Registration number: 09280130

WW Devonshire Limited

Annual report and financial statements

For the year ended 31 December 2022

WW Devonshire Limited

Contents

WW Devonshire Limited

Company information

Directors	Michael DePinho Natalie Lovett
Company secretary	Darren Barnett
Registered office	10 York Road London United Kingdom SE1 7ND
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

WW Devonshire Limited

Strategic report
For the year ended 31 December 2022

The Directors present their Strategic report of WW Devonshire Limited (" the Company") for the year ended 31 December 2022, to comply with Section 414C of the Companies Act 2006.

Principal activity
The Company transforms office space into flexible workspaces and provides the infrastructure, services, events and technology so its members can focus on their businesses.

Review of the business and future developments
Membership and service revenue increased by £13,691,282 or 193% to £20,788,457 during the year compared to £7,097,175 during the prior year. This is primarily due to two buildings that reopened to members in late 2021 and early 2022 after a pause in operations while WeWork Inc. assessed its restructuring strategy as well as recovery from the impact of COVID-19. The Company generated an operating profit of £6,372,472 during the year compared to an operating loss of £9,472,383 during the prior year. The operating profit was impacted by £117,870 of management fee expense during the year compared to £12,796 during the prior year, payable under the Company's various management and profit-sharing transfer pricing arrangements with other group undertakings.

As of 31 December 2022, the Company had property, plant and equipment of £27,357,087 and net liabilities of £27,574,092 recorded on its statement of financial position (31 December 2021: property, plant and equipment of £29,777,899 and net liabilities of £25,034,773). As of 31 December 2022, the Company also had right-of-use-assets of £53,960,735 and lease liabilities of £79,537,254 (31 December 2021: right-of-use-assets of £79,736,177 and lease liabilities of £97,605,785).

Management will focus on continued operational growth in the near term by retaining members, signing new members and providing additional service offerings.

Key performance indicators
The Company's key performance indicators include growth in membership and service revenue and operating profit excluding management fee expense to group companies and depreciation on property, plant and equipment. Membership and service revenue increased by 193% compared to the prior year. Operating profit excluding management fee expense to group companies and depreciation on property, plant and equipment was £9,385,165 during the year compared to operating loss of £6,518,168 during the prior year.

Financial risk management objectives and policies
The Company's principal financial liabilities comprise loans and borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include trade and other receivables that derive directly from its operations.

Principal risks and uncertainties
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Another key risk impacting the Company is the long-term and fixed cost nature of the Company's leases which may limit operating flexibility and could adversely affect the Company's liquidity and results of operations. The Company currently leases its locations under long-term leases. The Company's obligations to the landlords under these agreements extend for periods that exceed the length of the Company's membership agreements with its members, the shortest of which may be terminated by a member upon one calendar month's notice. The Company mitigates this risk through optimisation of its real estate portfolio; additional offerings to its members, which can help increase retention; as well as expansion into longer term membership agreements.

Inflationary factors such as increases in the cost of raw materials and overhead costs may adversely affect results of operations. Management does not believe that inflation has had a material effect on the business, financial condition or results of operations to date. Management is proactively monitoring the impact of inflation and will adjust operations as necessary.

Principal risks and uncertainties (continued)

The operations of the Company are intrinsically linked to the on-going trading position of the Group headed by WeWork Inc. ("the Group"). Refer to the Going Concern disclosure in the Directors' report.

Uncertainties in the macro-economic and geopolitical landscape could impact the Company's ability to execute its strategic plan.

October 17, 2023

Approved by the Board on .... and signed on its behalf by:

DocuSigned by:
Natalie Lovett
8014DFDA61144D6...............

Natalie Lovett
Director

WW Devonshire Limited

Directors' report
For the year ended 31 December 2022

The Directors present their annual report and audited financial statements of WW Devonshire Limited (the 'Company') for the year ended 31 December 2022.

The Company has, in accordance with Section 414C of the Companies Act 2006, set out in the Strategic report information regarding key performance indicators, principal risks and uncertainties, and future developments that would otherwise have been set out in the Directors' report.

Results and dividends
The results of the Company are available within the 'Review of the business and future developments' section of the Strategic report on page 2.

