



AUDIT, RISK AND INTERNAL CONTROL

“ FURTHER STRENGTHENING THE GROUP’S CONTROL ENVIRONMENT WAS A KEY FOCUS FOR THE COMMITTEE DURING THE YEAR. THIS INCLUDED PREPARATIONS FOR THE NEW PROVISION 29 INTERNAL CONTROLS DECLARATION, OVERSIGHT OF THE FIRST YEAR OF THE DUAL-VALUER MODEL AND CONTINUED ENHANCEMENTS TO THE GROUP’S IT AND FINANCIAL REPORTING CONTROLS.

Rosie Shapland
Chair of the Audit Committee

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Rosie Shapland
Chair of the Audit Committee



AUDIT, RISK AND INTERNAL CONTROL continued

Audit Committee membership and attendance

The Committee continues to be fully independent, with members bringing broad commercial experience, financial expertise and deep understanding of real estate and operational risk. Details on the skills and experience of all Directors can be found on pages 104 to 106.

	Member since	Meetings attended 2025/26
Rosie Shapland	2020	●●●● 4/4
Lesley-Ann Nash	2021	●●●● 4/4
Manju Malhotra	2022	●●●● 4/4

1. In accordance with the UK Corporate Governance Code 2024, the Board considers that Rosie Shapland has significant recent and relevant financial experience and that the Committee as a whole has competence relevant to the sector in which Workspace operates.
2. Other Non-Executive Directors are welcome to attend meetings should they wish to do so. All Non-Executive Directors attended the meetings held in May and November 2025 to review the full and half-year results as well as March 2026 and the joint meeting of the Audit and ESG Committees held in January 2026.

Key topics considered by the Committee during the year

Key topic	Activity	Outcome
Portfolio valuation →	<ul style="list-style-type: none"> - Assessed the objectivity and independence of the external valuers. - From November 2025, the Company implemented a dual-valuer approach, with CBRE and Knight Frank jointly valuing the portfolio in line with the valuer rotation principles set out in the Royal Institution of Chartered Surveyors UK Red Book. - Reviewed and discussed the portfolio valuation presentations given to the Board by the external valuers in May and November 2025, and the FY26 year-end valuations in June 2026, and cross checked the methodology applied by management and the valuers. - Challenged the key assumptions, including market comparables, estimated rental values ('ERVs'), and other valuation inputs. - Discussed with the external auditor the audit methodology, challenge of assumptions and conclusions, both at the half and full year. 	<ul style="list-style-type: none"> - The Committee concluded that the portfolio valuation and underlying assumptions were appropriate and supported by market evidence. - From November 2025, the use of two external valuers provided additional market perspective in the Committee's review of this significant judgement area, which has a direct impact on property-linked gearing and covenant compliance. - The Committee concluded that the procedures performed and challenge applied by the external auditor and assumptions on portfolio valuation were appropriate.
Financial and narrative reporting →	<ul style="list-style-type: none"> - Reviewed the interim report and the Annual Report and Accounts, assessing whether the disclosures were fair, balanced and understandable. - Reviewed the appropriateness of the Group's accounting policies and their consistent application. - Considered the key judgements, estimates and assumptions applied in the preparation of the financial statements. - Considered reports from management and the external auditor on the financial reporting process and key areas of judgement. 	<ul style="list-style-type: none"> - The Committee recommended to the Board that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. - The Committee concluded that key management judgements, estimates and assumptions were reasonable. It challenged management where appropriate, including in relation to expected credit loss provisions, downside scenarios considered as part of the viability assessment, the classification of non-recurring costs as other expenses rather than as a component of trading profit, the classification of assets held for sale and gains and losses on asset disposals.



AUDIT, RISK AND INTERNAL CONTROL continued

Key topics considered by the Committee during the year continued

Key topic	Activity	Outcome
Audit matters	<ul style="list-style-type: none"> → - Reviewed and discussed reports from BDO summarising their findings from the 2025/26 year-end audit and the half-year review for the six months ended 30 September 2025. - Assessed the independence, objectivity and effectiveness of the external auditor. - Met with the external auditor to discuss key areas of judgement and management assumptions arising from the audit. 	<ul style="list-style-type: none"> - Based on its review of the audit findings, discussions with the external auditor and consideration of performance against the Audit Quality Indicators agreed at the start of the audit process, the Committee concluded that the external audit remained effective, with appropriate challenge and independent judgement exercised by BDO. No threats to the auditor's independence were identified, and the Committee noted improvements in audit efficiency and communication compared with prior years. - Approved the remuneration and terms of engagement of the auditor including the audit strategy.
Changes to principal risks	<ul style="list-style-type: none"> → - Reviewed the Group's principal risks to ensure they appropriately reflect the current risk environment, including updates to risk descriptions and classifications where necessary. - Recommended refinements to the principal risks, as detailed on pages 60 to 67. - Considered emerging risks, including digital resilience and inflationary cost pressures to assess whether these should now be added as new principal risks or incorporated within existing principal risks. 	<ul style="list-style-type: none"> - Following its review, the Committee concluded that the principal risks remain appropriate and aligned to the Group's risk profile. Refinements were made to improve clarity and reflect the evolving risk environment, and the Committee was satisfied that relevant emerging risks are appropriately considered within the risk framework.
Internal controls and risk management	<ul style="list-style-type: none"> → - Reviewed the effectiveness of the Company's control environment, including the process for management self-certification of the operating effectiveness of controls. - Oversaw enhancements to the Group's internal control framework during the year. - Received an update from the Group's Head of Technology on improvements to IT general controls following recommendations made by BDO following the prior year and current year audit. - Oversaw preparations for implementation of Provision 29 of the 2024 UK Corporate Governance Code, including management's work with PwC to review the risk management framework and identify material controls ahead of FY27 and the current considerations with respect to assurance requirements. 	<ul style="list-style-type: none"> - Based on the assurance received during the year, the Committee concluded that the Group's internal control framework remained effective and that no significant control deficiencies were identified. The Committee noted progress in optimising the new finance system and was satisfied with management's response to IT general control recommendations raised by BDO as part of their audits. - The Committee received an update from the Company Secretary, alongside PwC, on preparations for the declaration required under Provision 29 of the 2024 UK Corporate Governance Code. The Committee remains satisfied with the progress being made and the direction of travel as the Group continues to enhance its risk management framework and internal controls ahead of FY27 and develops an appropriate material controls assurance programme.
Governance and effectiveness	<ul style="list-style-type: none"> → - Reviewed the Committee's terms of reference to ensure they remain appropriate and aligned with evolving governance expectations. - Considered the outcome of the Committee's internal performance review and identified areas for continued effectiveness and focus. - Discussed developments under the 2024 UK Corporate Governance Code and considered their implications for the Committee's responsibilities and oversight. 	<ul style="list-style-type: none"> - The internal review confirmed that the Committee continues to operate effectively and to discharge its responsibilities across financial reporting, risk management and audit oversight.



