

Registration number: 09696444

No.1 Spinningfields Tenant Limited

Pages for filing with Registrar

For the year ended 31 December 2017



No.1 Spinningfields Tenant Limited

Company information

Directors	Abraham Safdie Anthony Yazbeck
Company secretary	7Side Secretarial Limited
Registered office	c/o Legalinx Limited 1 Fetter Lane London EC4A 1BR
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

No.1 Spinningfields Tenant Limited

Statement of financial position As at 31 December 2017

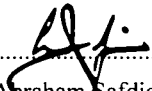
	Note	31 December 2017 £	31 December 2016 £
Non-current assets			
Property, plant and equipment	6	<u>6,076,203</u>	<u>6,000</u>
Current assets			
Trade and other receivables	7	1,779,807	1,206
Cash at bank and in hand		<u>122,626</u>	<u>12,756</u>
		<u>1,902,433</u>	<u>13,962</u>
Total assets		<u>7,978,636</u>	<u>19,962</u>
Current liabilities			
Trade and other payables	8	<u>(4,649,552)</u>	<u>(20,227)</u>
Net current liabilities		<u>(2,747,119)</u>	<u>(6,265)</u>
Total assets less current liabilities		<u>3,329,084</u>	<u>(265)</u>
Non-current liabilities			
Borrowings	9	(3,800,453)	-
Deferred lease liability	10	<u>(671,688)</u>	<u>-</u>
		<u>(4,472,141)</u>	<u>-</u>
Net liabilities		<u>(1,143,057)</u>	<u>(265)</u>
Equity			
Called-up share capital	11	1	1
Retained earnings	11	<u>(1,143,058)</u>	<u>(266)</u>
Total shareholders' deficit		<u>(1,143,057)</u>	<u>(265)</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 income statement for the year ended 31 December 2017.

The financial statements of No.1 Spinningfields Tenant Limited (registration number: 09696444) were approved by the Board of Directors and authorised for issue on 27 September 2018.

They were signed on its behalf by:



 Abraham Safdie
 Director

The notes on pages 3 to 11 form an integral part of these financial statements.

No.1 Spinningfields Tenant Limited

Notes to the financial statements For the year ended 31 December 2017

1 General information

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
1 Fetter Lane
London
EC4A 1BR

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

2 Changes in accounting policy

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2017, 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 and related party transactions.

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

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.

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Notes to the financial statements (continued) For the year ended 31 December 2017

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, which assumes that the Company will continue in operational existence for the foreseeable future, based on the continued support by its parent company. 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 and the Company's available support from its parent.

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.

Revenue

The Company recognises revenue, net of VAT and other discounts, when all of the following conditions are satisfied:

- there is persuasive evidence of an arrangement;
- services have been provided to the member;
- the collection of fees is reasonably assured; and
- the amount of fees to be paid by the members is fixed or determinable.

Revenues associated with memberships on a month-to-month basis are recognised monthly as services are billed; revenues associated with longer term relationships are deferred and recognised pro-rata over the term of the membership.

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 other 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 net profit 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 year.

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Notes to the financial statements (continued) For the year ended 31 December 2017

3 Accounting policies (continued)

Tax (continued)

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 balance sheet 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 profit or loss, other than when they relate to items that are recognised in other comprehensive income or directly in equity. In such circumstance, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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 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

Leasehold improvements
Furniture, fittings and equipment

Depreciation rate

Shorter of term of lease or useful life
3 - 7 years

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Notes to the financial statements (continued) For the year ended 31 December 2017

3 Accounting policies (continued)

Property, plant and equipment (continued)

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. In evaluating an asset for recoverability, the Company considers the future cash flows expected to result from the use of the asset and the eventual disposition of the asset. If the sum of the expected future cash flows, on an undiscounted basis, 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 year ended 31 December 2017.

Trade receivables

Trade 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 recognised initially at the transaction price. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less from the date of purchase.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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.

Leases

The Company leases property for its collaborative workspaces. The lease agreement contains tenant improvement allowances, rent holidays, brokerage commissions received for negotiating the Company's leases, rent escalation clauses and contingent rent provisions. The lease agreement, which includes additional costs and adjustments as permitted by FRS 101, qualifies as an operating lease and the Company recognises the associated rent expense on a straight-line basis over the term of the lease beginning on the date of initial possession, which is when the Company entered the space and began to make improvements in preparation for intended use.

Tenant improvement allowances, rent holidays, brokerage commissions and rent escalation clauses are factored into the calculation of the deferred rent liability in order to record rent expense on a straight-line basis. The deferred rent liability is recorded within non-current liabilities on the consolidated balance sheet.

