

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
COMPANY REGISTRATION NO. 10303493**

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**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
COMPANY INFORMATION**

Directors

During the year and up to the date of signing of the Financial Statements, the Directors who held the office were as follows:

Wendy Jane Patterson (resigned 30 September 2020)
Simon Derwood Auston Drewett (appointed 30 September 2020)
Paul Justin Windsor
Neil David Townson
Bruno Chibuzo Obasi

Secretary

Crestbridge UK Limited
8 Sackville Street
London
W1S 3DG

Independent Auditor

Ernst & Young LLP, Statutory Auditor
2 St Peter's Square
Manchester
M2 3EY

Solicitors

Shoosmiths LLP
XYZ Building
Hardman Boulevard
Manchester
M5 3AZ

Registered Office

8 Sackville Street
London
W1S 3DG

Registration number

10303493

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Report of the Directors

The Directors of First Street Manchester Retail Opco Limited ("the Company") present their annual report and the audited financial statements (the "Financial Statements") for the year ended 31 December 2020.

Incorporation

The Company was incorporated on 29 July 2016. The Company is a private company, limited by shares.

Principal activities

The principal activities of the Company is that of property management and rental of student accommodation.

Results and dividends

The results for the year are set out in the Statement of Comprehensive Income on page 8. The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2020 (2019: £nil).

Directors

Details of the Directors are disclosed on page 1.

Statement of Directors' responsibilities

The Directors are responsible for preparing Financial Statements for the year which give a true and fair view, in accordance with applicable United Kingdom Law and International Accounting Standards in conformity with the requirements of the Companies Act 2006, of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have complied with the above requirements throughout the year and subsequently.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the Financial Statements comply with United Kingdom Company Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud error and non compliance with law and regulations.

Going concern

The Directors have at the time of approving these accounts for the year ended 31 December 2020, considered the going concern of the Company.

The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern until 31 October 2022.

The Company has continuing support from Swift Newco B Limited, which is the ultimate controlling party, to enable it to continue operating and meet its liabilities as they fall due. Swift Newco B Limited has agreed to provide sufficient funds to the company for these purposes if required.

The Directors have therefore concluded that there is a reasonable expectation that the Company will have adequate resources to meet its liabilities as they fall due and continue in operational existence for a period to the end of 31 October 2022. The Financial Statements have therefore been prepared on a going concern basis.

Further details are included in note 3b.

COVID-19

COVID-19, which is a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had a significant impact on global economies and equity, debt and commodity markets. The Company has considered the impact of COVID-19 and other market volatility in preparing its Financial Statements.

While the specific areas of judgement did not change, the impact of COVID-19 resulted in the application of further judgement within those identified areas. Given the dynamic and evolving nature of COVID-19 and limited recent experience of the economic and financial impacts of such a pandemic, changes to the estimates and outcomes that have been applied in the measurement of the Company's assets and liabilities may arise in the future.

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

COVID-19 (continued)

As a consequence of COVID-19 and in preparing these Financial Statements, the Directors have:

- re-evaluated whether there were any additional areas of judgement or estimation uncertainty beyond what has been disclosed
- reviewed external market communications to identify other COVID-19 related impacts
- reviewed public forecasts and experience from previous downturns
- conducted several internal processes to ensure consistency in the application of the expected impact of COVID-19 across all asset classes
- assessed the carrying values of its assets and liabilities and determined the impact thereon as a result of market inputs and variables impacted by COVID-19
- considered the impact of COVID-19 on the Company's financial statement disclosures

The Directors have concluded that there were no material matters that needed to be disclosed as a result of COVID-19.

Disclosure of information to independent auditor

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors confirm that they have complied with the above requirements throughout the year and subsequently.

Independent auditor

Ernst & Young LLP, Statutory Auditor, were appointed as the independent auditor to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put forward at the Annual General Meeting.

Secretary

The Secretary of the Company, Crestbridge UK Limited were appointed on 23 September 2019.