The Directors do not propose the payment of a dividend for the year (2021: £nil).

Directors
The Directors, who held office throughout the year and up to the date of the signing of the financial statements, unless otherwise stated were as follows:

Mathieu Proust (resigned 25 April 2023)

Justin Jones (resigned 17 February 2023)

The following directors were appointed after the year end:

Michael DePinho (appointed 17 February 2023)

Natalie Lovett (appointed 25 April 2023)

Going concern
The operations of the Company are intrinsically linked to the on-going trading position of the Group headed by WeWork Inc. ("the Group"). The Group has incurred consolidated net losses of \$0.7 billion, \$2.3 billion, \$4.6 billion, and \$3.8 billion, for the six months ended 30 June 2023 and the years ended 31 December 2022, 2021, and 2020, respectively, and negative cash flow from operating activities of \$0.5 billion, \$0.7 billion, \$1.9 billion, and \$0.9 billion, respectively for the same periods.

The recent macroeconomic environment has caused higher member churn and weaker demand than contemplated under the Group's business plan. Consequently, membership as of 30 June 2023 was less than planned, resulting in a reduction in projected revenue and cash flows for the twelve-month period included in the going concern evaluation. Management is taking steps to address the risk posed to the going concern position of the Group which is contingent upon successful execution of management's intended plan over the next twelve months to improve the Group's liquidity and profitability, which includes, without limitation:

- Reducing rent and tenancy expense by taking additional restructuring actions and negotiating more favourable lease terms;
- Increasing revenue by reducing member churn and increasing new sales;
- Controlling expenses and limiting capital expenditures; and
- Seeking additional capital through the issuance of debt or equity securities, or the sale of assets.

The financial position of the Group represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Directors' indemnities
Qualifying third party indemnity provisions (as defined in Section 234 (2) of the Companies Act 2006) are in force for the benefit of the Directors.

Post reporting date subsequent event
There was a significant event after the reporting date, refer to note 20 for the details.

Auditor

An elective resolution has been passed to dispense with the obligation to annually reappoint the auditors, and therefore RSM UK Audit LLP are deemed to be reappointed for the next financial year.

Directors' responsibilities statement

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

Company law requires the Directors to prepare such financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard (FRS) 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholder in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

October 17, 2023

Approved by the Board on .... and signed on its behalf by:

DocuSigned by:
Natalie Lovett
9014DFDA61144D6...........

Natalie Lovett
Director

Independent auditor's report to the members of WW Devonshire Limited

Opinion

We have audited the financial statements of WW Devonshire Limited (the 'Company') for the year ended 31 December 2022, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to the going concern statement in the financial statements which highlights that the Company's operations are intrinsically linked to the on-going trading position of the Group headed by WeWork Inc. As set out on page 13 that Group has revised its projected revenue which requires actions to be taken to protect the going concern status of the Group. The financial position of the Group and the events and conditions set out on page 13 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of WW Devonshire Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

Independent auditor's report to the members of WW Devonshire Limited (continued)

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Company operates in and how the Company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating any advice received from internal/external tax advisors.

The audit engagement team identified the risk of management override of controls, revenue recognition and impairment of property, plant and equipment and right of use assets as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, tests of detail and tests of control over revenue and challenging judgments and estimates applied in the assessment of whether an impairment to property, plant and equipment and right of use assets was required.

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

Use of our report

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

DocuSigned by:
David Clark
B1268FF6A36C438...

David Clark FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: October 17, 2023

WW Devonshire Limited

Statement of comprehensive income
For the year ended 31 December 2022

	Note	2022 £	2021 £
Revenue	5	20,788,457	7,097,175
Administrative expenses		(14,415,986)	(16,569,558)
Operating profit/(loss)		6,372,471	(9,472,383)
Finance costs	6	(8,911,790)	(7,428,537)
Loss before taxation		(2,539,319)	(16,900,920)
Tax on loss	8	-	-
Loss for the financial year	9	(2,539,319)	(16,900,920)
Other comprehensive income/(loss)		-	-
Total comprehensive loss for the year		(2,539,319)	(16,900,920)

The results for the financial year shown above are derived entirely from continuing activities.