AUDIT, RISK AND INTERNAL CONTROL continued

AUDIT COMMITTEE CHAIR'S LETTER

Dear shareholder,

I am pleased to present this year's Audit Committee Report for the year ended 31 March 2026. During the year the Committee has continued to focus on ensuring the integrity of the Group's financial reporting, the robustness of portfolio valuation and further strengthening of the Group's control environment.

The year saw several important governance developments, including the introduction of a dual-valuer model for the Group's property portfolio, significant progress in the preparations for the new declaration on the effectiveness of material controls under Provision 29 of the UK Corporate Governance Code, as well as challenges arising from leadership changes within the Executive team. The Committee also oversaw continued enhancements to the Group's internal control and risk management framework.

Audit Committees and the External Audit: Minimum Standard

The Audit Committee's oversight of the external audit was conducted in accordance with the Financial Reporting Council's Audit Committees and the External Audit: Minimum Standard. The Minimum Standard sets out expectations for FTSE 350 audit committees across the governance of the external audit, including auditor tendering and appointment, audit planning and scope, independence and objectivity, effectiveness of audit challenge, audit quality, and ongoing oversight of the external auditor.

External Auditor

Throughout the year, the Committee maintained regular engagement with BDO in their role as External Auditor. Meetings were held with BDO at key stages of the audit cycle, including private sessions without management present. We reviewed the planned audit approach, areas of heightened focus and the level of challenge applied to management's key estimates, particularly in relation to property valuation, expected credit loss provisioning and the classification of certain costs as other expenses.

The Committee observed a clear demonstration of professional scepticism throughout the audit process, supported by well-evidenced feedback and clearly articulated findings. The Committee concluded that the audit was conducted to a high standard and that BDO applied appropriate challenge and professional scepticism in reviewing management's key judgements and estimates.

Rotation of valuers

From November 2025, CBRE and Knight Frank jointly valued the portfolio for the purpose of the half-year and full year reporting in FY26. For the full-year ended 31 March 2025, the portfolio was valued solely by CBRE. The Committee oversaw the introduction of the dual-valuer approach to ensure that valuation governance, independence and methodology remained robust.



Material Controls (Provision 29)

"SUPPORTING STRONG ASSURANCE ACROSS THE GROUP REMAINED AN IMPORTANT AREA OF FOCUS, INCLUDING PROGRESS ON VALUATION, GOVERNANCE AND WORK TOWARDS MEETING THE UK CORPORATE GOVERNANCE CODE REQUIREMENTS ON THE EFFECTIVENESS OF MATERIAL CONTROLS."

Rosie Shapland
Chair of the Audit Committee

→ **The role of the Audit Committee**
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→ **Risk Management Framework**
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AUDIT, RISK AND INTERNAL CONTROL continued
AUDIT COMMITTEE CHAIR'S LETTER continued

The transition also anticipates the mandatory valuer rotation requirements set out in the Royal Institution of Chartered Surveyors UK Red Book, which introduces time-limited rotation cycles for valuation firms and responsible valuers, with a transition period running until 30 April 2026.

The Committee reviewed and challenged the key valuation inputs and assumptions at half year and year end, including estimated rental values, yields, market comparables, cash flow assumptions and development appraisals. The Committee also considered the consistency of assumptions applied by the two valuers and the range of market evidence supporting the valuation conclusions.

Financial reporting and significant judgements

The Audit Committee plays an important role in supporting the Board in ensuring that the Group's financial statements present a true and fair view of its financial position and performance. During the year, the Committee considered the accounting policies used, and the key financial judgements and estimates underpinning the preparation of the financial statements, together with other significant financial reporting matters.

The twice-yearly valuation of the Group's investment portfolio was a key area of review for the Committee. This included consideration of the valuation process and confirmation of the valuers' independence. Following this review, the Committee concluded that the valuation process remains robust, the assumptions and estimates applied are appropriate, and that the valuers continue to operate independently. Further details are set out on page 161.

As part of its review, the Committee requested enhancements to the clarity and transparency of disclosures. These improvements have been incorporated within both the financial statements and the accompanying narrative reporting.

We also considered, as we do on a regular basis, the potential for fraud in revenue recognition, scope for management override of controls and compliance with regulations. We found no concerns arising from this review.

A description of the significant matters that the Committee considered during the year can be found on page 161 to 163.

Challenging management's assumptions

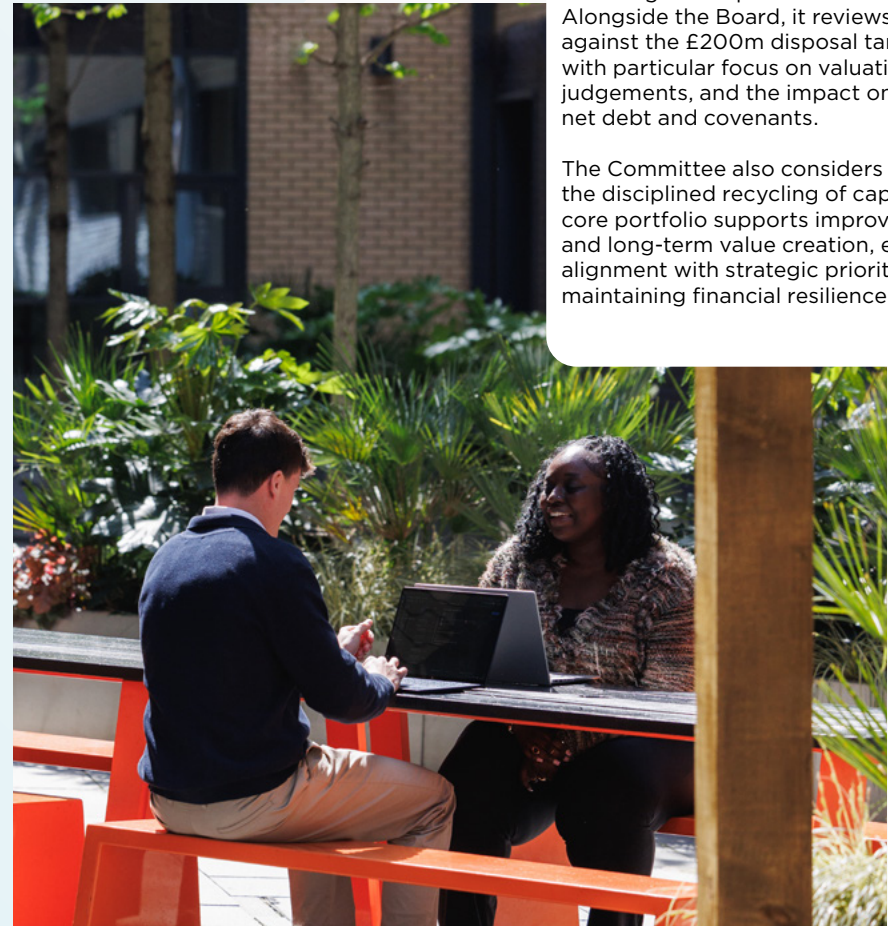
A key part of the Committee's role is to ensure that management's assumptions are appropriately supported and subject to rigorous challenge. During the year, the Committee requested additional analysis and supporting evidence in a number of areas, including sensitivity analysis, credit loss provisioning and items classified as other expenses.

