

Selfridges Properties Limited
Annual Report and Financial Statements
for the period ended 31 December 2023
Company Registration 04969613



Selfridges Properties Limited

**ANNUAL REPORT AND FINANCIAL STATEMENTS
For the period ended 31 December 2023**

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Selfridges Properties Limited

Company Information

REGISTERED OFFICE

103 Wigmore Street, London, England, W1U 1QS

INDEPENDENT AUDITOR

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

COMPANY'S REGISTERED NUMBER

The Company's registered number is 04969613

DIRECTORS

S Hill
B Jost

Selfridges Properties Limited

Strategic report for the period ended 31 December 2023

The Directors present their Strategic Report and the audited Financial Statements of Selfridges Properties Limited ("the Company") for the year ended 31 December 2023 (2022: 48 week period ended 31 December 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 Holding GmbH and Harg 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.

Review of the business

Revenue for the year ended 31 December 2023 was £124.6m (2022: £75.5m).

Loss before taxation for the year was £502.7m (2022 48 weeks: profit of £1,162.7m). The reduction in profit from the previous period is driven by the decrease in value of the investment property.

At 31 December 2023 the Company had net assets of £1,387.0m (2022: £1,762.7m), which, in the opinion of the Directors, is satisfactory.

The full results for the period are set out in the Statement of profit and loss and other comprehensive income on page 12.

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.

Selfridges Properties Limited

Strategic report for the period ended 31 December 2023 (continued)

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

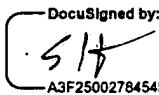
The Directors of the Company have acted in a way that it considers, in good faith, would be the most likely to promote the long-term success of the Company taking into account, amongst other matters, the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006:

- 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.

Approved by the Board of Directors on 26 September 2024 and signed by order of the board:

DocuSigned by:

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S Hill

Director

26 September 2024

Selfridges Properties Limited

Directors' report for the period ended 31 December 2023

The Directors present their report and the financial statements for the Company for the 12 month period ended 31 December 2023 (2022: 48 weeks ended 31 December 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 Harng Central Department Store Limited and SIGNA Holding GmbH, 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.

Financial risk management

The principal financial risks faced by the Company are liquidity and funding, counterparty, credit, interest rate and capital risks. Management identifies and evaluates financial risks and considers overall risk management, covering areas such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. Management regularly reviews the Company's position and takes appropriate measures where financially suitable to reduce exposure to financial risks.

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:

S Hill
B Jost

(the "Board of Directors")

No director had any interest in the Company during the period and up to the date the financial statements were signed.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2022: none).

Selfridges Properties Limited

Directors' report for the period ended 31 December 2023 (continued)

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

The full results for the period are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 12.

The Company's loss for the period is £375.7m (2022: profit of £874.5m).

No dividends were paid during the period (2022: none). 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.

Employees

The Company has no direct employees (2022: none).

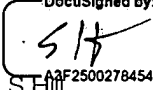
Subsequent events

On 18 September 2024, SIGNA Prime Selection AG, indirect parent to the Group, signed a Sale and Purchase Agreement ("SPA") to sell its investment in the Group to the Public Investment Fund ("PIF"), the sovereign Wealth Fund of Saudi Arabia.

Independent auditor

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

Approved by the Board of Directors on 26 September 2024 and signed by order of the board:

DocuSigned by:

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Director

26 September 2024

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 year ended 31 December 2023 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 2023 and of its loss 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.

Material uncertainty related to going concern

We draw attention to note 2d) to the financial statements which indicates that the Company's ability to continue as a going concern is dependent on the completion of the deal for SIGNA Prime Selection AG, indirect joint controlling party to the Group, to sell its shareholding in the Group to the Public Investment Fund ("PIF"), the Sovereign Wealth Fund of Saudi Arabia. As part of the deal, the method and timing of future financing required to service the Group's interest payments on its external facilities has been agreed and the bank has agreed to waive the default in respect of the external loan held by the Company's intermediate parent, London Oxford Street Invest Limited. Additionally, following the completion of the deal, the Group's and therefore Company's ability to continue as a going concern is dependent on the ability to extend the external debt facilities which are due within the going concern period.

These events and conditions, along with the other matters explained in note 2d), constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.



