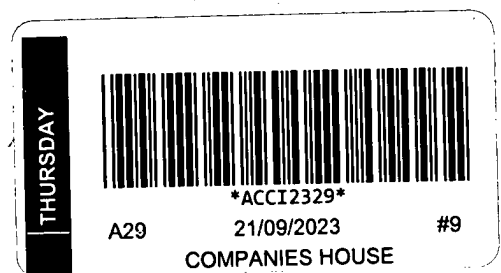


Selfridges Properties Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
Company registration number 04969613
for the period ended 31 December 2022



Selfridges Properties Limited
Annual Report and Financial Statements
For the period ended 31 December 2022

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Company Information

Registered office 103 Wigmore Street
London
W1U 1QS
England

Company's registered number 04969613

Independent auditors KPMG LLP
Chartered Accountants and Statutory Auditors
15 Canada Square
London
E14 5GL

Directors S Hill (appointed on 18 August 2022)
B Jost (appointed on 11 November 2022)
K Down (resigned on 18 August 2022)
A Pitcher (resigned on 18 August 2022)
N Power (resigned on 18 August 2022)
T Reade (resigned on 19 April 2022)

Strategic Report for the period ended 31 December 2022

The Directors present their Strategic Report and the audited Financial Statements of Selfridges Properties Limited ("the Company") for the 48 week period ended 31 December 2022 (2021/22: 52 week period ended 29 January 2022).

Principal activities

The Company is part of the group of companies headed by Cambridge Properties Holding Limited ("the Group") and its activities are that of a retail property holding company.

The principal activity of the Group is to hold retail investment property. The Group is jointly controlled by SIGNA Prime Selection AG and Harnag Central Department Store Limited (further referred to as 'ultimate controlling parties'). The Group's immediate controlling parties are SIGNA Cambridge Properties Beteiligung GmbH and CG Jersey Properties Limited who each hold a 50% shareholding in the Group.

The Group was formed on 21st December 2021 and on 18th August 2022 acquired 100% of the share capital in the Company's intermediary parent company, SFP Holdings Limited and hence indirectly gained control of the Company's immediate parent company, Selfridges Financing Limited, and the Company itself. On the same date the Group also acquired 100% of the share capital in Selfridges Manchester Limited.

Review of the business

Revenue in the 48 weeks to 31 December 2022 was £75.5m (2021/22: £55.6m).

Profit before taxation for the 48 weeks to 31 December 2022 was £1,162.7m (2021/22: profit of £254.5m). The increase in profit from the previous year is largely driven by the increase in gain on investment property and revenue.

At 31 December 2022 the Company had net assets of £1,762.7m (2021/22: £889.0m), which, in the opinion of the Directors, is satisfactory.

The full results for the period are set out in the Statement of Comprehensive Income on page 9.

Principal risks and uncertainties

The key risks and uncertainties of the Company are integrated with the principal risks of Cambridge Properties Holding Limited and its subsidiaries. The Company takes a proactive approach to identifying, managing, and mitigating key risks and uncertainties. The principal risks and uncertainties faced by the Company are the same as those experienced across the investment property sector including valuation of investment properties, tenant default and interest rate risk. The Company considers macro-economic risks such as rising prices to be tenant risks captured within tenant default and therefore not a risk to the Company.

Risk is mitigated by the Company's long term lease arrangements with a related party. Tenant default is therefore mitigated by regular communication and access to tenant information such as cashflow forecasts. The Company operates with a long-term view and therefore its focus is on underlying income and value generating potential, over short-term value fluctuations.

Key performance indicators ("KPIs")

The Directors believe that other than the KPIs of revenue, operating profit before investment property revaluation movements and operating profit/(loss) set out in the Statement of Comprehensive Income and the carrying value of the properties, there are no other KPIs required to be reported to give a full understanding of the business.

The Directors and Their Duties under Section 172 of the Companies Act 2006 (Section 172)

The Directors of the Company have acted in a way that it considers, in good faith, would be the most likely to promote the long-term success of the Company taking into account, amongst other matters, the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006:

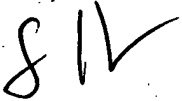
- a) the likely consequence of any decision in the long term.
- b) the interests of the company's employees.
- c) the need to foster the company's business relationships with suppliers, customers and others.
- d) the impact of the company's operations on the community and the environment.
- e) the desirability of the company maintaining a reputation for high standards of business conduct
- f) the need to act fairly between members of the company.

In discharging their duties, the directors have regard to these matters. There may be other factors relevant to certain decisions, which may also be taken into account as appropriate.

The directors ensure that Board meetings are held when appropriate and the actions from meetings appropriately recorded.

During the period the directors met to approve its financial statements.

Approved by the Board of Directors on 22 June 2023 and signed by order of the board:



S Hill
Director
22 June 2023

Directors' Report for the period ended 31 December 2022

The Directors present their report and the financial statements for the Company for the 48 weeks ended 31 December 2022 (2021/22: 52 weeks ended 29 January 2022).

