

Registration number: SC615605

80 George Street Tenant Limited

Pages for filing with Registrar

For the period from incorporation on 6 December 2018 to 31 December 2019



80 George Street Tenant Limited

Company information

Directors	Abraham Safdie Anthony Yazbeck
Company secretary	Secretar Securities Limited
Registered office	Collins House Rutland Square Edinburgh City of Edinburgh EH1 2AA
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

80 George Street Tenant Limited**Statement of financial position
As at 31 December 2019**

	Note	31 December 2019 £
Non-current assets		
Property, plant and equipment	6	5,465,318
Right-of-use assets	7	11,816,141
Trade and other receivables	8	85,705
		<u>17,367,164</u>
Current assets		
Trade and other receivables	8	<u>742,770</u>
Total assets		<u>18,109,934</u>
Current liabilities		
Trade and other payables	9	<u>(1,315,896)</u>
		<u>(1,315,896)</u>
Net current liabilities		<u>(573,126)</u>
Total assets less current liabilities		<u>16,794,038</u>
Non-current liabilities		
Lease liabilities	10	(14,485,534)
Borrowings	11	<u>(3,824,922)</u>
		<u>(18,310,456)</u>
Provisions for liabilities	12	<u>(145,848)</u>
Net liabilities		<u>(1,662,266)</u>
Equity		
Called-up share capital	13	1
Retained earnings	13	<u>(1,662,267)</u>
Total shareholders' deficit		<u>(1,662,266)</u>

The Company's annual accounts and reports have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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 period ended 31 December 2019.

The financial statements of 80 George Street Tenant Limited (registration number: SC615605) were approved by the Board of Directors and authorised for issue on 2 December 2020

They were signed on its behalf by:



Abraham Safdie
Director

The notes on pages 3 to 14 form an integral part of these financial statements.

80 George Street Tenant Limited

Notes to the financial statements

For the period from 6 December 2018 to 31 December 2019

1 General information

80 George Street Tenant Limited (the 'Company') is a private company limited by share capital, incorporated in Scotland and domiciled in the United Kingdom.

The address of its registered office is:

Collins House
Rutland Square
Edinburgh
City of Edinburgh
EH1 2AA

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

New standards, amendments and interpretations

In the current period, the Company has applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for accounting periods that begin on or after 1 January 2019. Transition from IAS 17 was not applicable as 2019 was the year of lease commencement.

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 periods 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. (previously The We Company).

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.

80 George Street Tenant Limited

Notes to the financial statements

For the period from 6 December 2018 to 31 December 2019 (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 have been prepared on a going concern basis. The Directors have prepared projections for at least twelve months from the date of approval of these financial statements. These projections have been prepared using assumptions which the Directors consider to be appropriate to the current financial position of the Company as regards to current expected revenues and its cost base. Additionally, WeWork Companies LLC, the operating company and wholly owned subsidiary of WeWork Inc. (previously The We Company), the Company's ultimate parent, has confirmed its willingness and ability to provide ongoing financial support for the Company to continue to meet its liabilities as and when they fall due 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.

Subsequent to 31 December 2019, the global outbreak of the COVID-19 pandemic has become a worldwide crisis. Please see note 15 for further details.

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.

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.

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 our 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.

80 George Street Tenant Limited

Notes to the financial statements

For the period from 6 December 2018 to 31 December 2019 (continued)

3 Accounting policies (continued)

Revenue recognition (continued)

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 our standard memberships, which are typically invoiced monthly, our 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.

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

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 loss for the period. Taxable loss differs from net loss as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods 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 period.

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.

80 George Street Tenant Limited

Notes to the financial statements

For the period from 6 December 2018 to 31 December 2019 (continued)

3 Accounting policies (continued)

Tax (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 period 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 period. 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 period, 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 period

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, lease liabilities 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.

80 George Street Tenant Limited

Notes to the financial statements

For the period from 6 December 2018 to 31 December 2019 (continued)

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 determined that no events or changes in circumstances occurred that indicate the asset carrying values were no longer recoverable and that no impairment charge was necessary for the period ended 31 December 2019.

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.

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 period 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.