This process enhanced the robustness of the supporting analysis and provided greater clarity over the judgements underpinning the financial statements.

Strategy Execution and Capital Allocation

The Committee, alongside the Board, monitors the Group's progress in executing its strategy to enhance balance sheet capacity and optimise capital allocation, including the disposal of non-core assets. Alongside the Board, it reviews progress against the £200m disposal target, with particular focus on valuation, key judgements, and the impact on liquidity, net debt and covenants.

The Committee also considers how the disciplined recycling of capital into the core portfolio supports improved returns and long-term value creation, ensuring alignment with strategic priorities while maintaining financial resilience.





AUDIT, RISK AND INTERNAL CONTROL continued
[AUDIT COMMITTEE CHAIR'S LETTER continued](#)

Viability and going concern statements

The Committee considered the going concern statements in the interim statement and the Annual Report, and the viability statement in the Annual Report. This included reviewing the work undertaken by management, which considered plausible downside scenarios factoring in the Group's principal risks and potential uncertainties, and assessing the appropriateness of the five-year viability assessment period.

Following this review, we were satisfied that management had conducted robust viability and going concern assessments and recommended approval of these to the Board.

2026 Annual Report

Having reviewed management's reports, engaged directly with the external valuers and considered the findings of BDO, the Committee concluded that:

- the valuation process and methodologies applied to the Group's investment portfolio were appropriate and robust;
- the financial statements reflect reasonable and supportable judgements;
- the Group's accounting policies remain appropriate and were consistently applied; and
- both the external auditor and the external valuers maintained their independence and objectivity.

The Committee also confirmed to the Board that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, in line with the expectations of the Financial Reporting Council and the requirements of the UK Corporate Governance Code 2024.

Credit Control and aged debt

Management prioritised improvements to credit control and accounts receivable processes during the year, with updates provided to the Audit Committee. These actions led to a near 40% reduction in trade receivables, strengthening the Group's overall control environment.

Cyber security

The Committee reviewed management's updates on technology risk, including cyber security monitoring, penetration testing, incident response preparedness and progress on IT general controls remediation. We continue to prioritise resilience and operational continuity, ensuring that enhancements to controls were timely and aligned with the Group's broader risk appetite.

Risk, control and assurance

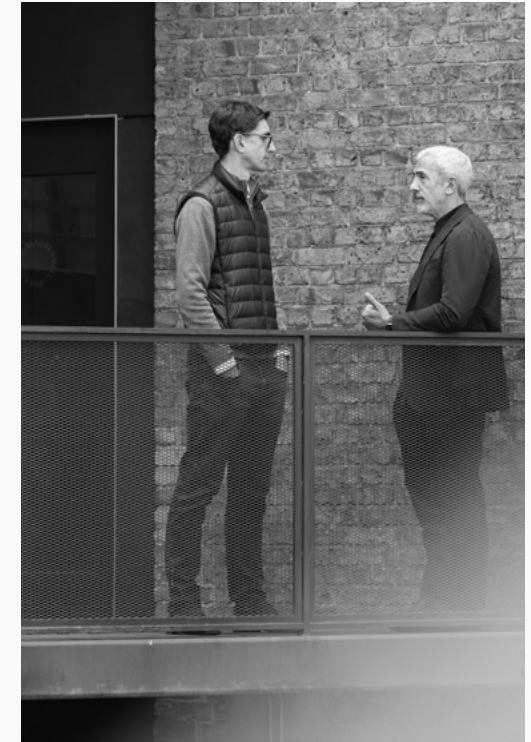
A key area of focus during the year was preparation for reporting in accordance with Provision 29 of the 2024 UK Corporate Governance Code which requires boards to make a declaration on the effectiveness of material controls for financial periods beginning on or after 1 January 2026.

To support this work, the Group appointed PwC in December 2025 to carry out an independent review of the Group's risk management framework and material controls, benchmarked against market practice. Their findings which were presented to the Board during the year, have informed a structured programme of work focused on strengthening documentation, finalising our material controls set and commencing the design of a programme of assurance, ahead of the Group's first formal declaration to be made in the 2027 Annual Report.

As part of the Group's existing control framework, control owners completed six-monthly self-certifications confirming the operation of key controls during the period, with no significant control failures identified.

Together with the Board, the Audit Committee has reviewed the effectiveness of the Group's risk management and internal control systems and have not identified any significant failings or weaknesses.

We do not have a formal internal audit function, a matter which is kept under review by the Audit Committee.





AUDIT, RISK AND INTERNAL CONTROL continued
AUDIT COMMITTEE CHAIR'S LETTER continued

Joint ESG and Audit Committee

In January 2026, the Audit Committee held a joint meeting with the ESG Committee. A review of the controls supporting ESG-related disclosures, climate-related risks and sustainability reporting was conducted. The session ensured alignment between the Group's ESG metrics and its financial reporting, enhancing coherence across the Annual Report.

Both Committees were satisfied that the Company's policies and procedures in this area are operating effectively, and that appropriate assurance procedures are in place.

Looking forward, the Committee will continue to review upcoming regulations that may affect the Company's future ESG assurances and reporting obligations, which are monitored by management and considered by the Committee on an ongoing basis.

Committee composition and effectiveness

During the year, the Committee comprised three independent Non-Executive Directors, with a wide range of experience. The Board is satisfied that the Committee Chair has recent and relevant financial experience and that the Committee's composition provides an appropriate balance of skills, experience and independence to enable it to discharge its responsibilities effectively. The Committee members bring a broad range of sector and financial expertise, ensuring robust oversight of financial reporting, internal controls and risk management. The Board also considers that the Committee as a whole has competence in the sector in which the Company operates.

At the invitation of the Committee Chair, meetings are attended by the Board Chairman, Board members, the external auditor and relevant senior management members to support open and independent discussion.

The internal annual Board performance review concluded that the Committee continues to operate effectively.