General Information

The Company is a private company limited by shares, domiciled and incorporated in the United Kingdom. The Company's registered address is 103 Wigmore Street London W1U 1QS, England.

The immediate parent undertaking is Selfridges Financing Limited, which is incorporated in the UK. The directors consider the ultimate parent companies and controlling parties to be Hamg Central Department Store Limited and Stiga SIGNA Prime Selection AG, which are incorporated in Thailand and Austria respectively.

Future developments

Future growth is planned to be driven by the Company's investment properties and continued investment in these properties.

Stakeholder Engagement Statement

The principal stakeholders which the Board considers when making its decisions are its immediate parent company and Cambridge Properties Holding Limited and its subsidiaries ("the Group"), as well as suppliers and customers, as appropriate in accordance with the Group's approach to governance.

The Company believes that only through ongoing dialogue with stakeholders across the Group can it successfully deliver its Group strategy and create long-term, sustainable value for the benefit of its shareholders and wider stakeholders. The Company engages regularly with its subsidiaries and monitors its business relationships. Engagement with stakeholders is critical for the Group as it enables the directors of the Company and the respective subsidiaries to appropriately consider the implications of their decisions.

The Company as a retail investment property company recognises the importance of engaging proactively with the tenant for the three leases currently in issue with Selfridges Retail Limited.

Directors

The Directors who held office during the period and up to the date the Financial Statements were signed are given below:

- S Hill (appointed on 18 August 2022)
- B Jost (appointed on 11 November 2022)
- M Pirollt (appointed on 18 August 2022, resigned on 11 November 2022)
- K Down (resigned on 18 August 2022)
- A Pitcher (resigned on 18 August 2022)
- N Power (resigned on 18 August 2022)
- T Reade (resigned on 19 April 2022)

(the "Board of Directors")

No Director had any interest in the Company during the year and up to the date the Financial Statements were signed.

Directors' third-party and pension scheme indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Results and dividends

No dividends were paid during the period (2021/22: £0.31 per ordinary £1 share). Directors do not propose the payment of a final dividend.

Streamlined Energy and Carbon Reporting

In the reporting period, the Company consumed less than 40,000 kWh of energy, and therefore, it qualifies as a low energy user and is exempt from reporting under the Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Political contributions

The Company has not made any political donations or incurred any political expenditure during the year.

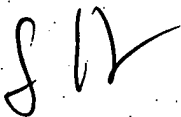
Employees

The Company has no direct employees.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the independent auditors, KPMG LLP, Chartered Accountants, will continue in office.

Approved by the Board of Directors on 22 June 2023 and signed by order of the board:



S Hill
Director

Selfridges Properties Limited

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the Members of Selfridges Properties Limited

Opinion

We have audited the financial statements of Selfridges Properties Limited ("the Company") for the period ended 31 December 2022 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to revenue, cash, borrowings or investment property with an unexpected corresponding journal entry.
- Evaluated the business purpose of significant unusual transactions, specifically the lease incentive payment made to a related party.
- Assessing whether the judgements made in making accounting estimates, specifically the fair value of the investment property, are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.



Independent auditor's report to the Members of Selfridges Properties Limited (continued)

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

**Aimie Keki (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
15 Canada Square
London
E14 5GL

22 June 2023

Selfridges Properties Limited

Statement of Profit and Loss and Other Comprehensive Income
for the period ended 31 December 2022

	Note(s)	48 weeks ended 31 December 2022 £m	52 weeks ended 29 January 2022 £m
Revenue	3	75.5	55.6
Administrative expenses	4	(2.9)	(2.6)
Operating profit before investment property valuation movements		72.6	53.0
Net gain on revaluation of investment properties	11	1,097.5	213.0
Operating profit		1,170.1	266.0
Finance costs	8	(22.1)	(11.5)
Finance income	9	14.7	-
Net finance costs		(7.4)	(11.5)
Profit before income tax		1,162.7	254.5
Income tax (charge)	10	(288.2)	(79.2)
Profit after tax for the financial year		874.5	175.3
Other comprehensive income/(expense)			
Items that are or may be subsequently reclassified to profit or loss:			
Fair value gains/(losses) of interest rate swaps held in cash flow hedges	18	(3.2)	14.5
Fair value gains recycled to interest expense		-	3.8
Movement in deferred tax on cash flow hedges	10	0.8	(3.7)
Total other comprehensive (expense)/income		(2.4)	14.6
Total comprehensive income for the year		872.1	189.9

The results for the period reflect trading from continuing operations.

Total comprehensive income is allocated in full to the owners of the Company.

The notes on pages 11 to 20 form an integral part of these financial statements.