80 George Street Tenant Limited

Notes to the financial statements

For the period from 6 December 2018 to 31 December 2019 (continued)

3 Accounting policies (continued)

Trade and other payables (continued)

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

The Company as a Lessee

The Company has applied IFRS 16 Leases (as issued by the IASB in January 2016). 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 rent 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.

The Company has applied the accounting policy election, to account for the lease and non-lease components as a single lease component, for all lease related asset classes. The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

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 period.

80 George Street Tenant Limited

Notes to the financial statements

For the period from 6 December 2018 to 31 December 2019 (continued)

3 Accounting policies (continued)

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 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. 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.

80 George Street Tenant Limited**Notes to the financial statements****For the period from 6 December 2018 to 31 December 2019 (continued)****5 Staff numbers and costs**

Other than its Directors, the Company does not have any employees in the current period. The Company incurred no expenses in regards to its Directors for the period ended 31 December 2019.

No director was a member of a money purchase scheme in the current period.

6 Property, plant and equipment

	Leasehold improvements £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 6 December 2018	-	-	-
Additions	5,568,228	876	5,569,104
Transfers	(1,319,502)	1,319,502	-
At 31 December 2019	<u>4,248,726</u>	<u>1,320,378</u>	<u>5,569,104</u>
Depreciation			
At 6 December 2018	-	-	-
Charge for the period	52,031	51,755	103,786
At 31 December 2019	<u>52,031</u>	<u>51,755</u>	<u>103,786</u>
Carrying amount			
At 31 December 2019	<u>4,196,695</u>	<u>1,268,623</u>	<u>5,465,318</u>

7 Right-of-use assets

	31 December 2019 £
Land and buildings: Right-of-use asset	12,268,177
Less: accumulated depreciation	<u>(452,036)</u>
	<u>11,816,141</u>
 Additions to the right-of-use assets during the period	 <u>12,050,162</u>

80 George Street Tenant Limited**Notes to the financial statements****For the period from 6 December 2018 to 31 December 2019 (continued)****8 Trade and other receivables**

	31 December 2019 £
Amounts falling due within one year	
Trade receivables, net	84,770
Amounts owed by group undertakings	376,404
Prepayments and accrued income	256,805
Social security and other taxes	24,791
	<u>742,770</u>

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

	31 December 2019 £
Amounts falling due after more than one year	
Prepayments and accrued income	<u>85,705</u>

9 Trade and other payables

	31 December 2019 £
Trade payables	100,534
Amounts owed to group undertakings	428,472
Other payables	661,097
Accruals and deferred income	125,793
	<u>1,315,896</u>

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

10 Lease liabilities

	31 December 2019 £
Analysed as:	
Leases due within one year	-
Leases due after more than one year	<u>14,485,534</u>
Total lease liabilities	<u>14,485,534</u>

80 George Street Tenant Limited**Notes to the financial statements****For the period from 6 December 2018 to 31 December 2019 (continued)****10 Lease liabilities (continued)****Lease liabilities maturity analysis**

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

	31 December 2019 £
Within one year	993,259
In two to five years	5,578,575
In over five years	<u>20,438,705</u>
Total undiscounted lease liabilities	<u><u>27,010,539</u></u>

11 Borrowings

	31 December 2019 £
Amounts falling due after more than one year	
Loan payable to group undertakings	<u>3,824,922</u>

The loan payable to group undertakings is unsecured and repayable within 5 years. An interest rate of 2.66% - 2.81% per annum was applicable during the period.

12 Provisions for liabilities

	Dilapidation provision £
At 6 December 2018	-
Revision to estimate of provision during the year	<u>145,848</u>
At 31 December 2019	<u><u>145,848</u></u>

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

13 Called-up share capital and reserves**Authorised, allotted, called-up and not fully paid shares**

	31 December 2019 No.	31 December 2019 £
Ordinary shares of £0.01 each	<u>100</u>	<u>1</u>

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

80 George Street Tenant Limited

Notes to the financial statements

For the period from 6 December 2018 to 31 December 2019 (continued)

13 Called-up share capital and reserves (continued)

Reserves

The Company's other reserves are as follows:

Retained earnings

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

14 Controlling parties

The Company's immediate parent company is WeWork Community Workspace UK Limited, a company incorporated in the United Kingdom and registered in England and Wales. Following the reorganisation of WeWork Companies Inc., which occurred on July 15, 2019, the ultimate parent company and the smallest and the largest group in which the results of the Company are consolidated is WeWork Inc. (previously The We Company), a Delaware corporation registered in the USA. Copies of those statutory accounts are available from:

c/o Legalinx Limited

Tallis House

2 Tallis Street

Temple

London

EC4Y 0AB

Effective 14 October 2020, The We Company changed its name to WeWork Inc.