WW Devonshire Limited

Statement of financial position
As at 31 December 2022

	Note	2022 £	2021 £
Non-current assets			
Property, plant and equipment	10	27,357,087	29,777,899
Right-of-use assets	11	53,960,735	79,736,177
Trade and other receivables	12	343,880	242,271
		81,661,702	109,756,347
Current assets			
Trade and other receivables	12	10,902,095	16,039,874
Total assets		92,563,797	125,796,221
Current liabilities			
Trade and other payables	13	(10,278,629)	(20,794,999)
Lease liabilities	14	(3,008,962)	(1,371,692)
Provisions for liabilities	17	(283,951)	-
		(13,571,542)	(22,166,691)
Net current liabilities		(2,669,447)	(6,126,817)
Total assets less current liabilities		78,992,255	103,629,530
Non-current liabilities			
Lease liabilities	14	(76,528,292)	(96,234,093)
Borrowings	16	(28,898,094)	(31,094,882)
Provisions for liabilities	17	(1,139,961)	(1,335,328)
Net liabilities		(27,574,092)	(25,034,773)
Equity			
Called-up share capital	18	1	1
Retained earnings	18	(27,574,093)	(25,034,774)
Total shareholders' deficit		(27,574,092)	(25,034,773)

The financial statements of WW Devonshire Limited (registration number: 09280130) were approved by the Board of Directors and authorised for issue on October 17, 2023

They were signed on its behalf by:

DocuSigned by:
Natalie Lovett
9014DFDA61144D8...

Natalie Lovett
Director

The notes on pages 12 to 25 form an integral part of these financial statements.

WW Devonshire Limited

Statement of changes in equity
For the year ended 31 December 2022

	Called-up share capital £	Retained earnings £	Total £
At 1 January 2021	1	(8,133,854)	(8,133,853)
Loss for the financial year	-	(16,900,920)	(16,900,920)
Total comprehensive loss for the financial year	-	(16,900,920)	(16,900,920)
At 31 December 2021	1	(25,034,774)	(25,034,773)

	Called-up share capital £	Retained earnings £	Total £
At 1 January 2022	1	(25,034,774)	(25,034,773)
Loss for the financial year	-	(2,539,319)	(2,539,319)
Total comprehensive loss for the financial year	-	(2,539,319)	(2,539,319)
At 31 December 2022	1	(27,574,093)	(27,574,092)

The notes on pages 12 to 25 form an integral part of these financial statements.

WW Devonshire Limited

Notes to the financial statements
For the year ended 31 December 2022

1 General information

WW Devonshire Limited (the 'Company') is a private company limited by share capital, incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:
10 York Road
London
United Kingdom
SE1 7ND

The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 2 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2 Adoption of new and revised standards

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022, have had a material impact on the Company.

3 Accounting policies

Summary of significant accounting policies
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements have been prepared on a going concern basis in accordance with Financial Reporting Standards 100 issued by the Financial Reporting Council, and applicable legal and regulatory requirements of the Companies Act 2006.

Basis of accounting
The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, fair value measurement and related party transactions.

Where required, equivalent disclosures have been given in the consolidated accounts of WeWork Inc.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

WW Devonshire Limited

Notes to the financial statements
For the year ended 31 December 2022 (continued)

3 Accounting policies (continued)

Basis of accounting (continued)
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Going concern
The financial statements of the Company have been prepared on a going concern basis.

The operations of the Company are intrinsically linked to the on-going trading position of the Group headed by WeWork Inc. ("the Group"). The Group has incurred consolidated net losses of $0.7 billion, $2.3 billion, $4.6 billion, and $3.8 billion, for the six months ended 30 June 2023 and the years ended 31 December 2022, 2021, and 2020, respectively, and negative cash flow from operating activities of $0.5 billion, $0.7 billion, $1.9 billion, and $0.9 billion, respectively for the same periods. As of 30 June 2023, the Group had net current liabilities of $1.4 billion. At that date the Group had $205 million in cash and cash equivalents, including $46 million held at its consolidated variable interest entities, and $475 million in delayed draw note commitments, resulting in total liquidity of $680 million. The Group drew the proceeds of the delayed draw notes subsequent to 30 June 2023.