Selfridges Properties Limited

Balance Sheet as at 31 December 2022

	Note	31 December 2022 £m	29 January 2022 £m
Assets			
Non-current assets			
Investment properties	11	2,811.0	1,363.0
Property, plant and equipment	12	8.3	9.8
Deferred income tax asset	15	-	11.6
Total non-current assets		2,819.3	1,384.4
Current Assets			
Trade and other receivables	13	5.0	0.5
Income tax assets	15	2.7	3.6
Cash and cash equivalents		15.1	9.9
Total current assets		22.8	14.0
Total Assets		2,842.1	1,398.4
Liabilities			
Current liabilities			
Trade and other payables	14	16.6	20.7
Borrowings and other financial liabilities	16	6.0	346.7
Corporation tax liabilities		-	0.2
Derivative financial instruments	17	-	0.3
Total current liabilities		22.6	367.9
Non-current liabilities			
Borrowings and other financial liabilities	16	647.4	-
Deferred income tax liabilities	15	409.4	141.5
Total non-current liabilities		1,056.8	141.5
Total liabilities		1,079.4	509.4
Net assets		1,762.7	889.0
Equity			
Called up share capital	19	164.6	163.0
Hedging reserve		-	2.4
Retained earnings		1,598.1	723.6
Total shareholder's funds		1,762.7	889.0

The notes on pages 11 to 20 form an integral part of these financial statements.

The Financial Statements on pages 8 to 20 were authorised for issue by the board of directors on 22 June 2023 and were signed on its behalf by:



S Hill
Director

Company registration number 04969613

Statement of Changes in Equity for the period ended 31 December 2022

	Called up share capital £m	Hedging reserve £m	Retained earnings £m	Total shareholder's £m
Balance at 30 January 2021	163.0	(12.2)	598.3	749.1
Profit for the financial year	-	-	175.3	175.3
Other comprehensive expense	-	14.6	-	14.6
Total comprehensive expense for the year	-	14.6	175.3	189.9
Dividends paid	-	-	(50.0)	(50.0)
Balance at 29 January 2022	163.0	2.4	723.6	889.0
Profit for the financial year	-	-	874.5	874.5
Other comprehensive income	-	(2.4)	-	(2.4)
Total comprehensive income for the year	-	(2.4)	874.5	872.1
Issue of share capital	1.6	-	-	1.6
Transactions with owners recognised directly in equity	1.6	-	-	1.6
Balance at 31 December 2022	164.6	-	1,598.1	1,762.7

The notes on pages 11 to 20 form an integral part of these financial statements.

All changes in equity are attributable to the owners of the Company.

1 General Information

Selfridges Properties Limited is a private company limited by shares registered and domiciled in the United Kingdom. The address of the Company's registered office is 103 Wigmore Street, London, W1U 1QS, England.

The principal activity of the Company is that of a retail property holding company.

2 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.

a) Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 from UK-adopted IFRS, the Company has made no measurement and recognition adjustments.

Cambridge Properties Holding Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Cambridge Properties Holding Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 103 Wigmore St, London.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Comparative period reconciliations for share capital, tangible fixed assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel

As the consolidated financial statements of Cambridge Properties Holding Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2 p).

b) Accounting convention

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties.

c) Accounting periods

The Financial Statements were previously drawn up to either a 52 or 53 week period, to the nearest Saturday ending within one week of 31 January in each year, being 29 January in 2022. However, as a result of the sale of the Company in August 2022, the year end has been changed to 31 December. These financial statements are therefore drawn up to an 48 week period from 30 January 2022 to 31 December 2022. Going forward, the accounting periods will be 12 months ending on 31 December each year.

d) Going concern

The Group relies on support from its ultimate controlling parties to ensure continued compliance with the terms of its external debt facilities. There is a fixed charge over the investment property held by an external lender as collateral for a debt facility provided to another company within the Group, and as a result, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

The directors have considered the future cashflows of the Group for a period covering at least 12 months following the date of approval of the financial statements. The forecasts show that, in both the base and reasonably possible downside scenarios, the Group will require additional funds from its ultimate controlling parties to meet its liabilities as they fall due during and after the going concern period.

The Group has two external loans, both of which are fully drawn down. The interest attached to both debt facilities is variable based on the Sterling Overnight Index Average (SONIA) rate. As a result of the events in Ukraine and general inflation, interest rates have increased significantly since the origination of the loans on 18 August 2022.

For the external loan held by London Oxford Street Invest Limited, under the base case scenario, which assumes SONIA continues at current levels, additional funding will be required to service the interest in respect of this facility and to ensure compliance with external banking covenants including a cure of any breach. The ultimate controlling parties have provided a legally binding guarantee on the future interest payments and principal repayment in respect of this facility.

For the external loan held by Manchester Exchange Square Invest Limited under the base case scenario, which assumes SONIA continues at current levels, funding will be required to service the interest. Under a severe but plausible downside scenario which, assumes a fall in the value of the investment property, additional funding will be required to cure any breach in the covenant attached to the debt facility.