Qualifying third party indemnity provisions

During the year and up to the date of this report there has been no qualifying third party provision in place for the benefit of any Directors (2019: £nil).

Political contributions

The Company made no political donation during the year ended 31 December 2020 (2019: £nil).

Small companies' note

In accordance with section 414B of the Companies Act 2006, the Company have taken advantage of the small companies exemption in relation to the Strategic Report.

Approved by the Board of Directors on 28 September 2021.

DocuSigned by:

Paul Windsor

Mr P J Windsor

Director

Date: 28/9/2021

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Opinion

We have audited the Financial Statements of First Street Manchester Retail Opco Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to the end of 31 October 2022 from when the Financial Statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 there is 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 Directors' report for the financial period for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities statement set out on page 2, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how First Street Manchester Retail Opco Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation and minutes of meetings of those charged with governance.
- We assessed the susceptibility of the company's Financial Statements to material misstatement, including how fraud might occur by considering the risk of management override and assuming incorrect revenue recognition to be a fraud risk and, in particular, incorrect revenue recognition at year end. We tested a sample of transactions to a lower testing threshold back to source documentation in the period around the year end. We also performed substantive analytical review and built expectations regarding the amount of revenue which should be recognized in the period ended 31 December 2020 and performed three-way correlation among revenue, deferred income and cash. In addition, we considered the risk of management override by sampling from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria and investigated these to gain an understanding and then agree back to source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved verifying that material transactions were recorded in compliance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

A further description of our responsibilities for the audit of the Financial Statements is located at the Financial Reporting Council's website at: <https://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.

Ernst & Young LLP

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Tehseen Ali (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
2 St Peter's Square
Manchester
M2 3EY


29.9.2021

FIRST STREET MANCHESTER RETAIL OPCO LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| | Notes | 2020 £ | 2019 £ |
|-------------------------------------|-------|-----------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Trade and other receivables | 7 | 53,999 | 53,999 |
| | | <u>53,999</u> | <u>53,999</u> |
| Current assets | | | |
| Trade and other receivables | 7 | 23,979 | 33,968 |
| Cash and cash equivalents | 8 | 52,869 | - |
| | | <u>76,848</u> | <u>33,968</u> |
| Total assets | | <u><u>130,847</u></u> | <u><u>87,967</u></u> |
| EQUITY | | | |
| Shareholder's equity | | | |
| Called up share capital | 10 | 100 | 100 |
| Accumulated losses | | (32,357) | (24,699) |
| Total equity | | <u>(32,257)</u> | <u>(24,599)</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 9 | 163,104 | 112,566 |
| | | <u>163,104</u> | <u>112,566</u> |
| Total liabilities | | <u>163,104</u> | <u>112,566</u> |
| Total equity and liabilities | | <u><u>130,847</u></u> | <u><u>87,967</u></u> |

These Financial Statements have been prepared with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

These Financial Statements were approved and authorised for issue by the Board of Directors on 28 September 2021 and were signed on its behalf by:

DocuSigned by:

 Mr P J Windsor

Director

Date: 28/9/2021

Company Registration Number: 10303493

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Notes | 2020 £ | 2019 £ |
|---|-------|-----------------------|------------------------|
| Income | | | |
| Rental income | | <u>26,254</u> | <u>21,974</u> |
| | | 26,254 | 21,974 |
| Expenses | | | |
| Head rent | | - | (16,428) |
| Audit fees | 16 | (14,249) | (10,061) |
| Accountancy fees | 14 | (12,250) | (9,150) |
| Professional fees | 14 | <u>(7,170)</u> | <u>(4,037)</u> |
| | | (33,669) | (39,676) |
| Finance costs - net | | (243) | - |
| Loss before income tax | | <u>(7,658)</u> | <u>(17,702)</u> |
| Income tax expense | 6 | - | - |
| Loss and total comprehensive loss for the year | | <u><u>(7,658)</u></u> | <u><u>(17,702)</u></u> |

All items dealt with in arriving at the loss for the year attributable to the equity holder of the Company relate to continuing operations.

There are no items related to other comprehensive income.

