

NEWCO (FIRST STREET) 2 LIMITED
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
COMPANY REGISTRATION NO. 10304085



**NEWCO (FIRST STREET) 2 LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2019**

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NEWCO (FIRST STREET) 2 LIMITED
COMPANY INFORMATION

Directors

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

Wendy Jane Patterson (appointed 14 August 2019 and resigned 30 September 2020)
Paul Justin Windsor (appointed 14 August 2019)
Christopher Mark Dawson (resigned 14 August 2019)
Mark David Stott (resigned 14 August 2019)
Michael Keith Slater (resigned 14 August 2019)
Giles Peter Beswick (resigned 14 August 2019)

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

Registered Office

8 Sackville Street
London
W1S 3DG

Registration number

10304085

**NEWCO (FIRST STREET) 2 LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Report of the Directors

The Directors of Newco (First Street) 2 Limited (the "Company") present their annual report and the audited Financial Statements (the "Financial Statements") for the year ended 31 December 2019.

Incorporation

The Company was incorporated on 29 July 2016 and commenced activities on 29 July 2016. The Company is a holding company and is registered under the provisions of United Kingdom Company Law.

The Company is a private company, limited by shares.

Principal activities

The principal activities of the Company is to invest indirectly in UK real estate through its investment in

Results and dividends

The results for the year are set out in the Statement of Comprehensive Income on page 7. The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2019 (2018: £nil).

Directors

The following persons were Directors of the Company during the year and up to the date of this report:

Wendy Jane Patterson (appointed 14 August 2019 and resigned 30 September 2020)

Paul Justin Windsor (appointed 14 August 2019)

Christopher Mark Dawson (resigned 14 August 2019)

Mark David Stott (resigned 14 August 2019)

Michael Keith Slater (resigned 14 August 2019)

Giles Peter Beswick (resigned 14 August 2019)

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 Financial Reporting Standards as adopted by the European Union, 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 received written confirmation of financial support, from the ultimate parent undertaking, for a period of 12 months from the date of approval of these consolidated financial statements.

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and exposures to risks and uncertainties. The Company has access to the considerable financial resources of its ultimate Parent.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and concluded there are no material uncertainties. Accordingly, they continue to adopt the Going Concern basis in preparing these consolidated financial statements.

**NEWCO (FIRST STREET) 2 LIMITED
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Subsequent events

As at 31 December 2019, a limited number of cases of an unknown virus had been reported to the World Health Organisation ("WHO"). Following the subsequent spread of the virus, on 11 March 2020 the WHO declared COVID-19 outbreak to be a pandemic. The identification of the virus post 31 December 2019 as a new coronavirus, and its subsequent spread, is considered a non-adjusting event. The fair value of investments as at 31 December 2019 reflects conditions known as at that date and do not factor in the effect of COVID-19 on those valuations. As at the date of this report, it is not possible to reliably estimate the financial effect (if any) of the virus on the fair value of its investments. Further details are included in note 18 to the Financial Statements.

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

Independent auditor

The 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 the 23rd September 2019. Giles Beswick resigned as Secretary of the Company on 14 August 2019.

Qualifying third party indemnity provisions

The Company made no qualifying third party indemnity provisions for the benefit of the Directors during the year ended 31 December 2019 (2018: £nil).

Political contributions

The Company made no political contributions during the year ended 31 December 2019 (2018: £nil).

Small companies' note

In accordance with Section 414B of the Companies Act 2006, the company has taken advantage of the small companies exemption in relation to the Strategic Report.

Approved by the board of Directors on 22 January 2021.

DocuSigned by:
Paul Windsor

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Mr P J Windsor

Director

Date: 22/1/2021

**NEWCO (FIRST STREET) 2 LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Opinion

We have audited the Financial Statements of Newco (First Street) 2 Limited (the 'Company') for the year ended 31 December 2019 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 Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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

Emphasis of matter – Effects of COVID-19

We draw attention to note 18 of the financial statements which describes the potential financial impact of the fair value of its investments and economic disruption the group may face as a result of COVID-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Directors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

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.

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.

In connection with our audit of the Financial Statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

**NEWCO (FIRST STREET) 2 LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 Statement of Directors' Responsibilities, 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 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.

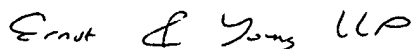
Auditor's responsibilities for the audit of the Financial Statements

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.