The directors also note that this facility is due for repayment in February 2024. This is within 8 months of the date of approval of the financial statements. The lender has indicated its intention to offer an 18-month extension on the loan until August 2025. As such, the directors have a reasonable expectation that the loan repayment date will be extended outside of the going concern period. The ultimate controlling parties have provided a letter of support which indicates their intention to continue to make available such funds as are needed in respect of this of the external debt facility.

As with any Group placing reliance on ultimate parent entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, on the basis of the guarantee and letter of support provided by the ultimate controlling parties, the directors are comfortable that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

e) Functional and presentation currency

These Financial Statements are presented in Great British Pounds ("GBP"), which is the Company's functional currency. All financial information presented in GBP has been rounded to the nearest hundred thousand.

f) Dividends

Final dividends are recorded in the Financial Statements in the year in which they are paid. Interim dividends are recorded in the year in which they are approved and paid.

Notes to the Financial Statements for the period ended 31 December 2022 (continued)

2 Summary of significant accounting policies (continued)

g) Revenue

Revenue, which excludes value added tax, comprises rents receivable from tenants under operating leases. Consideration is given to the future rent profile and revenue is recognised on a straight line basis across the term of the lease. As a result, an accrued income balance has arisen from the recognition of revenue in advance of cash rent received. This has been included within investment property. Income arising as a result of rent reviews is recognised when agreement of new terms is reasonably certain.

h) Investment properties

Investment properties are owned by the Company and are held to generate rental income or long-term capital appreciation or both.

Investment properties are initially recognised on acquisition at cost, including related acquisition costs, and are revalued annually to reflect market value. Fair value is determined by external professional valuers.

Gains or losses arising on the revaluation of investment properties are included in the Statement of Comprehensive Income in the accounting period in which they arise. Depreciation is not provided in respect of investment properties.

Lease incentives, such as contracted rent increases and accrued income resulting from straight-line revenue recognition, are presented within investment property as they relate to the future cashflows generated by the investment property.

Additions to properties include the costs of a capital nature only. Expenditure is classified as capital when it results in identifiable future economic benefits which are expected to accrue to the Company. All other property expenditure is written-off in the Statement of Comprehensive Income as incurred.

Assets under construction are held at cost in the balance sheet as whilst under construction their fair value cannot be reliably estimated. At an appropriate stage of completion of the construction project, the fair value of the asset will be assessed as part of the overall fair value of the investment property. Any resulting gains or losses on revaluation will be accounted for as described above.

i) Property, Plant and Equipment

Property, plant and equipment is stated at historical purchase cost less accumulated depreciation. 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 of assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Property, plant and equipment	3.33 to 16.67

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

j) Financial assets and liabilities

Financial assets and liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

i) Classification

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

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

No financial assets are designated as fair value through other comprehensive income.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** 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 a separate line item in the Statement of Comprehensive Income.
- **Fair value through profit or loss (FVTPL):** assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

iii) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. 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. For longer-term financial assets, the impairment methodology applied depends on whether there has been a significant increase in credit risk.

k) Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Notes to the Financial Statements for the period ended 31 December 2022 (continued)

2 Summary of significant accounting policies (continued)

k) Current and deferred taxation (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

In the case of deferred tax in relation to investment property revaluation surpluses, the base cost used is historical book cost and ignores any allowances or deductions which may be available to reduce the actual tax liability which would crystallise in the event of a disposal of an asset. The Company expects to recover the value of its investment property assets through future rental income streams.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

l) Cash and cash equivalents

Cash and cash equivalents includes short-term deposits with banks and other financial institutions, with an initial maturity of three months or less.

m) Trade and other payables

Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost. Generally this results in their recognition at their nominal value.

n) Leases

The Company as lessor

All of the Group's leases to its tenants fall within the definition of operating leases, as substantially all the risks and rewards of ownership are retained by the Group. The Group recognises lease payments received under operating leases on a straight-line basis over the lease term as revenue.

o) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are valued at discounted amounts.

p) Significant accounting estimates and judgements

In preparing the Financial Statements, judgements, estimates and assumptions are made by management, which affect the reported amounts in the Financial Statements. Actual results may differ from these estimates. Changes in the assumptions can affect the Financial Statements, particularly as regards the following:

- The Company uses the valuations performed by its external valuers, CBRE Limited, as the basis for the fair value of its investment properties. The valuation of the Company's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental income. As a result, the valuations the Company places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial property market. CBRE Limited make a number of assumptions in forming their opinion on the valuation of our investment properties, which are detailed in the Basis of Valuation in note 11. These assumptions are in accordance with RICS Valuation Standards. However, if any assumptions made by the external valuers prove to be incorrect, this may mean that the value of the Company's properties differ from the valuation reported in the Financial Statements, which could have a material effect on the Company's financial position. The investment property value at year end is £2,811m.
- Calculations made to determine the amount of deferred tax provisions to be recognised. The calculation of the amount to be recognised is based on the estimated future taxable results and an estimate of the ultimate tax effect of certain transactions relating to the investment properties held by the Company. This is an area of significant judgment due to the potential for material changes in the property value going forward. The net deferred tax liability as at 31 December 2022 is £409.4m.
- IFRS 16.18 states that the lease term should be determined as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option. Being "reasonably certain" requires a high level of confidence in the outcome, it is a much higher threshold than "more likely than not". Management have concluded it is not reasonably certain the tenant will exercise the lease extension options contained within the lease agreements. Therefore, the lease receivables and revenue are calculated over the period to the first extension option. The revenue recognised for the period ended 31 December 2022 is £75.5m.

3 Revenue

All rents receivable are due from one company, which is a related party. All revenue is derived from the UK.

4 Administrative Expenses

Operating profit is stated after charging the items set out below:

	48 weeks ended 31 December 2022	52 weeks ended 29 January 2022
	£m	£m
Depreciation of property, plant and equipment	1.5	1.6
Professional services and management fees	1.4	1.0
Total administrative expenses	2.9	2.6

Notes to the Financial Statements for the period ended 31 December 2022 (continued)

5 Auditor's remuneration

The audit fee for the Company for the period ending 31 December 2022 is £40,000 (2021/22: £19,100). There were no other non-audit fees charged to the Company during the year (2021/22: none).

6 Employee information

The average monthly number of employees during the period excluding the Directors was nil (2021/22: nil).

7 Directors' emoluments

	48 weeks ended 31 December 2022 £'000	52 weeks ended 29 January 2022 £'000
Aggregate emoluments	14.7	33.4
Aggregate amounts received under long-term incentive schemes	9.3	15.7
Aggregate pension costs	-	2.9

Key management personnel comprise of Board directors only. These are persons having responsibility for directing and controlling the activities of the Company.

The highest paid director received total emoluments of £14,710 (2021/22: £33,432) and amounts under long-term incentive schemes of £9,321 (2021/22: £15,728). There were £nil (2021/22: £2,933) of retirement benefits accruing to directors in the financial period under defined benefit schemes. No director was paid compensation for loss of office during the period.

8 Finance costs

	48 weeks ended 31 December 2022 £m	52 weeks ended 29 January 2022 £m
Loan interest payable		
- Interest on borrowings from entities under common control	19.0	9.8
- Amortisation of refinancing costs	3.0	1.0
Expense from the valuation of derivative financial instruments	0.1	-
Fair value losses on unhedged derivative financial instruments	-	0.7
Total finance costs	22.1	11.5

9 Finance income

	48 weeks ended 31 December 2022 £m	52 weeks ended 29 January 2022 £m
Fair value gains on derivative financial instruments	14.7	-
Total finance income	14.7	-

10 Income tax charge

	48 weeks ended 31 December 2022 £m	52 weeks ended 29 January 2022 £m
Current tax		
UK corporation tax on profits of the year	7.9	9.9
Adjustments in respect of prior years (excluding group relief)	-	(0.1)
Total current tax	7.9	9.8
Deferred tax		
Origin and reversal of timing differences	280.4	50.6
Impact of tax rate changes	-	18.7
Adjustments in respect of prior years	(0.1)	0.1
Total deferred tax	280.3	69.4
Income tax charge for the year	288.2	79.2

Reconciliation of total tax charge

The UK standard rate of corporation tax for the period is 19% (2021/22: 19%). The tax charge/(credit) for the current period is higher (2021/22: higher) than the standard rate for the reasons set out in the following reconciliation:

	48 weeks ended 31 December 2022 £m	52 weeks ended 29 January 2022 £m
Profit before taxation	1,162.7	254.5
Profit before taxation multiplied by the standard rate of taxation of 19% (2021/22: 19%)	220.9	48.4
Tax effects of:		
Impact of deferred tax rate changes	67.3	30.8
Tax charge for the year	288.2	79.2
Tax components of Other Comprehensive (expense)/income		
Tax on items that may be reclassified to profit or loss		
Impact of tax on derivative hedge taken to equity	(0.8)	3.7
Total tax in other comprehensive (expense)/income	(0.8)	3.7
Deferred tax	(0.8)	3.7
	(0.8)	3.7