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Called up share capital £ | Accumulated losses £ | Total equity £ |
|---|--|-------------------------------------|---------------------------|
| Balance as at 1 January 2019 | 100 | (6,997) | (6,897) |
| Total comprehensive loss for the year | - | (17,702) | (17,702) |
| Total comprehensive loss for the year ended 31 December 2019 | - | (17,702) | (17,702) |
| Balance as at 31 December 2019 | 100 | (24,699) | (24,599) |

| | Called up share capital £ | Accumulated losses £ | Total equity £ |
|---|--|-------------------------------------|---------------------------|
| Balance as at 1 January 2020 | 100 | (24,699) | (24,599) |
| Total comprehensive loss for the year | - | (7,658) | (7,658) |
| Total comprehensive loss for the year ended 31 December 2020 | - | (7,658) | (7,658) |
| Balance as at 31 December 2020 | 100 | (32,357) | (32,257) |

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | | 2020 | 2019 |
|---|--------------|-------------------|--------------|
| | Notes | £ | £ |
| Cash flows from operating activities | | | |
| Cash generated from operations | 12 | 52,869 | - |
| Net cash generated from operating activities | | <u>52,869</u> | <u>-</u> |
| Net increase in cash and cash equivalents | | 52,869 | - |
| Cash and cash equivalents at the beginning of the year | | - | - |
| Cash and cash equivalents at the end of the year | | <u>52,869</u> | <u>-</u> |

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

First Street Manchester Retail Opco Limited (the 'Company') is a limited liability company whose principal place of business is at 8 Sackville Street, London, United Kingdom, W1S 3DG and was incorporated and domiciled in the United Kingdom. These audited Financial Statements have been approved for issue by the Board of Directors on 28 September 2021.

2. Statement of compliance

The Financial Statements of the Company have been prepared in compliance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

3. 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 throughout the periods presented, unless otherwise stated.

(a) Basis of preparation

The Financial Statements are prepared on a going concern basis, under the historical cost convention, unless otherwise stated in the accounting policies below.

Critical accounting estimates

The preparation of the Financial Statements in conformity with generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumption and estimates are significant to the Financial Statements are disclosed in note 7.

(b) Going concern

The Directors have considered the financial position and future prospects of the Company.

The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern until 31 October 2022.

The Company has continuing support from Swift Newco B Limited, which is the ultimate controlling party, to enable it to continue operating and meet its liabilities as they fall due. Swift Newco B Limited has agreed to provide sufficient funds to the company for these purposes if required.

The Directors have therefore concluded that there is a reasonable expectation that the Company will have adequate resources to meet its liabilities as they fall due and continue in operational existence for a period to the end of 31 October 2022. The Financial Statements have therefore been prepared on a going concern basis.

(c) New accounting standards and interpretations

(i) New standards and interpretations adopted by the Company

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020, as set out below:

Change in Standard or Interpretation

Amendments to IFRS 3: Definition of a Business
Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform
Amendments to IAS 1 and IAS 8: Definition of Material
Amendments to IFRS 16: Covid-19 Related Rent Concessions
Conceptual Framework for Financial Reporting issued on 29 March 2018

The amendments noted above do not have a significant impact on the Company's Financial Statements.

(ii) New standards and interpretations not yet effective

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective as they are not considered to have a material impact on the Company's Financial Statements.

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Summary of significant accounting policies (continued)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The Financial Statements are presented in Pound Sterling ("£"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(e) Financial instruments

(i) Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value, and
- those to be measured at amortised cost.

| Financial assets | Classification / Measurement |
|------------------------------|-------------------------------------|
| Trade and other receivables | Amortised cost |
| Cash and cash equivalents | Amortised cost |
| Financial liabilities | |
| Trade and other payables | Amortised cost |

The classification depends on the Company's business model for managing the financial instruments and the contractual terms of the cash flows.