The recent macroeconomic environment has caused higher member churn and weaker demand than contemplated under the Group's business plan. Consequently, membership as of 30 June 2023 was less than planned, resulting in a reduction in projected revenue and cash flows for the twelve-month period included in the going concern evaluation. Management is taking steps to address the risk posed to the going concern position of the Group which is contingent upon successful execution of management's intended plan over the next twelve months to improve the Group's liquidity and profitability, which includes, without limitation:

- Reducing rent and tenancy expense by taking additional restructuring actions and negotiating more favourable lease terms;
- Increasing revenue by reducing member churn and increasing new sales;
- Controlling expenses and limiting capital expenditures; and
- Seeking additional capital through the issuance of debt or equity securities, or the sale of assets.

The financial position of the Group represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments that may result from the outcome of this going concern uncertainty. Such adjustments could be material.

Revenue recognition
The Company recognises revenue under the five-step methodology required under IFRS 15, which requires the Company to identify the relevant contract with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations identified and recognise revenue when (or as) each performance obligation is satisfied.

3 Accounting policies (continued)

Revenue recognition (continued)
The Company's primary revenue categories, related performance obligations, and associated recognition patterns are as follows:

Membership and Service Revenue - The Company sells memberships to individuals and companies that provide access to office space, use of a shared internet connection, access to certain facilities (kitchen, common areas, etc.), a monthly allowance of conference room hours, printing and copying and access to the WeWork mobile application. The price of each membership is based on factors such as the particular characteristics of the office space occupied by the member, the geographic location of the workspace, and the amount of desk space per office.

Membership revenue consists primarily of fees from members, net of discounts and is recognised over time, evenly on a rateable basis, over the life of the agreement, as services are provided and the performance obligation is satisfied. All services included in a monthly membership allowance that remain unused at the end of a given month expire. Certain of the Company's membership contracts with its members relate to "configured" spaces which meet the definition of a lease under IFRS 16.

Service revenue consists of additional billings to members for the ancillary services they may access through their memberships, in excess of monthly allowances included in membership revenue, commissions earned by the Company on various services and benefits provided to members. Members may elect whether they want to add on additional services at the inception of their agreement. Additional fees for add-on services are included in the transaction price when elected by the member. To the extent a member elects an add-on service subsequent to the commencement of a commitment period, the additional add on fee will be added to the transaction price at that point in time.

Billing terms and conditions generally vary by contract category. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g. upfront, monthly, or quarterly) or upon achievement of contractual milestones. For most of the standard memberships, which are typically invoiced monthly, the payment terms are immediate. In most cases where timing of revenue recognition significantly differs from the timing of invoicing, the Company has determined that its contracts do not include a significant financing component. The Company elects the financing component practical expedient and does not adjust the promised amount of consideration in contracts where the time between cash collection and performance is less than one year.

Members' Service Retainers - Prior to moving into an office, members are generally required to provide the Company with a service retainer as detailed in their membership agreement. In the event of non-payment of membership or other fees by a member, pursuant to the terms of the membership agreements, the amount of the service retainer may be applied against the member's unpaid balance. The Company recognises members' retainers as a liability as the Company expects to refund some or all of that consideration to the customer.

Deferred Revenue - Deferred revenue represents collections from customers for which revenue has not been recognised to date. Deferred revenue is classified as a current liability as it is expected to be recognised as revenue within the next twelve months.

Accrued Revenue - Accrued revenue includes amounts of revenue recognized in advance of billing members.

Taxes collected from customers and remitted to governmental authorities are presented on a net basis.

3 Accounting policies (continued)

Foreign currencies

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting year, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date and included in administrative expenses. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit for the financial year as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting year.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the end of each reporting year. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of comprehensive income, other than when they relate to items that are recognised in other comprehensive income or directly in equity. In such circumstances, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3 Accounting policies (continued)

Financial risk management
The Company's principal financial liabilities are comprised of loans, lease liabilities and trade and other payables. The Company's principal financial assets include loans, trade and other receivables that derive directly from its operations.

The Company has market risk exposure arising from changes in interest rates on the Company's non-current loan obligations due to and from group undertakings with variable interest rates.