11 Investment properties

	Freehold land and buildings £m	Total £m
Cost or valuation		
As at 30 January 2021	1,150.0	1,150.0
Net gain on revaluation	213.0	213.0
As at 29 January 2022	<u>1,363.0</u>	<u>1,363.0</u>
Lease incentive paid	329.0	329.0
Accrued income	26.3	26.3
Amortisation of lease incentive	(4.8)	(4.8)
Net gain on revaluation	<u>1,097.5</u>	<u>1,097.5</u>
As at 31 December 2022	<u>2,811.0</u>	<u>2,811.0</u>
Investment properties consist of the following assets:		
Lease incentive	324.2	324.2
Accrued income	26.3	26.3
Investment property	<u>2,460.5</u>	<u>2,460.5</u>
Total as at 31 December 2022	<u>2,811.0</u>	<u>2,811.0</u>

The Directors have assessed the most recent external valuation of the properties and a net gain on revaluation of £1,097.5m plus a £350.5m lease incentive was recognised during the year (2021/22: £213m) in order to reflect the current fair value of the properties. Lease incentives, such as contracted rent increases and accrued income resulting from straight-line revenue recognition, are presented within investment property as they relate to the future cashflows generated by the investment property. There is a fixed charge over the investment property held by an external lender as collateral for a debt facility provided to another company within the Group.

External valuers

Investment properties were subject to external valuations as at 31 December 2022 by qualified independent valuers, being members of the Royal Institute of Chartered Surveyors, working for CBRE Limited (2021/22: CBRE Limited). The independent valuers provide the fair value of the Company's investment property portfolio at each balance sheet date.

The properties were valued on the basis of a discounted cashflow (DCF) methodology in accordance with the RICS Valuation – Professional Standards 2014 and IFRS 13. When considering the DCF the valuers have projected forward the cashflow that they anticipate the property will produce in the future. They have regard to the quality of management, location, consumer sentiment, catchment and level and effectiveness of local marketing spend in order to derive their valuation assumptions.

The external valuations use information provided by the Company, such as tenancy information, capital expenditure expectations and lease contracts. The valuers, in forming their opinion make a series of assumptions. The assumptions are typically market-related, such as forward inflation, yields, discount rate and rental values, and are based on the valuers' professional judgement and market observations. The major inputs to the external valuation are reviewed by management.

Fair value measurements

The Company's investment properties are reported under IFRS 13 'Fair value measurement' which uses the following hierarchy to determine the valuation basis of assets and liabilities:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The fair value of the Company's properties has been determined using a discounted cashflow approach which provides a valuation by discounting expected cashflows back to the valuation date based on the risk profile of the assets. All properties held by the Company at the end of the year were rated level 3 (2021/22: level 3).

Sensitivity

The table below illustrates the estimated impact on the Statement of Comprehensive Income and equity as a result of market movements in the fair value of the Company's properties. In 2021/22 rental yields was used as a measure of sensitivity, whereas in 2022 discount rate has been used as a more appropriate measure in line with the external valuers methodology. This analysis is for illustrative purposes only.

	31 December 2022 £m	29 January 2022 £m
Impact on Statement of Comprehensive Income		
0.50% (2022: 10% property estimated rental value) weakening in discount rate	119.0	(22.0)
0.50% (2022: 10% property estimated rental value) strengthening in discount rate	(111.0)	22.0
0.50% (2022: 0.50%) strengthening of rent yields	(234.0)	(111.0)
0.50% (2022: 0.50%) weakening of rent yields	308.0	132.0

Notes to the Financial Statements for the period ended 31 December 2022 (continued)

12 Property, Plant and equipment

	Plant and equipment £m	Total £m
Cost		
As at 29 January 2022	33.4	33.4
As at 31 December 2022	<u>33.4</u>	<u>33.4</u>
Accumulated depreciation		
As at 29 January 2022	(23.6)	(23.6)
Charge for the year	(1.5)	(1.5)
As at 31 December 2022	<u>(25.1)</u>	<u>(25.1)</u>
Net book value		
As at 29 January 2022	9.8	9.8
As at 31 December 2022	<u>8.3</u>	<u>8.3</u>

13 Trade and other receivables

	31 December 2022 £m	29 January 2022 £m
Other receivables	-	0.5
Receivables from other taxes	5.0	-
Total trade and other receivables	<u>5.0</u>	<u>0.5</u>

14 Trade and other payables

	31 December 2022 £m	29 January 2022 £m
Amounts owed to related party undertakings	-	13.1
Other taxes	4.8	0.1
Accruals and deferred income	11.8	7.5
Total trade and other payables	<u>16.6</u>	<u>20.7</u>

Amounts owed by the Company to entity undertakings under common control are non-interest bearing and repayable upon demand.

During the year, the Company received rental income on behalf of Selfridges Manchester Limited, a company under common control in the sum of £1.3m (2021/22: £4.9m). At year end, the outstanding balance was £nil (2021/22: £13.1m).