Assets measured at fair value are Financial Assets at Fair Value through Profit or Loss (FVPL) and Financial Assets at Fair Value through Other Comprehensive Income (FVOCI), gains and losses of which will be recorded in profit or loss or OCI respectively. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Company reclassifies debt investments, if any, when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

(iii) Subsequent measurement of financial assets

Subsequent measurement of trade and other receivables depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Statement of Comprehensive Income.

(iv) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

(iv) Impairment (continued)

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(f) Revenue recognition

Revenue is recognised as follows:

(i) Rental income

The Company's rental revenue is generated through operating leases, which provide tenants a right to use the underlying asset and require the Company to provide common area maintenance and other services. The Company exercises judgment in determining which of its revenue streams that arise from lease agreements are in the scope of IFRS 15 and which are not. Specifically, the Company considers whether a revenue stream related to a lease agreement is for the lease of an asset ("lease component") or is for the provision of a distinct service ("non-lease component"). Base rents and recoveries for insurance and operating costs that are not incurred in connection with tenant services are allocated to the lease component and accounted for pursuant to IAS 17, Leases, while recoveries for operating costs incurred in connection with tenant services, such as common area maintenance recoveries and other administrative recoveries, are considered to be non-lease components and accounted for within the scope of IFRS 15.

Revenue from base rents is recognised on a straight-line basis over the lease term and is net of amortisation of lease incentives provided to tenants. Lease incentives are accounted for in accordance with SIC Interpretation 15 'Operating Leases - Incentives' ("SIC 15") over the lease term as an adjustment to rental income.

Recoveries of operating costs for lease components are recognised in the period in which the related operating costs are incurred and recoverable under the lease agreement. Revenue from services rendered to tenants are recognised as the performance obligations are satisfied over time as they are provided during the period of occupancy and only to the extent that it is highly probable that a significant amount of the cumulative revenue recognised for a contract will not be reversed. Surrender premiums received by the Company following the break of a lease are recognised as rental income to the extent that there are no obligations directly related to that surrender, for example where the payment is received in relation to dilapidations.

(g) Current and deferred income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in OCI or in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**FIRST STREET MANCHESTER RETAIL OPCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Summary of significant accounting policies (continued)

(g) Current and deferred income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(h) Expenses

All expenses are accounted for on an accruals basis. Property operating expenses are expensed as incurred and any property operating expenditure not recovered by tenants through service charge is charged through the Statement of Profit and Loss and other comprehensive income as incurred.

(i) Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, and highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

(j) Called up share capital

Ordinary shares are classified as equity.

4. Critical accounting estimates and judgements

The preparation of the Company's Financial Statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Although these estimates are based on the Directors' best knowledge of the events and amounts involved, actual results ultimately may differ from these estimates.

The Directors have made the following judgements, which have the most significant effect on the amounts recognised in the Company's financial information:

(a) Lease agreements

Although a lease agreement is in place between the Company (the lessor) and The Laundrette Manchester First Street Limited (the "lessor") which specifies the particular asset, terms of arrangement is such that the Company does have the economic benefit of (and in turn the right to use) that asset as it is the Company who would ultimately be benefiting both economically and commercially. Further, the substance of the arrangement is such that the substantive right to substitute the asset throughout the period of use lies with the Company.

This also covers any ground lease ("peppercorn") arrangements between the Company and the lessee. Therefore, it is concluded that the lease arrangement between the Company and the lessee does not contain a "lease", hence there is no IFRS 16 impact.

5. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies employed to manage these risks are discussed below.

(a) Capital management

The Company's objectives in managing its capital are to provide returns to the shareholders by operating the business at a predetermined optimal level, by ensuring the present revenue stream from operation continues to increase and by effectively collecting its receivables as agreed with debtors.

At a subsidiary level capital is defined as Equity as showing in the Statement of Financial Position. Dividends are paid provided adequate resources remain to sustain the Company's development.

FIRST STREET MANCHESTER RETAIL OPCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Financial risk management (continued)

(b) Market risk

The Company's exposure to market risk is comprised of the following risks:

(i) Foreign exchange risk

As at the year end, the Company is not exposed to material foreign exchange risk, as the majority of the Company's transactions are in Pound Sterling which is the Company's functional and presentation currency. It is also the Company's policy not to enter into any currency hedging transactions.