Foreign currency risk arises as a result of transactions denominated in a currency other than the Company's functional currency, primarily attributable to transactions with group undertakings. Changes in foreign currency exchange rates can impact the foreign currency gain/(loss) recorded in the statement of comprehensive income.

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company mitigates its credit risk attributable to trade receivables by maintaining a diverse member portfolio with members across varying industries. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. This risk is minimised as cash and cash equivalent assets are held on highly liquid cash holdings and borrowings are solely made up of loans due to group undertakings.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged so as to write-off the costs of assets less their residual value, other than land and properties under construction, over their estimated useful lives, using the straight-line method from the month the asset is brought into use, on the following basis:

Asset class	Depreciation rate
Leasehold improvements	Shorter of term of lease or useful life
Furniture, fittings and equipment	3 - 7 years
Computer equipment	3 - 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Property and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that the asset may have been impaired. When there is an indication of impairment, the Company will evaluate the asset for recoverability, by considering the future discounted cash flows expected to result from the use of the asset and the eventual disposal of the asset. If the sum of the expected future discounted cash flows, is less than the carrying amount of the asset, an impairment loss equal to the excess of the carrying amount over the fair value of the asset is recognised. The Company's management performed an impairment assessment and, where appropriate, recorded an impairment charge where asset carrying values were deemed no longer recoverable.

3 *Accounting policies (continued)*

Trade and other receivables

Trade and other receivables are amounts due from members for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Management determines an allowance that reflects its best estimate of the accounts receivable due from members, related parties, landlords, and others that will not be collected. Management considers many factors in evaluating its reserve with respect to these accounts receivable, including historical data, experience, creditworthiness and income trends. Recorded liabilities associated with members' service retainers are also considered when estimating the allowance for doubtful accounts. The Company continues to actively monitor its account receivable balances throughout the year.

Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and provided to the Company prior to the end of the financial year and which are unpaid. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Leases

At the commencement date of the lease (i.e. the date the underlying asset is available to use), the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments and variable lease payments that depend on an index or a rate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which they are incurred.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

3 Accounting policies (continued)

Leases (continued)
A right-of-use asset is also recognised at the commencement date of a lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the lease asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment testing.

Borrowings
Interest-bearing loans are recorded at the proceeds received net of direct issue costs. Borrowing costs are recognised in profit or loss in the year in which they are incurred, unless the costs are incurred as part of the development of a qualifying asset, when they will be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company did not have any qualifying assets and therefore, no borrowing costs have been capitalised in the current year or in the prior year.

Dilapidation provision
Certain lease agreements contain provisions that require the Company to remove leasehold improvements at the end of the lease term. When such an obligation exists, the Company records a dilapidation provision at the commencement of the lease at its estimated fair value. The associated dilapidation costs are capitalised as part of the carrying amount of the right-of-use asset and depreciated over their useful life. The dilapidation provision is accreted to its estimated future value as interest expense using the effective-interest rate method.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax from the proceeds.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

There were no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year.

Critical judgements in applying the Company's accounting policies
The following are the critical judgements, apart from those involving estimations (which are dealt with separately above), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Lease term
The lease term is a significant component in the measurement of both the right-of-use assets and lease liabilities. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Impairment of non-financial assets
Non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that the asset may have been impaired. When there is an indication of impairment, the Company will evaluate the asset for recoverability, by considering the future discounted cash flows expected to result from the use of the asset and the eventual disposal of the asset. If the sum of the expected future discounted cash flows, is less than the carrying amount of the asset, an impairment loss equal to the excess of the carrying amount over the fair value of the asset is recognised. The future discounted cash flows have been determined based on value-in-use calculations, which incorporate a number of key estimates and assumptions including estimated discount rates based on the current cost of capital, occupancy rates, average revenue rates and growth rates of the estimated future cash flows. The key assumptions used in the 2022 impairment testing include a discount rate of 14.4% (2021: 10.46%) and a terminal growth rate of 3% (2021: 3%).

Provision for expected credit loss of trade and other receivables
The Company measures losses for trade receivables at an amount equal to lifetime expected credit losses. Management considers many factors in considering its reserve with respect to these accounts receivable, including historical data, experience, creditworthiness, and income trends. Recorded liabilities for members' service retainers are also considered when estimating the expected credit loss.