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

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.



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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

Date : 24/01/2021

NEWCO (FIRST STREET) 2 LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
ASSETS			
Non-current assets			
Investment in subsidiary	7	749,315	30,150
Deferred tax asset	6	82	-
		<u>749,397</u>	<u>30,150</u>
Current assets			
Trade and other receivables	8	11,394,862	10,972,077
		<u>11,394,862</u>	<u>10,972,077</u>
Total assets		<u>12,144,259</u>	<u>11,002,227</u>
EQUITY			
Shareholder's equity			
Called up share capital	11	738,968	100
Accumulated losses		<u>(33,416)</u>	<u>(5,806)</u>
Total equity		<u>705,552</u>	<u>(5,706)</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	11,438,707	11,007,933
		<u>11,438,707</u>	<u>11,007,933</u>
Total liabilities		<u>11,438,707</u>	<u>11,007,933</u>
Total equity and liabilities		<u>12,144,259</u>	<u>11,002,227</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.

The Financial Statements were approved and authorised for issue by the Board of Directors on 22 January 2021 and were signed on its behalf by:

DocuSigned by:

Paul Windsor

MP P J Windsor

Director

Date: 22/1/2021

Company Registration Number: 10304085

NEWCO (FIRST STREET) 2 LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Expenses			
Administrative expenses	15	(4,239)	-
Audit fees	17	(12,473)	(2,000)
Professional fees	15	(10,980)	(913)
Operating loss		<u>(27,692)</u>	<u>(2,913)</u>
Finance costs - net			
Finance costs	5	(1,090,205)	(1,476,292)
Finance income	5	<u>1,090,205</u>	<u>1,476,292</u>
		-	-
Loss before income tax		(27,692)	(2,913)
Income tax recovery	6	82	-
Loss and total comprehensive loss for the year		<u>(27,610)</u>	<u>(2,913)</u>

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

There are no items related to other comprehensive income.

NEW CO (BIRMINGHAM) 2 LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31 2019

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 January 2018	100	(2,893)	(2,793)
Total comprehensive loss for the year	-	(2,913)	(2,913)
Total comprehensive loss for the year ended 31 December 2018	<u>100</u>	<u>(5,806)</u>	<u>(5,706)</u>
Balance at 31 December 2018	<u>100</u>	<u>(5,806)</u>	<u>(5,706)</u>

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 January 2019	100	(5,806)	(5,706)
Total comprehensive loss for the year	-	(27,610)	(27,610)
Total comprehensive loss for the year ended 31 December 2019	<u>100</u>	<u>(33,416)</u>	<u>(33,316)</u>
Transactions with owners			
Issue of ordinary share capital	738,868	-	738,868
Balance at 31 December 2019	<u>738,968</u>	<u>(33,416)</u>	<u>705,552</u>

NEWCO (FIRST STREET) 2 LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	13	(19,704)	-
Net cash (used in) operating activities		<u>(19,704)</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issue of share capital	11	738,868	-
Net cash generated from financing activities		<u>738,868</u>	<u>-</u>
Cash flows from investing activities			
Investment in subsidiary	7	(719,164)	-
Net cash used in investing activities		<u>(719,164)</u>	<u>-</u>
Change in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		<u>-</u>	<u>-</u>

**NEWCO (FIRST STREET) 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Newco (First Street) 2 Limited (the 'Company') carries out the business of investing indirectly in UK real estate through its investment in subsidiaries. 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 22 January 2021.

2. Statement of compliance

The Financial Statements of the Company have been prepared in compliance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union applicable to companies reporting under IFRS and 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.

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. There are no significant estimates or assumptions used in preparing these Financial

(b) Going concern

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.

The Company has continuing support from DWS Grunbesitz GmbH and DWS Alternatives GmbH who are the ultimate controlling parties, to enable it to continue operating and meet its liabilities as they fall due. DWS Grunbesitz GmbH and DWS Alternatives GmbH have 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 the foreseeable future, being twelve months from the date of this report. 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 adopted the following new accounting standards, effective 1 January 2019. These standards were adopted in accordance with their respective transitional provisions as described below, but had no impact.