The Committee remains committed to maintaining the highest standards of governance, financial reporting and assurance. We will continue to provide rigorous oversight and constructive challenge as the Group delivers its strategy and prepares for the evolving expectations of the UK corporate governance framework. I would like to thank my fellow Committee members, management and our advisers for their continued professionalism and engagement during the year.

Rosie Shapland
Chair of the Audit Committee
9 June 2026



Our future plans

Over the coming year, the Committee will focus on the following priorities:

Internal material controls declaration

Continue preparing for the requirements of the UK Corporate Governance Code 2024 Provision 29, and the introduction of a formal declaration on the effectiveness of material controls for FY27.

Valuation governance

Continue to oversee the dual-valuer framework and compliance with the Royal Institution of Chartered Surveyors' mandatory valuer rotation requirements, with strong independence, challenge and transparency within the valuation process.

Audit and assurance oversight

Ensure continued alignment with the expectations of the FRC's Audit Committees and the External Audit: Minimum Standard.

Capital allocation

Support capital allocation decisions, including the controlled and appropriate use of proceeds from asset recycling, ensuring financial discipline.

Information and Cyber Security

Continue to oversee the effectiveness of the Group's cyber security framework, with ongoing robust penetration testing programmes and incident response preparedness. The Committee will also monitor the increasing regulatory and investor expectations relating to technology resilience and cyber risk management, ensuring the Group remains positioned to respond to these evolving requirements'.

Climate-related financial risk

Monitor the financial impacts of climate risk, ensuring they are appropriately reflected in valuations, viability modelling and disclosures, supported by external assurance over emissions data.



AUDIT, RISK AND INTERNAL CONTROL continued

The role of the Audit Committee

The Audit Committee is responsible for safeguarding the integrity of the Group's financial reporting and ensuring that the Board receives clear, reliable and decision-useful information. The Committee provides independent oversight of the financial statements, valuation governance, the internal control environment, the risk management framework and the work of the External Auditor.

During the year, the Committee's remit evolved in response to the requirements of the UK Corporate Governance Code 2024, which places greater emphasis on outcomes-focused reporting and strengthened Board oversight of internal controls in advance of the formal declaration on the effectiveness of material controls required under Provision 29.

How the Committee operates

Forward planning

Subjects include consideration of the impact of future accounting standards, such as the introduction of IFRS18 for FY 28, governance and regulatory developments, including changes to the UK Corporate Governance Code, and the continued effectiveness of the Group's reporting and assurance frameworks.

Audit Committee

Assess and discuss topics with senior management and the External Auditor.



Regular inputs received from Workspace management and the External Auditor.



// THE AUDIT COMMITTEE REMAINED FOCUSED ON PROVIDING ROBUST CHALLENGE TO MANAGEMENT, ENSURING EXTERNAL AUDITOR INDEPENDENCE AND STRENGTHENING GOVERNANCE PROCESSES IN RESPONSE TO REGULATORY DEVELOPMENTS, EMERGING RISKS AND EVOLVING REPORTING EXPECTATIONS.

Rosie Shapland
Chair of the Audit Committee

- The Committee comprises fully independent Non-Executive Directors with a broad range of commercial, financial, real estate and operational experience. Rosie Shapland, as Chair, continues to meet the requirement for recent and relevant financial experience drawing on her chartered accountancy background and over 30 years of audit experience. Rosie also has a current portfolio of audit committee chair roles, and maintains regular attendance at accounting and audit related NED training events, including technical updates and related commercial considerations.
- Meetings are scheduled to align with the financial reporting, valuation and audit cycle, allowing the Committee to review half-year and full-year reporting, valuation outcomes, and audit planning at the appropriate stages. The Committee met four times during the year in May 2025, November 2025, January 2026 and March 2026. The January meeting included a joint session with the ESG Committee, recognising the growing interrelationship between financial reporting, climate-related disclosures, operational risk and sustainability-related controls. The Committee also met in June 2026 to consider the Group's FY26 financial reporting and the findings of the External Auditor.
- A structured forward agenda ensures that significant matters are considered at the appropriate points in the reporting and audit cycle. These include valuation governance, financial reporting judgements, audit risk areas, control enhancements and progress against the Group's material controls roadmap. Papers are circulated sufficiently in advance to allow members adequate time for review and to support informed discussion and challenge. The Committee receives detailed reports from the External Auditor, the portfolio valuers, management and senior members of staff.
- The Committee meets privately with the External Auditor at key points in the audit cycle to support open and independent dialogue and to ensure the auditor can raise any matters freely and without restriction.
- The Chair also maintains regular engagement with the External Audit lead partner, the Board Chair, the CEO, the CFO and other senior members of management. These discussions provide early visibility of emerging risks, control matters and other issues relevant to the Committee's responsibilities.
- Representatives from CBRE and Knight Frank attend the Board's twice-yearly valuation meetings to present their conclusions and discuss key assumptions and market inputs. This provides the Committee with direct visibility of the valuation process and the opportunity to observe the challenge applied by the Board, supporting assurance over the consistency of methodology, the appropriateness of assumptions and the independence of the valuers. The Committee specifically discusses the External Auditor's approach to auditing the valuation and the areas of challenge.
- In anticipation of the requirements of Provision 29 of the UK Corporate Governance Code 2024, the Committee has overseen a programme of work to strengthen the documentation, evidencing and testing of the Group's material controls. This work will support the Board's future declaration on the effectiveness of internal controls for the FY27 reporting cycle.

AUDIT, RISK AND INTERNAL CONTROL continued
THE ROLE OF THE AUDIT COMMITTEE continued**Committee responsibilities****Financial reporting**

The Committee's responsibilities in relation to financial reporting include:

- Reviewing the interim and year-end financial statements, ensuring disclosures are transparent, messaging is clear and the narrative is consistent with financial results. This includes scrutiny of significant judgements, estimates and assumptions, with particular focus on provisioning, classification of costs, property valuations and the potential impact of climate-related and macroeconomic factors. Significant matters considered are set out on page 161.
- Assessing the appropriateness of the Group's accounting policies and practices, taking into account developments in accounting standards, changes in the external environment and the evolution of the Group's business activities.
- Monitoring the effectiveness of internal controls over financial reporting, enhancements to the finance system and processes and IT general controls. Further details are provided on page 166.
- Advising the Board on the going concern and viability statements, including reviewing the underlying assumptions, stress testing and available financing headroom supporting these assessments. More information on the Group's viability and going concern conclusions can be found on pages 68 to 69.
- Reviewing the Annual Report as a whole and advising the Board on whether it is fair, balanced and understandable, and whether it provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy, in line with the expectations of the UK Corporate Governance Code 2024. The Group's business model, strategy and transformation plan are outlined on pages 4 to 5, 10 and 11 to 17.