When there is any uncertainty surrounding the collectability of a receivable, it must be continually assessed for any changing circumstances that may affect such collectability. The Company uses judgement in conjunction with the relevant facts and circumstances discussed above to determine whether it is appropriate for a receivable to be written off. The Company considers various factors which include, but are not limited to: recent communications with the member, membership status, any payments in progress, any memberships in other locations, the date of last payment, the existence of service retainers, payment plans, or credit balances in other locations, and whether any balances have been sent to an outside collections agency.

The Company considers the probability of default upon initial recognition of a receivable and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period.

5 Revenue

The total revenue of the Company for the year has been derived from the principal activity wholly undertaken in the United Kingdom:

	2022	2021
	£	£
Membership and service revenue	20,788,457	7,097,175

6 Finance costs

	2022	2021
	£	£
Interest on group loans	853,041	559,430
Interest expense on lease liabilities	7,970,165	6,786,906
Other finance costs	88,584	82,201
	8,911,790	7,428,537

7 Staff numbers and costs

Other than its Directors, the Company does not have any employees in the current year (2021: none). The Company incurred no expenses in regards to its Directors for the year ended 31 December 2022 (2021: £nil).

No director was a member of a money purchase scheme in either the current year or prior year.

8 Tax on loss

Tax charged for the year in the statement of comprehensive income:

	2022	2021
	£	£
Current tax		
UK corporation tax	-	-
Total current tax	-	-
Deferred taxation		
Current year	-	-
Tax expense/(receipt) in the statement of comprehensive income	-	-

The tax on loss before taxation for the year at 19% (2021: 19%).

WW Devonshire Limited

Notes to the financial statements
For the year ended 31 December 2022 (continued)

8 Tax on loss (continued)

The differences are reconciled below:

	2022 £	2021 £
Loss before taxation	(2,539,319)	(16,900,920)
Tax on loss at effective UK tax rate of 19% (2021: 19%)	(482,471)	(3,211,175)
Effects of:		
Expenses not deductible	250,281	192,325
Income not taxable	(282,948)	(180,531)
Unrecognised tax losses	515,138	3,199,381
Tax charge/(credit) for the year	-	-

A deferred tax asset of £5,666,912 (2021: £5,100,065) has not been recognised in respect of carry forward losses and temporary timing differences, as there is insufficient certainty that the deferred tax assets will be utilised in the foreseeable future.

Finance Act 2020 was substantively enacted on 11 March 2020 with the result that the corporation tax rate continues to apply at 19% from 1 April 2020 and during the current year; from 1 April 2023 the rate will go up to 25% by virtue of Finance Act 2021 which was substantively enacted on 24 May 2021.

9 Loss for the financial year

Loss for the year is stated after (crediting)/charging:

	2022 £	2021 £
Foreign exchange gains	(5,553)	(116,234)
Depreciation of property, plant and equipment	2,894,824	2,941,419
Depreciation on right-of-use assets	3,595,219	4,482,476
Rent expenses - real estate	-	108,171
Occupancy and infrastructure costs	6,403,272	6,535,337
Selling, general and administrative expenses	1,064,729	282,523
Management fee expense to group undertakings	117,870	12,796
Non-recurring expenses	345,625	2,323,070

The audit fee for the current year and prior year for the Company was borne by its parent.

Included within non-recurring expenses are property, plant and equipment and right-of-use asset impairment charges of £16,221 (2021: £2,096,645).

WW Devonshire Limited

Notes to the financial statements
For the year ended 31 December 2022 (continued)

10 Property, plant and equipment

	Leasehold improvements £	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2022	32,830,090	6,689,691	15,558	39,535,339
Additions	491,004	14,561	-	505,565
Transfers	(182,629)	182,629	-	-
At 31 December 2022	33,138,465	6,886,881	15,558	40,040,904
Depreciation				
At 1 January 2022	5,678,959	3,363,661	14,693	9,057,313
Charge for the year	1,851,379	1,042,580	865	2,894,824
At 31 December 2022	7,530,338	4,406,241	15,558	11,952,137
Impairment				
At 1 January 2022	587,465	112,662	-	700,127
Charge for the year	28,128	3,425	-	31,553
At 31 December 2022	615,593	116,087	-	731,680
Carrying amount				
At 31 December 2022	24,992,534	2,364,553	-	27,357,087
At 31 December 2021	26,563,666	3,213,368	865	29,777,899

An impairment charge has been recognised in the current year and prior year to reduce the carrying amount of the assets to their recoverable amount.