(ii) Price risk

The Company is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

(iii) Cash flow and fair value interest rate risk

The Company does not have any liabilities which are exposed to external risk factors, such as interest rate movements, for this reason, the Directors do not believe that it is appropriate to complete a sensitivity analysis.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Due to the nature of these receivables management does not consider the credit risk on these receivables to be high.

Exposure to credit risk

The carrying value of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

| | 2020 £ | 2019 £ |
|-----------------------------|-----------|-----------|
| Trade and other receivables | 76,203 | 86,192 |

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by regular reviews of forecast cash flows in line with contractual maturities of financial liabilities and credit facilities available. Forecast cash flows are reported to the Directors on a regular basis.

A summary table with maturity of financial liabilities presented below is used by Directors to manage liquidity risks:

As at 31 December 2020

| | On demand | Less than 1 year | 1 - 5 years | Over 5 years | Total |
|--------------------------|-----------|---------------------|-------------|--------------|---------|
| | £ | £ | £ | £ | £ |
| Liabilities | | | | | |
| Trade and other payables | | 163,104 | - | - | 163,104 |
| | - | 163,104 | - | - | 163,104 |

As at 31 December 2019

| | On demand | Less than 1 year | 1 - 5 years | Over 5 years | Total |
|--------------------------|-----------|---------------------|-------------|--------------|---------|
| Liabilities | | | | | |
| Trade and other payables | | 112,566 | - | - | 112,566 |
| | - | 112,566 | - | - | 112,566 |

The amounts disclosed in the tables above are the contractual undiscounted cashflows.

FIRST STREET MANCHESTER RETAIL OPCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Income tax expense

The corporation tax is calculated at a rate of 19% (2019: 19%) of taxable profit for the year.

| | 2020 | 2019 |
|--|------|------|
| | £ | £ |
| UK corporation tax | | |
| Current tax on taxable profit for the year | - | - |
| Deferred tax | - | - |
| Current tax recovery | - | - |

The charge for the period can be reconciled to the profit per the income statement as follows:

| | 2020 | 2019 |
|--------------------------------------|---------|----------|
| | £ | £ |
| Loss before income tax | (7,658) | (17,702) |
| Tax calculated at 19% (2019: 19%) | (1,455) | (3,363) |
| Effects of: | | |
| Non deductible expenses | - | 31 |
| Effects of group relief/other relief | 1,455 | 3,332 |
| | - | - |

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% (2019 – 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. If the company's deferred tax balances at the period end were remeasured at 25% this would result in a deferred tax charge of £nil.

7. Trade and other receivables

| | 2020 | 2019 |
|---|--------|--------|
| | £ | £ |
| Non-current | | |
| DWS Grundbesitz GmbH for Grundbesitz Europa | 34,397 | 34,397 |
| DWS Grundbesitz GmbH for Grundbesitz global | 6,804 | 6,804 |
| DWS Alternatives GmbH for GREF | 7,290 | 7,290 |
| DWS Alternatives GmbH for ECIII | 5,508 | 5,508 |
| | 53,999 | 53,999 |
| Current | | |
| Trade receivables | 9,855 | 19,710 |
| Prepayments | 1,775 | 1,775 |
| Accrued income | 5,881 | 12,483 |
| VAT receivable | 4,418 | - |
| Amounts due from First Street Manchester Opco Limited | 2,050 | - |
| | 23,979 | 33,968 |
| | 77,978 | 87,967 |

As at 31 December 2020 there was no provision for expected credit losses (2019: £nil).

For terms and conditions relating to related party receivables, refer to Note 14.