Notes to the Financial Statements for the period ended 31 December 2022 (continued)

15 Current and Deferred tax balances

The provision for deferred tax consists of the following deferred tax assets/(liabilities):

	31 December 2022	29 January 2022
	£m	£m
Deferred tax assets due after more than 12 months	-	11.6
Deferred tax liabilities due after more than 12 months	(409.4)	(141.5)
Total provision	(409.4)	(129.9)

The gross movement on the deferred income tax account is as follows:

	48 weeks ended 31 December 2022	52 weeks ended 29 January 2022
	£m	£m
As at beginning of the year	129.9	56.8
Charged to the statement of comprehensive income	280.3	69.4
Credited to other comprehensive income	(0.8)	3.7
As at end of year	409.4	129.9

Deferred tax liabilities	Derivative Instruments	Property Revaluation	Total
	£m	£m	£m
As at 30 January 2021	-	(66.5)	(66.5)
Credited to the statement of comprehensive income	-	(74.2)	(74.2)
Credited to other comprehensive income	(0.8)	-	(0.8)
As at 29 January 2022	(0.8)	(140.7)	(141.5)
Credited to other comprehensive income	0.8	(274.7)	(273.9)
As at 31 December 2022	-	(415.4)	(415.4)

Deferred tax assets	Accelerated Capital Allowances	Derivative Instruments	Other timing differences	Total
	£m	£m	£m	£m
As at 30 January 2021	4.7	2.9	2.1	9.7
Credited to the statement of comprehensive income	1.3	-	3.5	4.8
Credited to other comprehensive income	-	(2.9)	-	(2.9)
As at 29 January 2022	6.0	-	5.6	11.6
Credited to the statement of comprehensive income	-	-	(5.6)	(5.6)
Credited to other comprehensive income	-	-	-	-
As at 31 December 2022	6.0	-	-	6.0

Closing current tax assets comprise £2.7m group relief debtor.

Deferred tax balances are measured at a corporation tax rate of 25%, being the substantively enacted rate of tax at the balance sheet date. In the March 2021 UK Budget, it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 01 April 2023. As this was substantively enacted at the balance sheet date, deferred tax balances at 31 December 2022 are measured at 25%.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- (i) The same taxable entity, or
- (ii) Different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

As such the deferred tax assets have been offset against the deferred tax liabilities as the criteria for offset have been met.

Notes to the Financial Statements for the period ended 31 December 2022 (continued)

16 Borrowings and other financial liabilities

	31 December 2022 £m	29 January 2022 £m
Current		
Amounts owed to entity undertakings under common control	6.0	346.7
Total current	<u>6.0</u>	<u>346.7</u>
Non-current		
Amounts owed to entity undertakings under common control	647.4	-
Total non-current	<u>647.4</u>	<u>-</u>

Amounts owed to entity undertakings under common control

In August 2022, as part of the sale of the Company to Harg Central Department Store Limited and and Signa SIGNA Prime Selection AG, the previous loan facility was repaid and new financing arrangements were entered into. Two loan facilities were entered into with another subsidiary in the group for £329m and £332.4m. These loans were initially measured at fair value and subsequently recognised at amortised cost. The amounts are classed as non-current as the facilities allow for capitalising of interest, therefore the Company has no current obligations to repay the interest or principal. Both loans have terms of three years to August 2025 and interest rates of 3.5% margin plus SONIA. A further loan of £8m was entered into with the Company's immediate parent, which has been repaid post-year end.

17 Financial Instruments

Financial assets by category

	Amortised Cost £m	Derivatives used for hedging £m	Total £m
As at 29 January 2022			
Cash and cash equivalents			
- Current	9.9	-	9.9
Derivative financial instruments			
- Current	-	3.6	3.6
- Non-current	-	-	-
Total	<u>9.9</u>	<u>3.6</u>	<u>13.5</u>

	Amortised Cost £m	Derivatives used for hedging £m	Total £m
As at 31 December 2022			
Cash and cash equivalents			
- Current	15.1	-	15.1
Derivative financial instruments			
- Current	-	-	-
- Non-current	-	-	-
Total	<u>15.1</u>	<u>-</u>	<u>15.1</u>

Financial liabilities by category

	Derivatives used for hedging £m	Other liabilities held at amortised cost £m	Total £m
As at 29 January 2022			
Borrowings			
- Current	-	346.7	346.7
Trade and other payables			
- Current	-	20.7	20.7
Derivative financial instruments			
- Current	0.3	-	0.3
Total	<u>0.3</u>	<u>367.4</u>	<u>367.7</u>

	Derivatives used for hedging £m	Other liabilities held at amortised cost £m	Total £m
As at 31 December 2022			
Amounts owed to entity undertakings under common control			
- Current	-	6.0	6.0
- Non-current	-	647.4	647.4
Trade and other payables			
- Current	-	4.8	4.8
Total	<u>-</u>	<u>658.2</u>	<u>658.2</u>

Notes to the Financial Statements for the period ended 31 December 2022 (continued)

Financial risk management

The principal financial risks faced by the Company are interest rate risks. Given the nature of the Company's operations, it is not exposed to price or foreign currency risk. Risk management is controlled by the board. Management identifies and evaluates financial risks where appropriate.