11 Right-of-use assets

	2022 £	2021 £
Land and buildings: Right-of-use asset	64,450,774	86,646,328
Less: accumulated depreciation	(9,108,853)	(5,513,633)
Less: impairment losses	(1,381,186)	(1,396,518)
	53,960,735	79,736,177
Change in Right-of-use assets during the year	(22,195,554)	83,265,801

Change in the year is due to additional amendments.

WW Devonshire Limited

Notes to the financial statements
For the year ended 31 December 2022 (continued)

12 Trade and other receivables

	2022	2021
Amounts falling due within one year	£	£
Trade receivables, net	411,112	881,517
Amounts owed by group undertakings	7,574,806	10,542,927
Other receivables	312,493	-
Prepayments and accrued income	2,603,684	4,615,430
	10,902,095	16,039,874

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

	2022	2021
	£	£
Amounts falling due after more than one year		
Prepayments and accrued income	343,880	242,271

13 Trade and other payables

	2022	2021
	£	£
Trade payables	427,946	522,896
Amounts owed to group undertakings	3,317,611	10,570,125
Social security and other taxes	1,279,407	710,669
Other payables	4,133,467	3,026,597
Accruals and deferred income	1,120,198	5,964,712
	10,278,629	20,794,999

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

14 Lease liabilities

At 31 December 2022, the majority of the Company's lease liabilities pertain to leases payable to a party, over which the Company's ultimate parent is able to exercise significant influence. The lease liabilities are as follows:

	2022	2021
	£	£
Analysed as:		
Leases due within one year	3,008,962	1,371,692
Leases due after more than one year	76,528,292	96,234,093
Total lease liabilities	79,537,254	97,605,785

WW Devonshire Limited

Notes to the financial statements
For the year ended 31 December 2022 (continued)

14 Lease liabilities (continued)

The profile of the outstanding undiscounted contractual payments fall due as follows:

	2022 £	2021 £
Within one year	4,970,704	12,287,400
In two to five years	42,025,879	44,353,814
In over five years	110,669,270	121,678,730
	157,665,853	178,319,944

15 Commitments and contingencies

Lessor
The Company's remaining performance obligations represent contracted customer revenues that have not yet been recognised as revenue as of 31 December 2022, but will be recognised as revenue in future periods over the life of the customer contracts in accordance with IFRS 16.

16 Borrowings

	2022 £	2021 £
Amounts falling due after more than one year		
Loan payable to group undertakings	28,898,094	31,094,882

The loan payable to group undertakings is unsecured and repayable within 5 years. An interest rate of 1.56% - 4.64% per annum was applicable during the year (2021: 2.38% - 2.44%).

17 Provisions for liabilities

	Dilapidation provision £
At 1 January 2022	1,335,328
Change in provision	88,584
At 31 December 2022	1,423,912

Current portion of provisions for liability amounts to £283,951 (2021: nil). The dilapidation provision is in respect of reinstatement obligations related to leasehold properties.

WW Devonshire Limited

Notes to the financial statements
For the year ended 31 December 2022 (continued)

18 Called-up share capital and reserves

Authorised, allotted, called-up and not fully paid shares

	2022 No.	2022 £	2021 No.	2021 £
Ordinary shares of £0.01 each	100	1	100	1

The Company has one class of ordinary shares which carry no right to fixed income.

Reserves
The Company's other reserves are as follows:

Retained earnings
The retained earnings represents cumulative profits or losses and other adjustments.

19 Controlling parties

The Company's immediate parent company is WeWork International Limited, a company incorporated in the United Kingdom and registered in England and Wales. The ultimate parent company and the smallest and the largest group in which the results of the Company are consolidated is WeWork Inc., a Delaware corporation registered in the USA. Copies of those statutory accounts are available from:

10 York Road
London
United Kingdom
SE1 7ND

20 Post reporting date subsequent event

On 22 June 2023, one of the leases expired and there are no plans for renewal.