External audit

The Committee's responsibilities in relation to the external audit include:

- Assessing the work of the External Auditor, including the robustness of the challenge applied to management's significant judgements and estimates and the sufficiency of audit evidence supporting the financial statements. Further details are set out on pages 163 to 165.
- Evaluating the effectiveness of the external audit process, taking into account audit planning, the quality and clarity of reporting, responsiveness to Committee queries, technical insight and the level of professional scepticism demonstrated by the audit team, making use of the Audit Quality Indicators agreed with BDO.
- Reviewing and monitoring the independence and objectivity of the External Auditor, including compliance with the Group's non-audit services policy and the requirements of the Financial Reporting Council's Audit Committees and the External Audit: Minimum Standard. Further information is provided on page 165.
- Approving the remuneration and terms of engagement of the External Auditor.
- Overseeing the audit tender process when required, ensuring that the outcome supports high audit quality, appropriate market competition and alignment with the Minimum Standard.

Portfolio valuation

The Committee supports the Board in overseeing the valuation of the Group's property portfolio. In doing so, the Committee:

- Reviews and discusses the External Auditor's assessment of the valuation process, including their testing of key assumptions, data inputs and valuation methodologies.
- Considers, alongside the Board, the independence and objectivity of the external valuers, including oversight of the dual-valuer

framework and compliance with the mandatory valuer rotation requirements of the Royal Institution of Chartered Surveyors.

- Reviews and challenges the methodology, key judgements and assumptions applied by CBRE and Knight Frank, ensuring that valuation outcomes are appropriately supported by market evidence and reflect prevailing market conditions.
- Benefits from direct engagement with the valuers, who attend the Board's twice-yearly valuation meetings to present their conclusions and discuss key assumptions and market inputs.
- The Chair of the Committee attends selected meetings with the Group's external valuers to observe the process of challenge and professional judgement applied during the valuation process.
- Oversees the continued development of valuation governance processes, including enhanced consistency checks between valuers and improvements in the quality of information supporting the valuation process.

Internal controls and risk management

The Committee oversees the effectiveness of the Group's risk management and internal control framework across financial, operational, reporting and compliance areas. This includes monitoring the operation of key controls, reviewing developments in the control environment and considering management's reporting on control performance and remediation activities.

In addition, the Committee considers the Company's statement on risk management and internal controls prior to Board approval, ensuring that disclosures reflect the current expectations of the UK Corporate Governance Code 2024 and support the Board's preparation for the formal declaration on the effectiveness of material controls required under Provision 29, for FY27.

The Committee also maintains oversight of whistleblowing arrangements, fraud and anti-bribery controls, allowing employees to raise concerns confidentially and that related policies, investigations and reporting processes operate effectively. See page 72 for information on our Anti-Bribery Policy.

The Committee considers whether the Group should maintain an internal audit function and concluded that such function is not required given the scale and complexity of the business.

Governance, best practice and development

The Committee monitors developments in governance, market expectations and regulation to ensure its work remains aligned with evolving best practice. The Committee has kept abreast of changes to the UK Corporate Governance Code, with a focus on preparing for the Provision 29 declaration in FY27.

The Committee considers developments in accounting, assurance, valuation and ESG-related reporting frameworks, and remains informed of investor and market expectations through engagement with the Company's advisers and brokers.

In addition, the Committee oversees its own effectiveness and governance arrangements. This includes setting the Committee's annual workplan, reviewing its performance and approving updates to its terms of reference to reflect regulatory developments and best practice.

Environmental, social and governance considerations are reflected in the Committee's work where relevant, particularly in relation to climate-related and other non-financial disclosures within the Annual Report.

→ **Risk management and internal controls**
Pages 166 to 168



AUDIT, RISK AND INTERNAL CONTROL continued

Significant matters considered by the Audit Committee

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Valuation of the investment property portfolio

The Group's properties are central to its business model and the valuation of the portfolio remains a key indicator of value creation, operational performance and capital allocation discipline. Given the level of judgement involved, the Committee maintained close oversight of the valuation process throughout the year.

Our property portfolio is independently valued twice annually. This was completed by CBRE Limited for the year-ended 31 March 2025 and from November 2025, a dual-valuer approach was implemented, with CBRE and Knight Frank appointed to conduct the valuation jointly.

In May 2025, the Committee and the Board reviewed CBRE's findings on the full-year portfolio valuation. In November 2025 and June 2026, CBRE and Knight Frank presented their valuation findings together to the Committee and the Board. Given the significance of the valuation, the Committee, management and the Board challenged the valuers on methodology, independence safeguards and the key inputs and assumptions underpinning the valuations. BDO met with the valuers to test assumptions and understand how the valuation were carried out to ensure appropriate consistency across approaches.

A programme of meetings were held between CBRE, Knight Frank and management ahead of each valuation to review:

- London commercial market dynamics and trends including current demand and supply conditions, yield movements and key comparable transactions shaping assumptions.
- Updates on active refurbishments, development projects, improvement works and future schemes to ensure capex, timelines and leasing expectations were reflected appropriately.
- Estimated rental values ('ERVs') and letting evidence by cross checking valuers' ERVs against recent Workspace lettings and incentive trends to validate underlying assumptions.
- Property specific information including occupancy, operational updates and any asset specific considerations that could influence future cash flows or valuation sentiment.
- Other inputs and relevant valuation outputs to ensure alignment and consistency across both valuers.

This provided a deeper understanding of market evidence, tighter sensitivity analysis and valuation movements in the financial statements.

Our dual-valuer approach aligns with the RICS UK Red Book updates introducing mandatory valuer rotation cycles, which become fully effective following the transition period ending April 2026.

The Committee reviews all financial information contained in the interim and full-year statements, testing the appropriateness of the Group's accounting policies, the presentation of transactions and the clarity and completeness of disclosures. We subject management's key judgements and estimates to robust challenge, seeking corroborative evidence, benchmarking against internal and external data points, and ensuring that disclosures explain both the assumptions used and the sensitivity of outcomes.

Recognising the impact that complex, judgement-heavy areas can have on reported performance, the Committee concentrated on matters that could materially influence the Group's results or involve significant estimation uncertainty.

In addition to portfolio valuation, we scrutinised several other areas considered by management and discussed these with BDO, including:

- the recoverability of trade receivables and associated expected credit loss provisioning;
- the classification of other expenses;
- the measurement and classification of assets held for sale; and
- the accounting for disposals completed during the year.

Following targeted challenge and evidence-gathering, the Committee was satisfied that the resulting accounting treatments and disclosures are appropriate and that the financial statements present a fair and balanced view of the Group's financial position and performance.



