVALENTS

	2025 £m	2024 £m
Cash at bank and in hand	25.3	4.1
Restricted cash	7.4	7.5
	32.7	11.6

£7.2m (2024: £6.7m) of the restricted cash relates to tenants' deposit deeds which represent returnable cash security deposits received from tenants which are held in ring-fenced bank accounts in accordance with the terms of the individual lease contracts. The remaining balance relates to restricted cash under terms of development projects' funding.

15. TRADE AND OTHER PAYABLES

	2025 £m	2024 £m
Trade payables	6.8	7.4
Other tax and social security payable	3.2	4.8
Tenants' deposit deeds	7.3	8.2
Tenants' deposits	32.1	32.0
Accrued expenses	31.7	28.5
Deferred income – rent and service charges	11.1	12.1
	92.2	93.0

There is no material difference between the above amounts and their fair values due to the short-term nature of the payables.

16. BORROWINGS

(a) Balances

	2025 £m	2024 £m
Current		
3.07% Senior Notes (unsecured)	79.9	–
Non-current		
Bank loans (unsecured)	178.2	192.3
Other loans (secured)	64.3	64.1
3.07% Senior Notes (unsecured)	–	79.9
3.19% Senior Notes (unsecured)	119.9	119.9
3.6% Senior Notes (unsecured)	99.9	99.9
Green Bond (unsecured)	299.1	298.7
	761.4	854.8
Total borrowings	841.3	854.8

(b) Net debt

	2025 £m	2024 £m
Borrowings per (a) above	841.3	854.8
Adjust for:		
Cost of raising finance unamortised	3.7	4.2
	845.0	859.0
Cash at bank and in hand (note 14)	(25.3)	(4.1)
Net debt	819.7	854.9

At 31 March 2025, the Group had £235.0m (2024: £141.0m) of undrawn bank facilities, a £2.0m overdraft facility (2024: £2.0m) and £25.3m of unrestricted cash (2024: £4.1m).

The Group has a loan to value covenant applicable to the Bank Loans and Senior Debt Borrowings of 60%, Green Bond of 65% and Aviva Loan of 55%. Loan to value at 31 March 2025 was 34% (31 March 2024: 35%).

The Group also has an interest cover covenant of 2.0x applicable to the Bank Loan and Senior Debt Borrowings, 1.75x applicable for the Green Bond and 2.25x applicable for the Aviva Loan. This is calculated as net rental income divided by interest payable on loans and other borrowings. At 31 March 2025 interest cover was 3.8x (31 March 2024: 3.7x).

(c) Maturity

	2025 £m	2024 £m
Repayable within one year	80.0	–
Repayable between one and two years	80.0	80.0
Repayable between two and three years	420.0	194.0
Repayable between three years and four years	200.0	420.0
Repayable between four years and five years	–	100.0
Repayable in five years or more	65.0	65.0
	845.0	859.0
Cost of raising finance	(3.7)	(4.2)
Total	841.3	854.8

(d) Interest rate and repayment profile

	Principal at period end £m	Interest rate	Interest payable	Repayable
Current				
Bank overdraft due within one year or on demand	–	Base + 2.25%	Variable	On demand
Private Placement Notes:				
3.07% Senior Notes	80.0	3.07%	Half yearly	August 2025
Non-current				
Private Placement Notes:				
3.19% Senior Notes	120.0	3.19%	Half yearly	August 2027
3.6% Senior Notes	100.0	3.60%	Half yearly	January 2029
Bank Loan	–	SONIA + 1.77% ¹	Variable	December 2026
Bank Loan	100.0	SONIA + 1.82% ¹	Variable	November 2028
Bank Loan	80.0	SONIA + 1.80% ¹	Half yearly	November 2026
Other Loan (Secured)	65.0	4.02%	Quarterly	May 2030
Green Bond	300.0	2.25%	Yearly	March 2028
	845.0			

1. The base margin is dependent upon the LTV as reported in the client certificate, which is submitted twice a year. The base margin can be adjusted further by up to 4.5bps dependent upon achievement of three ESG-linked metrics.

(e) Derivative financial instruments

The Group uses a mixture of fixed rate and variable rate facilities to manage its interest rate exposure appropriately to provide operational and budget certainty. To manage the interest rate risk arising on variable rate debt, £100m of the debt has been swapped to fixed rate GBP using an interest rate swap.

The hedged item is designated as the variability of the cash flows of the specific debt instrument arising from future changes in the SONIA rate, which is an eligible hedged item.