Costs to acquire the lease were capitalised and recorded under leasehold improvements in the balance sheet, and amortized on a straight-line basis over the term of the lease as an increase to the depreciation expense.

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Notes to the financial statements (continued) For the year ended 31 December 2017

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 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 below), 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 financial statements.

Operating lease commitments

The Company has entered into commercial property leases as lessee on its lease property portfolio and as a lessee it obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

5 Staff costs

Other than its Directors, the Company does not have any employees in the current year (period ended 31 December 2016: none). The Company incurred no expenses in regards to its Directors for the year to 31 December 2017 (period ended 31 December 2016: £nil).

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

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Notes to the financial statements (continued) For the year ended 31 December 2017

6 Property, plant and equipment

	Leasehold improvements £	Furniture, fittings and equipment £	Total £
Cost			
At 1 January 2017	6,000	-	6,000
Additions	<u>4,630,024</u>	<u>1,480,726</u>	<u>6,110,750</u>
At 31 December 2017	<u>4,636,024</u>	<u>1,480,726</u>	<u>6,116,750</u>
Depreciation			
At 1 January 2017	-	-	-
Charge for the year	<u>20,831</u>	<u>19,716</u>	<u>40,547</u>
At 31 December 2017	<u>20,831</u>	<u>19,716</u>	<u>40,547</u>
Carrying amount			
At 31 December 2017	<u>4,615,193</u>	<u>1,461,010</u>	<u>6,076,203</u>
At 31 December 2016	<u>6,000</u>	<u>-</u>	<u>6,000</u>

7 Trade and other receivables

	31 December 2017 £	31 December 2016 £
Trade receivables	41,750	-
Amounts owed by group undertakings	192,659	6
Other receivables	299	-
Prepayments and accrued income	645,412	-
Social security and other taxes	<u>899,687</u>	<u>1,200</u>
	<u>1,779,807</u>	<u>1,206</u>

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

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Notes to the financial statements (continued) For the year ended 31 December 2017

8 Trade and other payables

	31 December 2017 £	31 December 2016 £
Trade payables	123,495	-
Amounts owed to group undertakings	3,655,169	20,227
Other payables	450,700	-
Accruals and deferred income	420,188	-
	<u>4,649,552</u>	<u>20,227</u>

The amounts owed to group undertakings are unsecured, interest free and payable on demand.

9 Borrowings

	31 December 2017 £	31 December 2016 £
Amounts falling due after more than one year		
Loan payable to group companies	<u>3,800,453</u>	<u>-</u>

The loan payable to group companies is unsecured and repayable within 2-5 years. An interest rate of 1.985% per annum was applicable during the year (period ended 31 December 2016: 2.6 - 3.1%).

10 Deferred lease liability

	31 December 2017 £	31 December 2016 £
Deferred lease liability	<u>671,688</u>	<u>-</u>

The deferred lease liabilities relates to the impact of recognising leasehold incentives on a straight-line basis over the period of the lease.

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Notes to the financial statements (continued) For the year ended 31 December 2017

11 Called-up share capital and reserves

Authorised, allotted, called-up and fully paid shares

	31 December 2017 No.	31 December 2017 £	31 December 2016 No.	31 December 2016 £
Ordinary shares of £0.01 each	<u>100</u>	<u>1</u>	<u>100</u>	<u>1</u>

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 account represents cumulative profits or losses and other adjustments.

12 Commitments and contingencies

Operating leases

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	1,238,991	-
In two to five years	6,552,564	-
In over five years	<u>26,675,649</u>	<u>-</u>
	<u>34,467,204</u>	<u>-</u>

Contingent asset

The Company is entitled to a reimbursement of certain costs subject to fulfilling the terms of its lease agreement. These reimbursements are not recorded as a receivable as of 31 December 2017 as the Company has not yet fulfilled all contractual obligations. As a result, due to the uncertainties involved and the nature of this work, it is not practical to estimate these amounts at the year end date.

13 Post balance sheet events

There were no significant events after the balance sheet date.

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Notes to the financial statements (continued) For the year ended 31 December 2017

14 Controlling parties

In the opinion of the Directors, the Company's immediate parent company is WeWork International Limited, a company incorporated in the United Kingdom and registered in England and Wales. This is the smallest and largest group in which the results of the Company are consolidated. Copies of those statutory accounts will be available from its registered office, c/o Legalex Limited, 1 Fetter Lane, London, EC4A 1BR.

Subsequently, the ultimate parent of WeWork International Limited is WeWork Companies Inc., a Delaware corporation registered in the USA.

15 Audit report

As the income statement 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.