AUDIT, RISK AND INTERNAL CONTROL continued
SIGNIFICANT MATTERS CONSIDERED BY THE AUDIT COMMITTEE continued

Developing a robust viability statement

The Committee reviewed the Group's viability statement framework and scenarios. We challenged the severity of downside cases, the linkage to principal and emerging risks, financing and covenant headroom, and the clarity of mitigations and management actions.

This approach supports a robust and well-evidenced viability assessment, with clearer insight into stress outcomes, available headroom and management actions, and enabled effective challenge. Please see below the stages taken in developing our robust viability statement.

Stage 1: Risk identification

Responsibility

Executive Committee →
Risk Owners →

The Group's strategic and operational risks were reassessed to identify those most relevant to the viability period. Particular focus was given to risks that could affect solvency or liquidity, whether arising individually or through combined or correlated impacts. This ensured that the scenario analysis was grounded in the risks most likely to influence the Group's long-term financial resilience.

Stage 2: Risk assessment

Responsibility

Executive Committee →
Risk Owners →

For each risk, the following factors were considered:

- Risk appetite - what risk level the Board is prepared to accept;
- Control environment/mitigations, including enhancements implemented in-year; and
- Quantum and probability - potential impact and likelihood.

Stage 3: Scenario sensitivity analysis

Responsibility

Executive Committee →
Risk Owners →

Severe but plausible scenarios and combinations were modelled to evaluate liquidity, covenant headroom and key financial ratios over the assessment period, with specific attention to valuation movements, rental income resilience and refinancing assumptions.

Stage 4: Conclusions

Responsibility

The Board →
Audit Committee →

The Committee reviewed results, challenged assumptions and sensitivities, and recommended the viability statement to the Board. The Board discussed the conclusions and approved the statement.



AUDIT, RISK AND INTERNAL CONTROL continued
SIGNIFICANT MATTERS CONSIDERED BY THE AUDIT COMMITTEE continued

Fair, balanced and understandable reporting

On behalf of the Board, the Committee considered whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and whether it provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

The process we followed

Audit Committee review

The Committee reviewed the Annual Report at an early stage and at regular intervals, enabling sufficient time to test balance, clarity and consistency across the report and to align each section of the Report.

Report from the CFO and Management Team

The Committee considered reports from the CFO and management. These papers highlighted significant changes, key judgements and areas of focus, and explained any relevant reporting developments.

Fair, balanced and understandable assessment

Management prepared a formal, fair, balanced and understandable assessment, which the Committee scrutinised, focusing on the completeness of evidence supporting key statements and linkages between strategy, KPIs and outcomes.

External Audit Review

BDO presented the results of their audit work, including observations on disclosure clarity and the treatment of significant judgements and estimates.

Recommendation to Board and Board's conclusion

The Committee recommended to the Board, and the Board concluded, that the Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

External Audit

The Committee has primary responsibility for managing the relationship with the External Auditor, assessing their performance, effectiveness and independence annually and recommending to the Board their reappointment or removal.

Following a competitive tender process, BDO were first appointed by the shareholders as the Workspace External Auditor at the 2024 AGM for the financial year ended 31 March 2025 and continue to be Workspace's External Auditor.

The current lead audit engagement partner is Richard Levy, in the second year of his term.

Audit and non-audit fees

Non-audit fees remained immaterial relative to audit fees during the year, supporting auditor independence, with full details set out in note 2 on page 164. The non-audit services performed by BDO were limited to the review of the Group's half-year results.

Audit quality

A key part of the Committee's role is overseeing the relationship with and performance of the External Auditor, with particular emphasis on their independence, and the quality, rigour and challenge of the audit. The Committee reviews the effectiveness of the audit throughout the year, taking into account:

- the audit strategy for the year, including scope and risk coverage;
- the expertise and resourcing of the engagement team;
- the depth of analysis behind key accounting and audit judgements;
- the auditor's mindset and professional scepticism, and the quality of challenge to management;
- the clarity and usefulness of reporting and discussions at Committee meetings; and
- the outcome of the Committee's annual effectiveness evaluation of the audit process, supported this year by assessment against agreed Audit Quality Indicators.

The Committee held detailed discussions with BDO regarding the key risks to audit quality and the actions taken to address them such as the audit firm-level and network-level controls on which they placed reliance. The Committee also sought insight into the outcomes of BDO's internal and external inspections, enabling it to understand how these findings informed the firm's approach, areas of focus and quality improvement measures.



AUDIT, RISK AND INTERNAL CONTROL continued
EXTERNAL AUDIT continued

Each year, the Committee undertakes an assessment of the qualifications, expertise, resourcing and independence of the External Auditor, alongside a review of the effectiveness of the overall audit process. This incorporates consideration of the FRC’s Audit Quality Review (‘AQR’) results for BDO as part of the Committee’s audit strategy discussions and the Chair’s regular meetings with the audit partner, including before Audit Committee cycles.

The Committee reviewed the External Auditor’s written reports, including their internal control observations, thematic feedback and other formal communications. The Committee concluded that these reflected a strong understanding of the Group’s business model, risk profile and operational environment, with clear and constructive commentary on areas for improvement.

This year, the Committee agreed a set of Audit Quality Indicators (‘AQIs’) with BDO as part of the audit planning process. These indicators cover key aspects of audit quality, including:

- experience of the team
- level of senior team involvement
- documentation quality and challenge
- audit progress milestones
- innovation and specialist engagement.

Performance against the agreed AQIs is monitored throughout the audit and forms a key component of the Committee’s assessment of the effectiveness of the external audit at the conclusion of the audit process.

The Committee considers that the External Auditor has demonstrated consistent professional scepticism, reflected in their critical assessment of management information, testing of the reasonableness of underlying assumptions and their willingness to seek corroborative evidence where needed.

The External Auditor raised targeted challenges to management’s judgements and estimates during the audit and the Committee observed that this contributed positively to the robustness of the financial reporting process.

Audit plan

The Committee considered BDO’s audit plan and was satisfied that it included appropriate responses to the areas of identified risk.

At the June 2026 Audit Committee meeting, the Committee reviewed whether the External Auditor had delivered the plan as agreed and discussed the reasons for any changes, including shifts in perceived audit risk and the work undertaken to address those risks.

The Committee confirmed the plan directly addressed the areas of greatest risk, particularly investment property valuation and sought explanations for any scope changes during the audit.

There were no additional areas that the Committee required BDO to consider other than the significant audit matters, detailed on pages 161 to 163.

Audit and non-audit fees (BDO)
2025–2026

£579k

Audit: £504k, Non-Audit: £75k



Audit and non-audit fees (BDO)
2024–2025

£570k

Audit: £503k, Non-Audit: £67k



Audit and non-audit fees (KPMG)
2023–2024

£714k

Audit: £617k, Non-Audit: £97k



The effectiveness of external audit

As noted above, BDO was first appointed by shareholders at the 2024 AGM following a competitive tender process and has provided external audit services to the Group during the financial year.