Hedge effectiveness is assessed on critical terms (amount, interest rate, interest settlement dates, currency and maturity date). The critical terms of this hedging relationship perfectly matched at origination, so for the prospective assessment of effectiveness a qualitative assessment was performed. The interest rate swap creates an equal and opposite interest receipt and a fixed interest payment, therefore creating an exact offset for this transaction resulting in a net fixed interest payable. Potential sources of hedge ineffectiveness include significant change in the credit risk of either party or a reduction in the hedged item as such will impact the economic relationship between the fair value changes of the hedged item and the swap.

The effects of the interest rate swap hedging relationship is as follows:

	2025	2024
Carrying amount of derivative	(0.1)	0.2
Change in fair value of designated hedging instrument	(0.3)	0.2
Notional amount £m	100	100
Rate payable (%)	4.285	4.285
Maturity	31 January 2026	31 January 2026
Hedge ratio	1:1	1:1

(f) Financial instruments and fair values

	2025 Book value £m	2025 Fair value £m	2024 Book value £m	2024 Fair value £m
Financial liabilities held at amortised cost				
Bank loans	178.2	178.2	192.3	192.3
Other loans	64.3	61.5	64.1	61.6
Private Placement Notes	299.7	290.5	299.6	285.4
Lease obligations	34.7	34.7	34.7	34.7
Green Bond	299.1	271.2	298.7	256.1
	876.0	836.1	889.4	830.1
Financial assets/(liabilities) at fair value through other comprehensive income				
Financial derivative	(0.1)	(0.1)	0.2	0.2
Other investments	3.3	3.3	3.2	3.2
	3.2	3.2	3.4	3.4
Financial assets at fair value through profit or loss				
Deferred consideration (including overage)	3.1	3.1	1.1	1.1
	3.1	3.1	1.1	1.1

In accordance with IFRS 13, disclosure is required for financial instruments that are carried or disclosed in the financial statements at fair value. The fair values of all the Group's bank loans and Private Placement Notes have been determined by reference to market prices and discounted expected cash flows at prevailing interest rates and are Level 2 valuations. The Green bond is listed on the Irish stock exchange and is measured at the quoted price using Level 1 valuations. There have been no transfers between levels in the year.

The different levels of valuation hierarchy as defined by IFRS 13 are set out in note 10.

(g) Financial instruments by category

Assets	2025 £m	2024 £m
a) Assets at fair value through profit or loss		
Deferred consideration (overage)	0.6	0.6
	0.6	0.6
b) Loans and receivables		
Cash and cash equivalents	32.7	11.6
Trade and other receivables excluding prepayments ¹	23.5	27.4
	56.2	39.0
c) Assets/(liabilities) at value through other comprehensive income		
Financial derivative	(0.1)	0.2
Other investments	3.3	3.2
	3.2	3.4
Total	60.0	43.0
Liabilities		
Other financial liabilities at amortised cost		
Borrowings	841.3	854.8
Lease liabilities	34.7	34.7
Trade and other payables excluding non-financial liabilities ²	77.9	76.1
	953.9	965.6

1. Trade and other receivables exclude prepayments of £5.9m (2024: £5.0m), accrued income of £2.8m (2024: £3.7) and non-cash deferred consideration of £0.6m (2024: £0.6m).

2. Trade and other payables exclude other tax and social security of £3.2m (2024: £4.8m) and deferred income of £11.1m (2024: £12.1m).

(h) Changes in liabilities from financing activities

	Bank loans and borrowings £m	Lease liabilities £m
Balance at 1 April 2024	854.8	34.7
Changes from financing cash flows:		
Proceeds from bank borrowings	341.5	–
Repayment of bank borrowings	(355.5)	–
Finance costs for new/amended borrowing facilities	(1.3)	–
Total changes from cash flows	(15.3)	–
Amortisation of issue costs of borrowing	1.8	–
Total other changes	1.8	–
Balance at 31 March 2025	841.3	34.7

	Bank loans and borrowings £m	Lease liabilities £m
Balance at 1 April 2023	908.9	34.7
Changes from financing cash flows:		
Proceeds from bank borrowings	156.0	–
Repayment of bank borrowings	(211.0)	–
Finance costs for new/amended borrowing facilities	(0.8)	–
Total changes from cash flows	(55.8)	–
Amortisation of issue costs of borrowing	1.7	–
Total other changes	1.7	–
Balance at 31 March 2024	854.8	34.7

17. LEASE OBLIGATIONS

Lease liabilities are in respect of leased investment property.

Minimum lease payments under leases fall due as follows:

	2025 £m	2024 £m
Within one year	2.1	2.1
Between one and five years	8.4	8.4
Between five and fifteen years	20.9	17.2
Beyond fifteen years	174.8	180.5
	206.2	208.2
Future finance charges on leases	(171.5)	(173.5)
Present value of lease liabilities	34.7	34.7

Following the adoption of IFRS 16, lease obligations are shown separately on the face of the balance sheet. The balance represents a non-current liability as the payment shown within one year of £2.1m (2024: £2.1m) is offset by future finance charges on leases of £2.1m (2024: £2.1m). All lease obligations are long leaseholds, therefore, the majority of the obligations fall beyond fifteen years.