15 Post reporting date subsequent event

COVID-19:

Subsequent to 31 December 2019, the global outbreak of the COVID-19 pandemic has become a worldwide crisis and as of the date of this report, is still evolving. WeWork Inc. (previously The We Company) as a whole, including its operations in the United Kingdom, is facing a period of uncertainty and expects there will be a material impact on the global demand for our space-as-a-service offering in the short-term, which may adversely affect the 2020 results for the Company. Across WeWork Inc. (previously The We Company) space-as-a-service locations in the United Kingdom as a whole, we have generally experienced, on average, lower than historic occupancy levels, a reduction in new sales volume across both our existing locations and new locations, slower than historic cash collection rates (prompting incremental reserves for receivables to be recorded), lowered credit limits provided by a number of suppliers and an increase in discounts to members. We have also engaged with certain members in the United Kingdom as it relates to COVID-19 related payment deferral programs.

WeWork Inc. (previously The We Company) management has also been proactive in taking steps to mitigate the operational and financial impact of COVID-19 across our business globally and in the United Kingdom through proactive negotiations with landlords using a location-by-location based approach for deferrals and abatements, continued evaluation of costs with the goal of creating a leaner, more efficient organisation, temporarily delaying certain new location openings and the capital investment associated with the expansion of the number of locations and taking steps to reduce spending during this period of disruption in areas such as marketing, professional fees and maintenance capital. This is in addition to significant organic reductions in variable expenses globally such as consumables, utilities, sales commissions and broker referrals among others, related to overall lower business activity. In response to COVID-19, WeWork Inc.'s (previously The We Company's) product, design, technology and member experience teams are also working together to enhance our spaces globally and to help ensure WeWork Inc. (previously The We Company) is prepared to satisfy our members' changing needs for space as they consider a return to work in the coming months. These enhancements include implementing professional distancing standards, de-densifying common areas and reconfiguring offices.

80 George Street Tenant Limited

Notes to the financial statements

For the period from 6 December 2018 to 31 December 2019 (continued)

15 Post reporting date subsequent event (continued)

In determining whether the Company's accounts can be prepared on a going concern basis, the Directors considered WeWork Inc.'s (previously The We Company's) global business activities and cash requirements together with factors likely to affect its performance and financial position, including the current and future anticipated impact of COVID-19. The extent to which COVID-19 could continue to impact WeWork Inc.'s (previously The We Company's) global business and its operations in the United Kingdom depends on future developments, which are uncertain, cannot be predicted and are outside our control, including new information which may quickly emerge regarding the severity of the virus, the scope of the outbreak and the actions to contain the virus or treat its impact and how quickly we can resume normal operations, among others.

Management of WeWork Inc. (previously The We Company) have considered a range of potential scenarios within the key markets the business serves and how these might impact group cash flows. WeWork Inc. (previously The We Company) management also considered what mitigating actions could be taken to limit any adverse consequences. The key judgements in relation to the going concern assessment include the timing of recovery to pre-COVID-19 trading levels and the likelihood and impact of further lockdowns, including their duration and the impact on members' demand in the markets in which WeWork Inc. (previously The We Company) subsidiaries operate. When making these judgements, WeWork Inc. (previously The We Company) management considered trading levels experienced during lock-down and the outlook for the group against their detailed base case scenario. WeWork Inc. (previously The We Company) management have also considered further downside scenarios and the further mitigating actions which could be taken. Based on these assessments, the Directors believe the liquidity position of WeWork Companies LLC and ultimately WeWork Inc. (previously The We Company) will be sufficient to help the Company mitigate the near-term uncertainty associated with COVID-19.

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.