IFRS 16 - Leases

In January 2016, IFRS 16, Leases ("IFRS 16") was issued. The standard identifies a lease as a contract conveying the right to control the use of an asset for a period of time, in exchange for consideration. Control is defined as the right to direct the assets use and obtain substantially all the economic benefit from its use. Under IFRS 16 most leases on the Financial Statements of lessees are recorded on the statement of financial position under a single model, eliminating the distinction between operating and finance leases. Lessees recognise a right-of-use asset and lease liability. The right of use asset is treated similarly to other non-financial assets and depreciated. The lease liability is measured as the present value of the lease payments payable over the lease term. Lessor accounting remains largely unchanged. The standard is effective for annual periods beginning on or after 1 January 2019 with early adoption permitted. The Company has no arrangements in place which have an IFRS 16 impact and therefore there was no impact of adopting the standard.

NEWCO (FIRST STREET) 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

(c) New accounting standards and interpretations (continued)

IFRIC 23 - Uncertainty over Income Tax Treatments

In June 2017, the IASB issued IFRIC Interpretation 23, "Uncertainty over Income Tax Treatments" ("IFRIC 23"). IFRIC 23 clarifies application of recognition and measurement requirements in IAS 12, "Income Taxes" ("IAS 12"), when there is uncertainty over income tax treatments, including whether an entity considers uncertain tax treatments separately; the assumptions an entity makes about the examination of tax treatments by taxation authorities; how a Company determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and how an entity considers changes in facts and circumstances. The interpretation is applicable for financial years commencing on or after 1 January 2019. The Company does not have any uncertain tax positions and therefore, there was no impact of adopting this interpretation.

(ii) New standards and interpretations not yet effective

There are no other IFRS or IFRIC interpretations that are issued but not yet effective that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(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) Consolidation

The Financial Statements contain information about the Company as an individual entity. The Company has elected to prepare separate Financial Statements and the Company is exempt from the requirement to apply equity accounting as it and its investments are included in the consolidated Financial Statements of Swift Newco B ("SNB"), the Company's ultimate controlling party. The exemption from preparing consolidated Financial Statements is also permitted in accordance with Section 401 of the Companies Act 2006.

(f) Investment in subsidiary

Investments in subsidiary is stated at cost and the Directors review investment cost for indicators of impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses can be reversed, except on goodwill, if the recoverable amount subsequently increases to the carrying value that would have resulted had no impairment charge been taken.

(g) Financial instruments

(i) Classification

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

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

Financial Assets

Trade and other receivables
Cash and cash equivalents

Classification / Measurement

Amortised cost
Amortised cost

Financial Liabilities

Borrowings
Trade and other payables

Amortised cost
Amortised cost

The notes on pages 10 to 17 form an integral part of these financial statements

NEWCO (FIRST STREET) 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

(g) Financial instruments (continued)

(i) Classification (continued)

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 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.

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.

(h) Revenue recognition

Revenue is recognised as follows:

(i) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(i) 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 countries where the Group 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.

NEWCO (FIRST STREET) 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Summary of significant accounting policies (continued)

(i) Current and deferred income tax (continued)

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.

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

(j) Expenses

All expenses are accounted for on an accruals basis. The administration fee and all other expenses are charged through the Statement of Profit and Loss and Other Comprehensive Income as and when incurred.

(k) 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.

(l) Issued share capital

Ordinary shares are classified as equity.

4. 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 risk are discussed below.

(a) 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 feel that it is appropriate to complete a sensitivity analysis.

(b) 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.

NEWCO (FIRST STREET) 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Financial risk management (continued)

(b) Credit risk (continued)

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:

	2019 £	2018 £
Trade and other receivables	11,392,912	10,972,077

(c) 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 assets and liabilities presented below is used by Directors to manage liquidity risks:

As at 31 December 2019

	Less than 1 year £	1 - 5 years £	Over 5 years £	Total £
Assets				
Trade and other receivables	11,392,912	-	-	11,392,912
	11,392,912	-	-	11,392,912
Liabilities				
Trade and other payables	11,438,707	-	-	11,438,707
	11,438,707	-	-	11,438,707

As at 31 December 2018

	Less than 1 year £	1 - 5 years £	Over 5 years £	Total £
Assets				
Trade and other receivables	10,972,077	-	-	10,972,077
	10,972,077	-	-	10,972,077
Liabilities				
Trade and other payables	11,007,933	-	-	11,007,933
	11,007,933	-	-	11,007,933

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

5. Net finance costs

	2019 £	2018 £
Finance income:		
Other interest	1,090,205	1,476,292
Finance costs:		
Loan interest	(1,090,205)	(1,476,292)
	-	-

NEWCO (FIRST STREET) 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Income tax expense

The corporation tax is calculated at a rate of 19% (2018: 19%) of taxable profit for the year.