Interest rate risks

Interest rate risk is the risk that the Company will be impacted by adverse movements in interest rates.

Interest rate risk arises from the Company's use of interest bearing financial instruments, and is the risk that future cash flows from financial instruments will fluctuate due to changes in interest rates and credit costs. The Company's policy is to minimise this risk through regular evaluation of interest rates and financing facilities.

Liquidity and funding

Liquidity and funding risk is the risk that the Company will not be able to meet its short-term financial demands.

The following are the contractual maturities of financial liabilities owing by the Company:

	Loan finance £m	Derivative financial instruments £m	Trade and other payables £m	Total £m
Timing of undiscounted cash flows				
Within one year	383.0	(0.3)	20.7	403.4
Between one and two years	-	0.9	-	0.9
Between two and five years	-	2.7	-	2.7
More than five years	-	-	-	-
As at 29 January 2022	383.0	3.3	20.7	407.0
Timing of undiscounted cash flows				
Within one year	6.0	-	4.8	10.8
Between one and two years	-	-	-	-
Between two and five years	765.3	-	-	765.3
More than five years	-	-	-	-
As at 31 December 2022	771.3	-	4.8	776.1

Counterparty risks

Counterparty risk is the risk that one of the Company's counterparties will not meet its contractual obligations.

The Company is exposed to counterparty risks arising from its holdings of cash and cash equivalents. Cash and cash equivalents are held in regulated financial institutions with high credit ratings.

Credit risks

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

As noted above, cash and cash equivalents are held in regulated financial institutions with high credit ratings. Similarly, deposits are held with regulated banks and financial institutions with high credit ratings.

The maximum exposure to credit risk is the carrying amount of assets as disclosed within the financial assets table within this note.

Capital risks

The Company's objectives when managing capital (i.e., the shareholders' equity in the business) are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduce capital to shareholders, issue new shares or sell assets to reduce debt. For details of the company's capital structure refer to Note 16 and Note 19.

Notes to the Financial Statements for the period ended 31 December 2022 (continued)

18 The Company as Lessor

Future aggregate minimum lease rental receivable under non-cancellable operating leases based on contractual rental income at year end is as follows:

	31 December 2022	29 January 2022
	£m	£m
Not later than one year	62.7	57.9
Later than one year but not later than two years	79.7	60.8
Later than two years but not later than three years	96.9	62.5
Later than three years but not later than four years	112.7	64.3
Later than four years but not later than five years	115.0	66.1
Later than five years	2,829.4	1,916.8
Total	3,296.4	2,228.4

As at year end, the Company had three (2021/22: three) leases in issue with a related party. In August 2022, as a result of the sale of the Company to Hamg Central Department Store Limited and Signa SIGNA Prime Selection AG, changes were made to the terms of these leases that will over time lead to increases in the rents receivable by the Company. The term of the leases until the first break clause remains 30 years until 2048 and rents receivable are reviewed on an annual basis. The rent receivable is guaranteed by a related-party within the wider shareholder group.

Although the Company is exposed to changes in the residual value at the end of the current leases, the Company typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

19 Called up share capital

	31 December 2022	29 January 2022
	£m	£m
Allotted, called up and fully paid		
164,600,000 (2021/22: 163,000,000) ordinary shares of £1 each	164.6	163.0

During the period the Company issued 1,600,000 ordinary shares of £1 each to its immediate parent company, Selfridges Financing Limited. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

20 Dividends

	48 weeks ended 31 December 2022	52 weeks ended 29 January 2022
	£m	£m
Equity - ordinary		
Interim paid £nil (2021/22: £0.31) per £1 share	-	50.0
Total dividends	-	50.0

21 Ultimate holding company

The immediate parent undertaking is Selfridges Financing Limited, a company incorporated in the United Kingdom. The directors consider the ultimate controlling parties to be Hamg Central Department Store Limited and Signa SIGNA Prime Selection AG, which are incorporated in Thailand and Austria respectively.

Cambridge Properties Holding Limited, which is registered in the UK, is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. Copies of the Cambridge Properties Holding Limited consolidated financial statements can be obtained from the Directors at the company's registered address, 103 Wigmore Street, London, W1U 1QS, England.

22 Related party transactions

The Company leases its properties to Selfridges Retail Limited, a related party within the wider shareholder group. A description of the terms of these leases can be found in note 18.

The Company has an outstanding balance of £0.01m (2021/22: £0.1m due from) due from Selfridges Retail Limited.

During the period the Company paid an annual management charge of £0.3m (2021/22: £0.3m) to SHEL Holdings Europe Limited, a related party within the wider shareholder group, in relation to staff costs and overheads incurred.

The Company considers the key management to be the Directors.

23 Subsequent events

There have been no events post balance sheet date.