The Committee has reviewed the quality of BDO’s work since their appointment, including the robustness of the procedures performed and the clarity of their reporting. Based on the Committee’s discussions with the audit partner, and interactions throughout the audit cycle, the Committee is satisfied that the audit team demonstrated the appropriate level of technical expertise and professional scepticism in testing management’s policies, assumptions and significant judgements, consistent with expectations under the FRC’s Audit Committees and the External Audit: Minimum Standard.

Following completion of the external audit, the Committee will undertake a post-audit review with BDO to evaluate the delivery of the audit process and discuss areas for further enhancement. This review will be based on the Audit Quality Indicators agreed by the Committee with BDO, detailed on page 163.

Based on initial considerations by the Committee and Chief Financial Officer, of the quality, effectiveness and independence of the External Auditor, the Committee has recommended to the Board that BDO be reappointed as the Company’s External Auditor for the next financial year, and the Board has accepted this recommendation. A resolution proposing BDO’s reappointment will be presented to shareholders at the upcoming AGM on 23 July 2026, in line with the requirement for annual reappointment.



AUDIT, RISK AND INTERNAL CONTROL continued
EXTERNAL AUDIT continued

Auditor independence and objectivity

In addition to evaluating audit effectiveness, the Committee assessed the independence and objectivity of the External Auditor. This assessment was informed by the formal assurances provided by BDO on the safeguards and internal controls they apply to maintain independence, together with the Committee's oversight of the Non-Audit Services Policy and the nature and level of fees paid during the year. These disclosures align with expectations of the UK Corporate Governance Code 2024 and the FRC's Minimum Standard, which require transparent reporting on how auditor independence is safeguarded.

BDO have confirmed to the Committee that:

- the audit of the consolidated financial statements was undertaken in accordance with the UK firm's internal policies and procedures, which are designed to support audit quality and independence;
- they operate internal procedures to identify and assess any non-audit engagements that could threaten independence and to ensure that appropriate safeguards are applied;
- in their professional judgement, the safeguards in place sufficiently address all identified threats to independence;
- total fees paid by the Group during the year do not constitute a material proportion of the firm's overall fee income; and
- they are satisfied that audit independence has been maintained throughout the year.

The Committee reviewed these confirmations alongside BDO's broader reporting to the Committee and concluded that the External Auditor continues to operate with appropriate independence and objectivity.

The Audit Committee will continue to review the effectiveness and independence of the External Auditor annually to ensure that the objectivity of the audit process is maintained and that the Group continues to receive a high-quality, robust external audit.

The Group complied with the Competition and Markets Authority's Statutory Audit Services Order 2014, which governs audit tendering and the provision of non-audit services during the financial year. The audit was last tendered in 2023, following which BDO LLP succeeded KPMG LLP for the audit of the year ended 31 March 2025. There are no contractual restrictions affecting the Committee's choice of External Auditor, nor any obligations requiring a minimum tenure period.

Safeguarding auditor independence

Where the External Auditor is being considered for non-audit services, the scope of work and proposed fees must be approved in advance by the Chief Financial Officer, the Company Secretary and the Chair of the Audit Committee. This ensures that any engagement is appropriate, does not compromise auditor objectivity, and is consistent with the UK Corporate Governance Code's principles on maintaining auditor independence.

For larger assignments, typically those in excess of £100,000, a competitive tender process is required unless there are compelling commercial or timing reasons to select the External Auditor or another specific firm. This process ensures transparency, provides reassurance on value and quality, and helps avoid over-reliance on the incumbent auditor, fully aligned with both CMA requirements and FRC guidance.





AUDIT, RISK AND INTERNAL CONTROL continued

Risk management and internal controls

The Committee, on behalf of the Board, keeps under review the effectiveness of the Group's risk management and internal control systems through management updates and outputs from the Risk Management Group ('RMG') and Risk Owners, to ensure that controls remain appropriate and effective. The framework is designed to manage, rather than eliminate, business risk and to provide reasonable assurance against material misstatement in the financial statements, in line with the FRC's Risk & Internal Control Guidance.

During the year we reviewed the Group's risk governance arrangements. Although the RMG continued to exist, monthly meetings were paused while the framework was evaluated; three RMG meetings were held (plus a separate training and update session facilitated by PwC) to consider enhancements to risk processes and control documentation. In parallel, the Company Secretary and Interim Finance Director met with each Risk Owner twice during the year to review their risk registers, controls, evidence and planned actions; outputs were escalated to the Executive Committee, Audit Committee and Board.

While no significant control weaknesses were identified, the Group is undergoing organisational change and the risk governance structure will be finalised in FY27.

To support readiness for the UK Corporate Governance Code 2024 Provision 29 (Board declaration on the effectiveness of material controls for periods beginning on or after 1 January 2026), the Committee endorsed and the Board approved management's engagement of PwC to review the risk management framework and internal controls and support preparation for the new requirement. PwC's work, including training for management, has informed the roadmap towards the first public declaration.

As noted in last year's Annual Report, a post-implementation review of the new finance and property management system by Grant Thornton identified opportunities to enhance processes and the control environment. In addition, as part of this year's audit, BDO highlighted a number of IT general control ('ITGC') recommendations, which were presented to the Committee in March 2026. The majority of recommendations have been implemented, with a clear action plan in place to complete the remaining items. The Committee is satisfied that mitigating, monitoring and reviewing controls exist and that a comprehensive action plan is being delivered.

The Board, supported by the Audit Committee, has reviewed the effectiveness of the Group's risk management and internal control systems. No significant failings or weaknesses were identified during the period.

The Directors confirm that the processes described on page 168 have been in place during the 2025/26 financial year and up to the date of approval of the Annual Report and Accounts.





AUDIT, RISK AND INTERNAL CONTROL continued
RISK MANAGEMENT AND INTERNAL CONTROLS continued

Audit Committee

The Audit Committee sets the tone for risk and control, providing governance, challenge and oversight of processes and assurance across the Group.

The Board

The Board has defined its risk appetite for strategic and operational risks. A standard risk-assessment methodology is applied to monitor inherent and residual risk and to compare residual risk against target risk, in line with the FRC's guidance.

The Group had the following key procedures and monitoring processes in place during the year to provide effective internal control:

- Ongoing risk identification, evaluation and management, including self-certification of effective operating of controls by Risk Owners. In 2025/26, self-certifications were reviewed by the Company Secretary and Interim Finance Director with escalation of significant issues to the Executive Committee, the Audit Committee and the Board.
- Clear control ownership with designated owners, which are embedded across the business, with a process in place to enhance documentation as part of Provision 29 readiness.
- On behalf of the Board, the Audit Committee reviews fraud and anti-bribery policies and procedures. No instances of bribery or corruption were reported during the year. In light of new legislation, a Failure to Prevent Fraud risk assessment and policy were developed and approved by the Board.