	2019 £	2018 £
UK corporation tax		
Current tax on taxable profit for the year	-	-
Deferred tax	(82)	-
Current tax charge	(82)	-

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

	2019 £	2018 £
Loss for the year	(27,692)	(2,913)
Tax calculated at 19% (2018: 19%)	(5,261)	(553)
Effects of:		
Effects of group relief/ other reliefs	5,319	553
Adjustments in respect of prior year	(58)	-
Deferred tax		
As at the beginning of the year	-	-
Amount credited to statement of comprehensive income	(82)	-

7. Investment in subsidiary

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

First Street Manchester Propco Limited

Registered office: 8 Sackville Street, London, W1S 3DG

Nature of business: Holding company

	Share class Ordinary	% Holding 100
First Street Manchester Propco Limited		
	2019 £	2018 £
First Street Manchester Propco Limited	749,315	30,150

8. Trade and other receivables

	2019 £	2018 £
Prepayments	1,950	-
Amount owed from First Street Manchester Propco Limited	11,392,912	10,972,077
	11,394,862	10,972,077

As of 31 December 2019, trade and other receivables of £11,392,912 (2018: £10,972,077) were fully performing.

9. Cash and cash equivalents

As at 31 December 2019, the balance of cash and cash equivalents was nil (2018: nil).

10. Trade and other payables

	2019 £	2018 £
Accruals	19,548	2,875
Amounts due to New Co (First Street) Limited	11,419,159	11,005,058
	11,438,707	11,007,933

The notes on pages 10 to 17 form an integral part of these financial statements

NEWCO (FIRST STREET) 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Issued capital

	2019 £	2018 £
Ordinary Shares		
<i>Authorised</i>		
738,968 (2018: 100) ordinary shares of £1 each	738,968	100
<i>Allotted, called up and unpaid</i>		
Issued 738,968 (2018: 100) ordinary shares of £1 each	738,968	100
Total issued capital	738,968	100

12. 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.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

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

	2019 £	2018 £
Loss before income tax	(27,692)	(2,913)
Movement in trade and other receivables	(422,785)	643,716
Movement in trade and other payables	430,773	(640,803)
Cash used in operations	(19,704)	-

14. Employees and Directors

There were no staff costs for the year ended 31 December 2019 (2018: £nil).

The Company has no employees (2018: nil).

The Directors did not receive any remuneration during the year (2018: £nil).

15. Related party transactions

During the year, the shares of Select Property Group Holdings were transferred to Swift Propco Holdings Limited. The Directors consider Swift Propco Holdings Limited and all of its subsidiaries and joint ventures to be related parties of the

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

	As at 31 December 2019	As at 31 December 2018
First Street Manchester Propco Limited	11,392,912	10,972,077
Newco (First Street) Limited	(11,419,159)	(11,005,058)
	(26,247)	(32,981)

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 arms length basis.

Crestbridge UK Limited (CBUK) acted as administrator to the Company during the year and was a related party as directors of the Company were also employees of CBUK. Accounting fees of £10,980 (2018: nil) and administration fees of £4,239 (2018: nil) were charged during the year and were fully paid by the year end.

NEWCO (FIRST STREET) 2 LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

16. Ultimate controlling party

The immediate parent undertaking is New Co (First Street) Limited. On 14 August 2019, the Company was acquired by Swift Newco B Limited, the ultimate controlling party. 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 are 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, Companies House, Cardiff, CF4 3UZ.

17. Audit Fees

During the year, the Company accrued audit fees of £9,928 (2018: £2,000) of which £9,928 (2018: £2,000) was outstanding at the year end.

The auditor also performed non-audit services, including agreed upon procedures and a special purpose audit of which £2,545 (2018: nil) was charged and £2,545 was outstanding at the year end (2018: nil).

18. Events after the end of reporting year

COVID-19 is a developing situation and as of 22 January 2021, the assessment of this situation will need continued attention as it subsequently evolves. In the Directors' view, consistent with many others in our industry, COVID-19 is considered to be a non-adjusting post statement of financial position event and no adjustment is made in the Financial Statements as a result.