FIRST STREET MANCHESTER RETAIL OPCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Cash and cash equivalents

| | 2020 £ | 2019 £ |
|--------------|---------------|-----------|
| Cash at bank | 52,869 | - |
| | <u>52,869</u> | <u>-</u> |

9. Trade and other payables

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Trade payables | 9,630 | 13,554 |
| Amount owed to First Street Manchester Propco Limited | 128,915 | 73,883 |
| Accruals and deferred income | 24,559 | 24,101 |
| VAT liability | - | 1,028 |
| | <u>163,104</u> | <u>112,566</u> |

For terms and conditions relating to related party payables, refer to Note 14.

10. Called up share capital

| | 2020 £ | 2019 £ |
|---|------------|------------|
| Ordinary Shares | | |
| <i>Authorised</i> | | |
| 100 (2019: 100) ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| <i>Allotted, called up and unpaid</i> | | |
| Issued 100 (2019: 100) ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Total issued capital | <u>100</u> | <u>100</u> |

11. Reserves

The following describes the nature and purpose of each reserve within equity:

| Reserve | Description and purpose |
|--------------------|--|
| Share capital | The number of shares issued and fully paid. |
| Accumulated losses | All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere. |

12. Reconciliation of loss before income tax to cash generated from operations

| | 2020 £ | 2019 £ |
|---|---------------|-----------|
| Loss before income tax | (7,658) | (17,702) |
| Movement in trade and other receivables | 8,961 | (61,726) |
| Movement in trade and other payables | 51,566 | 79,428 |
| Cash generated from operations | <u>52,869</u> | <u>-</u> |

13. Employees and Directors

There were no staff costs for the year ended 31 December 2020 (2019: £nil).

The company has no employees (2019: nil).

The Directors did not receive any remuneration during the year (2019: £nil).

FIRST STREET MANCHESTER RETAIL OPCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Related party disclosures

The Directors consider Swift Propco Holdings Limited and all of its subsidiaries and joint ventures to be related parties of the Company.

The following balances with related parties existed at the year end:

| | 2020 £ | 2019 £ |
|---|-----------------|-----------------|
| DWS Grundbesitz GmbH for Grundbesitz Europa | 34,397 | 34,397 |
| DWS Grundbesitz GmbH for Grundbesitz global | 6,804 | 6,804 |
| DWS Alternatives GmbH for GREF | 7,290 | 7,290 |
| DWS Alternatives GmbH for ECIII | 5,508 | 5,508 |
| First Street Manchester Propco Limited | (128,915) | (73,883) |
| | <u>(74,916)</u> | <u>(19,884)</u> |

A negative balance indicates an amount payable by the Company. A positive balance indicates an amount receivable by the Company.

All related party balances are unsecured and all transactions are carried out on an arm's length basis.

Crestbridge UK Limited (CBUK) acted as administrator to the Company during the period from appointment on 23 September 2019 to the year end. CBUK is a related party as Directors of the Company were also employees of CBUK. Accounting fees of £12,250 (2019: £9,150) and administration fees of £7,140 (2019: £3,872) were charged during the year and £9,630 (2019: £13,022) were outstanding at the year end.

15. Ultimate controlling party

The immediate parent undertaking is First Street Manchester Propco Limited and the ultimate controlling party is Swift Newco B Limited. Swift Newco B Limited is owned by DWS Grundbesitz GmbH (76.3%) and DWS Alternatives GmbH (23.7%). Both DWS Grundbesitz GmbH and DWS Alternatives GmbHs are limited liability companies incorporated in Germany, and operating under German law, and the registered address is Mainzer Landstrasse 11-17, 60329 Frankfurt am Main.

The largest and smallest Group in which the results of the Company were consolidated is that headed by Swift Newco B Limited, incorporated in the UK. The consolidated financial statements of this company are available to the public and may be obtained from The Registrar of Companies House, Cardiff, CF4 3UZ.

16. Audit fees

During the year, the Company accrued audit fees of £10,200 (2019: £7,940) of which £10,200 (2019: £7,940) was outstanding at the year end.

The auditor also performed non-audit services, including agreed upon procedures of which £2,450 (2019: £2,121) was charged and £2,450 was outstanding at the year end (2019: £2,121).

17. Events after the end of reporting year

There were no events up to date of signing of these Financial Statements.