- Financial performance is monitored with a monthly process for reporting and reviewing performance against the business plan. Monthly performance packs, including those informing half-year and year-end statements, are also approved by the CFO and distributed to the Board.
- On behalf of the Board, the ESG Committee reviews environmental and people-related risks and their integration into the wider risk framework; the Audit and ESG Committees met jointly in January 2026 to review policies, procedures and related assurance.
- The Committee reviews technology risks, including IT systems and cyber security, to ensure the IT function implements preventative and detective controls and monitors remediation progress to further strengthen ITGCs.
- As required by the Code, the Board, through the Audit Committee, conducted a robust assessment of principal and emerging risks that could threaten the business model, future performance, solvency or liquidity. During the year, the 'resourcing' risk was reframed to 'culture' to reflect the centrality of culture to the successful execution of the Group's strategy.

Looking ahead, the Committee will oversee the further embedding of Risk Owner accountability within business processes, and continue the delivery of the PwC-supported roadmap towards next year's Provision 29 declaration. This will include ongoing enhancement of documentation, testing and evidence gathering to support the Board's declaration on the effectiveness of material controls.

Preparation for compliance with Provision 29 of the UK Corporate Governance Code 2024

Throughout the year, the Committee has continued to oversee preparations to ensure readiness for compliance with Provision 29 of the 2024 UK Corporate Governance Code.

The updated Provision 29 which applies to the Company for its financial year ending 31 March 2027 requires a declaration within the Annual Report on the effectiveness of material controls as at the balance sheet date. This covers controls relating to financial reporting, operational activities and compliance.

The Company has identified its material controls, and PwC were engaged during the year to support readiness for the FY27 Provision 29 declaration, including assurance mapping and enhanced documentation of design and assessment of operating effectiveness in line with emerging best-practice guidance.

→ December 25 – February 26

- Material controls identified and initial scoping completed.
- PwC instructed; roadmap developed and agreed with management.
- PwC presented to the Board in January 2026 on scope, approach and milestones.
- Risk framework and material controls bench-marked to peers and the Company's risk profile.

→ March 26 – July 26

- Refine the material controls list and codify the risk/control methodology.
- Assurance map documented; address any assurance gaps.
- Finalise the FY27 material controls set and the phased assurance plan.

→ August 26 – December 26

- Perform evidence-based assurance over material controls (design/operation).
- Review findings and remediate any gaps; update documentation accordingly.

→ January 27 – March 27

- Continue assurance to year end; close any residual actions.
- Prepare the Board declaration and supporting evidence pack for FY27 Provision 29 reporting.



AUDIT, RISK AND INTERNAL CONTROL continued
RISK MANAGEMENT AND INTERNAL CONTROLS continued

Our risk management framework

The Audit Committee provides oversight of the Group's risk management framework; the Board sets and monitors overall risk appetite and strategy, with specific accountability for property valuation, development and real estate risks. The framework is set out below. Following organisational changes during the year, the Group has commenced a review of its risk management process to strengthen and further embed risk practices across the business. As part of this review, the composition of the Risk Management Group is being updated, with the revised structure expected to be rolled out during FY27.



Board of Directors

- Sets the Group's overall risk appetite, tolerance and strategy.
- Oversees the Group's principal risks, including property valuation, development and real estate risks.
- Receives advice and recommendations from the Audit Committee and Executive Committee.

Audit Committee

- Oversees the Group's risk management framework.
- Reviews the Company's annual report disclosures on internal control systems and risk management prior to endorsement by the Board.

Executive Committee

- Oversees and manages the Group's day-to-day risk management procedures.
- Reports to the Audit Committee on the operation and effectiveness of controls.

Risk owners

- Each risk identified by the Group is assigned a Risk Owner.
- Risk Owners are responsible for monitoring, managing and reporting on their risks, as well as identifying any emerging risks.
- Risk registers and controls are discussed with the Company Secretary and senior members of the finance team to embed risk management.
- In these sessions, the Company Secretary and Interim Finance Director reviewed and challenged the risk information provided by Risk Owners.
- Reports are provided to the Executive Committee via the Company Secretary, with escalation to the Audit Committee where necessary.

Our risk management process

Activities

Risk

Risk identification, ownership and appetite

- Risks are identified during project planning or through being raised by employees.
- Risk appetite defines the level of risk the Group is willing to accept.
- Identified risks are captured in Risk Registers.
- A Risk Owner is assigned to each risk and has responsibility for its ongoing assessment and monitoring.



Risk assessment and evaluation

- Each risk is evaluated and scored according to the potential impact and likelihood of it materialising.
- Every risk has an Inherent Risk Score (pre-controls) and a Residual Risk Score (post-existing controls).
- A Target Risk Score is set to reflect the Group's risk tolerance for that risk.



Controls

Response and controls

- Each Residual Risk Score is compared to its Target Risk Score.
- Where the Residual Risk Score exceeds target, actions are defined to reduce it towards target.
- Control Owners are assigned to and accountable for monitoring that controls operate effectively.



Assurance mapping

- Assurance mapping is currently underway to confirm what assurance is in place for the effective operation of each control.
- Ongoing reviews will be conducted on the effectiveness of the assurance.



Monitoring

Monitoring and reporting

- Risks are regularly monitored by the Risk Owners.
- Control owners regularly certify that their controls continue to operate effectively.
- Risk Owners, together with the Company Secretary and Interim Finance Director, oversee this activity and escalate significant changes or new risks to the Executive Committee, Audit Committee and/or Board, as appropriate.



Internal audit

Due to its size and lack of complexity, the Group does not have an internal audit function, a matter reviewed by the Audit Committee during the year. The Committee has advised the Board that, currently, it considers there to be no need for an internal audit function. The External Auditor has confirmed this currently has no impact on their audit approach.

The Group is currently undergoing a period of transition and the Company Secretary and Interim Finance Director have taken responsibility through the year to manage and monitor the ongoing maintenance of our risk management and control processes.

As part of our evolving internal assurance processes, departmental control reviews across the business have taken place. Sessions with individual Risk Owners, the Company Secretary and Interim Finance Director have also taken place, to review and embed risk processes and control reviews. No significant issues were identified from these reviews.

To supplement reviews of risk management and internal control, a programme of operational, facilities management and health and safety reviews are undertaken across our properties by qualified senior head office personnel. Any significant findings are reported to the Audit Committee.

In addition, all key controls are recorded on a central register and, every six months, control owners are required to certify the effectiveness of controls for which they are responsible and to provide details of further actions to address any identified ineffectiveness. No significant issues were identified during the year.