18. NOTES TO CASH FLOW STATEMENT

Reconciliation of profit/(loss) for the year to cash generated from operations:

	2025 £m	2024 £m
Profit/(Loss) before tax	5.4	(192.8)
Depreciation	1.4	1.7
Amortisation of intangibles	0.9	0.6
Letting fees amortisation	0.6	0.3
Loss on disposal of investment properties	1.5	2.3
Other expenses	0.7	1.2
Net loss from change in fair value of investment property	55.9	251.2
Impairment of assets held for sale	0.4	4.1
Equity-settled share-based payments	2.7	3.3
Finance costs	32.0	34.9
Changes in working capital:		
Decrease/(Increase) in trade and other receivables	5.7	(2.9)
Decrease in trade and other payables	(2.1)	(16.2)
Cash generated from operations	105.1	87.7

For the purposes of the cash flow statement, cash and cash equivalents include restricted cash – tenants' deposit deeds (note 14).

19. SHARE CAPITAL AND SHARE PREMIUM

	2025 £m	2024 £m
Issued: Fully paid ordinary shares of £1 each	192.1	191.9

	2025 Number	2024 Number
Movements in share capital were as follows:		
Number of shares at 1 April	191,910,392	191,638,357
Issue of shares	232,612	272,035
Number of shares at 31 March	192,143,004	191,910,392

In the year, the Group issued 232,612 shares in relation to share schemes with net proceeds £nil (31 March 2024: 272,035 share scheme options issued with £nil net proceeds).

	Share capital		Share premium	
	2025 £m	2024 £m	2025 £m	2024 £m
Balance at 1 April	191.9	191.6	296.6	295.5
Issue of shares	0.2	0.3	–	1.1
Reduction of shares	–	–	(1.0)	–
Balance at 31 March	192.1	191.9	295.6	296.6

The movement in the year on share premium relates to the excess between the nominal value and the vested share price on awarded shares to employees in the previous year. This has been recycled to retained earnings in the current year.

20. OTHER RESERVES

	Other investment reserve £m	Hedging Reserve £m	Equity-settled share-based payments £m	Merger reserve £m	Total £m
Balance at 1 April 2023	0.4	–	25.3	65.3	91.0
Share-based payments	–	–	0.7	–	0.7
Change in fair value of other investment (note 12)	1.1	–	–	–	1.1

Change in fair value of derivative financial instruments (cash flow hedge)	–	0.2	–	–	0.2
Balance at 31 March 2024	1.5	0.2	26.0	65.3	93.0
Share-based payments	–	–	(0.4)	–	(0.4)
Share options lapsed in prior years ¹	–	–	(21.2)	–	(21.2)
Change in fair value of other investment (note 12)	0.1	–	–	–	0.1
Change in fair value of derivative financial instruments (cash flow hedge)	–	(0.3)	–	–	(0.3)
Balance at 31 March 2025	1.6	(0.1)	4.4	65.3	71.2

1. In the year the Group transferred amounts held in the share-based payment reserve to retained earnings in relation to share options that had lapsed in prior years. The transfer should have been made prior to the date of the opening comparative period, but was omitted. The error is not considered material and hence it is being corrected in the current year.

21. CAPITAL COMMITMENTS

At the year end the estimated amounts of contractual commitments for future capital expenditure not provided for were:

	2025 £m	2024 £m
Investment property construction	24.1	18.8

For both current and prior periods, there were no material obligations for the repair or maintenance of investment properties. All material contracts for enhancement are included in the capital commitments.

22. POST BALANCE SHEET EVENTS

The Group completed the sale of Q West in April 2025, for a total consideration of £10.3m, the sales price is in line with the 31 March 2025 valuation. In May 2025, the Group's £200m RCF bank facilities were refinanced extending maturity to June 2029, with options to extend by up to a further two years and an option to increase the facility amount to £300m, subject to lender to consent.

23. RESPONSIBILITY STATEMENT

The 2025 Annual Report, which will be issued on 13 June 2025, contains a responsibility statement which states that on 4 June 2025, the date of approval of the Annual Report, the Directors confirm that, to the best of their knowledge:

- The Group financial statements, which have been prepared in accordance with UK adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group.
- The Business Review contained within the Annual Report, includes a fair review of the developments and performance of the business, and the position of the Group, with a description of the principal risks and uncertainties that the Group faces included in a separate section.
- The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy