Registration number: 11423105

41 Blackfriars Road Tenant Limited

Pages for filing with Registrar

For the year ended 31 December 2021

41 Blackfriars Road Tenant Limited

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41 Blackfriars Road Tenant Limited

Company information

Directors	Mathieu Proust Justin Jones
Company secretary	7Side Secretarial Limited
Registered office	c/o Legalinx Limited 3rd Floor 207 Regent Street London W1B 3HH
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

41 Blackfriars Road Tenant Limited

Statement of financial position
As at 31 December 2021

	Note	2021 £	2020 £
Non-current assets			
Property, plant and equipment	6	-	30,243,455
Right-of-use assets	7	-	802,035
Trade and other receivables	8	8,401,596	-
		8,401,596	31,045,490
Current assets			
Trade and other receivables	8	-	2,205,076
Total assets		8,401,596	33,250,566
Current liabilities			
Trade and other payables	9	(3,101,165)	(4,666,990)
Net current liabilities		(3,101,165)	(2,461,914)
Total assets less current liabilities		5,300,431	28,583,576
Non-current liabilities			
Lease liabilities	10	-	(8,852,878)
Borrowings	12	-	(24,732,434)
		-	(33,585,312)
Provisions for liabilities	13	-	(319,329)
Net assets/(liabilities)		5,300,431	(5,321,065)
Equity			
Called-up share capital	14	1	1
Retained earnings	14	5,300,430	(5,321,066)
Total shareholders' funds/(deficit)		5,300,431	(5,321,065)

As permitted by Section 444 of the Companies Act 2006, the Directors have not delivered to the Registrar a copy of the Company's statement of comprehensive income for the year ended 31 December 2021.

The financial statements of 41 Blackfriars Road Tenant Limited (registration number: 11423105) were approved by the Board of Directors and authorised for issue on September 28, 2022

They were signed on its behalf by:

DocuSigned by:
Mathieu Proust

Mathieu Proust
Director

The notes on pages 3 to 12 form an integral part of these financial statements.

41 Blackfriars Road Tenant Limited

Notes to the financial statements
For the year ended 31 December 2021

1 General information

41 Blackfriars Road Tenant 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:
c/o Legalinx Limited
3rd Floor
207 Regent Street
London
W1B 3HH

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 2021, 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.

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 have been prepared on a going concern basis. WeWork Companies LLC, the operating company and wholly owned subsidiary of WeWork Inc., the Company's ultimate parent, has confirmed its intention and ability to provide ongoing financial support for the Company to continue to meet its liabilities for a period of at least twelve months from the date of approval of these financial statements.

The Directors therefore consider it appropriate to continue to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that may be necessary in the event that adequate funding was not made available.

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.

3 Accounting policies (continued)

Tax (continued)

Deferred tax (continued)

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.

Financial risk management

The Company's principal financial liabilities are comprised of loans and trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits 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.

3 Accounting policies (continued)

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

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.

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 is actively monitoring its accounts receivable balances in response to COVID-19.

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

3 Accounting policies (continued)

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.

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 theend 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.

41 Blackfriars Road Tenant Limited

Notes to the financial statements
For the year ended 31 December 2021 (continued)

3 Accounting policies (continued)

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.

Critical judgements in applying the Company's accounting policies
There are no critical judgments in applying the Company's accounting policies.

5 Staff numbers and costs

Other than its Directors, the Company does not have any employees in the current year (2020: none). The Company incurred no expenses in regards to its Directors for the year ended 31 December 2021 (2020: £nil).

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

6 Property, plant and equipment

	Leasehold improvements £
Cost or valuation	
At 1 January 2021	30,243,455
Additions	2,889,280
Write offs	(33,132,735)
At 31 December 2021	-
Depreciation	
At 1 January 2021	-
Charge for the year	-
At 31 December 2021	-
Carrying amount	
At 31 December 2021	-
At 31 December 2020	30,243,455

6 Property, plant and equipment (continued)

On 17 March 2021, the lease agreement was terminated. The related property, plant and equipment was written off.

7 Right-of-use assets

	2021 £	2020 £
Land and buildings: Right-of-use asset	-	803,640
Less: accumulated depreciation	-	(1,605)
	-	802,035
Change in Right-of-use assets during the year	(803,640)	107,254

On 17 March 2021, the lease agreement was terminated. The related right-of-use assets and lease liabilities were written off.

8 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year		
Amounts owed by group undertakings	-	1,686,199
Prepayments and accrued income	-	518,877
	-	2,205,076

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

	2021 £	2020 £
Amounts falling due after more than one year		
Loans receivable from group undertakings	8,401,596	-

Loans receivable from group undertakings are unsecured and repayable within 5 years. An interest rate of 2.38% - 2.44% per annum was applicable during the year.

41 Blackfriars Road Tenant Limited

Notes to the financial statements
For the year ended 31 December 2021 (continued)

9 Trade and other payables

	2021 £	2020 £
Trade payables	-	8,244
Amounts owed to group undertakings	2,398,401	3,159,045
Social security and other taxes	471,822	1,163,696
Accruals and deferred income	230,942	336,005
	3,101,165	4,666,990

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

10 Lease liabilities

	2021 £	2020 £
Analysed as:		
Leases due after more than one year	-	8,852,878

Lease liabilities maturity analysis
The maturity analysis for the undiscounted lease liabilities is as follows:

	2021 £	2020 £
Within one year	-	2,228,374
In two to five years	-	20,397,227
In over five years	-	60,543,399
Total undiscounted lease liabilities	-	83,169,000

11 Commitments and contingencies

Construction commitments
At 31 December 2021, the Company had future construction commitments amounting to £nil (2020: £3,514,090) which related to work committed on existing leases.

41 Blackfriars Road Tenant Limited

Notes to the financial statements
For the year ended 31 December 2021 (continued)

12 Borrowings

	2021 £	2020 £
Amounts falling due after more than one year		
Loan payable to group undertakings	-	24,732,434

The loan payable to group undertakings was unsecured and was repaid during the year. An interest rate of 2.38% - 2.44% per annum was applicable during the year up to repayment (2020: 1.91% - 2.64%).

13 Provisions for liabilities

	Dilapidation provision £
At 1 January 2021	319,329
Change in provision estimate	(319,329)
At 31 December 2021	-

The dilapidation provision is in respect of reinstatement obligations related to leasehold properties.

14 Called-up share capital and reserves

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

	2021 No.	2021 £	2020 No.	2020 £
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.

15 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:

c/o Legalinx Limited
3rd Floor
207 Regent Street
London
W1B 3HH

16 Audit report

As the statement of comprehensive income has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with Section 444 (5B) of the Companies Act 2006:

- the audit report was unqualified;
- the senior statutory auditor was David Clark FCA; and
- the auditor was RSM UK Audit LLP.