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

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 revenue is recognised on a straight-line basis in line with the long-term lease agreements and as such there is limited opportunity to fraudulently adjust revenue recognition.

We also identified a fraud risk related to the valuation of investment properties in response to possible pressures to meet financial targets.

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.
- 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.

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.



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

Fraud and breaches of laws and regulations – ability to detect

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 7, 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.



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

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

27 September 2024

Selfridges Properties Limited

Statement of Profit and Loss and Other Comprehensive income for the period ended 31 December 2023

		52 weeks ended 31 December 2023 £m	48 weeks ended 31 December 2022 £m
Revenue	3	124.6	75.5
Administrative expenses	4	(2.7)	(2.9)
Operating profit before investment property valuation movements		121.9	72.6
Net (loss)/gain on revaluation of investment properties	11	(574.0)	1,097.5
Operating (loss)/profit		(452.1)	1,170.1
Finance costs	8	(50.9)	(22.1)
Finance income	9	0.3	14.7
Net finance costs		(50.6)	(7.4)
(Loss)/Profit before income tax		(502.7)	1,162.7
Income tax credit/(charge)	10	127.0	(288.2)
(Loss)/Profit after tax for the financial period		(375.7)	874.5
Other comprehensive (expense)/income			
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)
Movement in deferred tax on cash flow hedges	10	-	0.8
Total other comprehensive (expense)/income		-	(2.4)
Total comprehensive (expense)/income for the period		(375.7)	872.1

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 15 to 32 form an integral part of these financial statements.

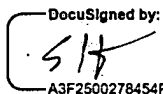
Selfridges Properties Limited

Balance Sheet as at 31 December 2023

	Note	31 December 2023 £m	31 December 2022 £m
Assets			
Non-current assets			
Investment Properties	11	2,300.0	2,811.0
Property, plant and equipment	12	6.8	8.3
Total non-current assets		2,306.8	2,819.3
Current assets			
Trade and other receivables	13	-	5.0
Income tax assets	15	-	2.7
Cash and cash equivalents		18.6	15.1
Total current assets		18.6	22.8
Total assets		2,325.4	2,842.1
Liabilities			
Current liabilities			
Trade and other payables	14	14.2	16.6
Borrowings and other financial liabilities	16	-	6.0
Corporation tax liabilities	15	0.9	-
Total current liabilities		15.1	22.6
Non-current liabilities			
Borrowings and other financial liabilities	16	662.7	647.4
Deferred income tax liabilities	15	260.6	409.4
Total non-current liabilities		923.3	1,056.8
Total liabilities		938.4	1,079.4
Net Assets		1,387.0	1,762.7
Equity			
Called up share capital	19	164.6	164.6
Retained earnings		1,222.4	1,598.1
Total equity		1,387.0	1,762.7

The notes on pages 15 to 32 form an integral part of these financial statements.

The Financial Statements on pages 12 to 32 were authorised for issue by the board of directors on 26 September 2024 and were signed on its behalf by:

DocuSigned by:

 A3F2500278454FE...
 S Hill

Director

26 September 2024

Company registration number 04969613

Selfridges Properties Limited

Statement of changes in equity for the period ended 31 December 2023

	Called up share capital £m	Hedging reserve £m	Retained earnings £m	Total Shareholders' funds £m
Balance at 29 January 2022	163.0	2.4	723.6	889.0
Profit for the financial period	-	-	874.5	874.5
Other comprehensive expense	-	(2.4)	-	(2.4)
Total comprehensive (expense)/income for the period	-	(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
Loss for the financial year	-	-	(375.7)	(375.7)
Total comprehensive (expense)/income for the year	-	-	(375.7)	(375.7)
Balance at 31 December 2023	164.6	-	1,222.4	1,387.0

The notes on pages 15 to 32 form an integral part of these financial statements.

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

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023

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 periods 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.

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 q).

Selfridges Properties Limited**Notes to the financial statements for the period ended 31 December 2023 (continued)**

2 Summary of significant accounting policies (continued)**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 accounting periods are 12 months ending on 31 December each year. 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 was changed to 31 December. The comparative period of these financial statements was therefore drawn up to a 48 week period, from 30 January 2022 to 31 December 2022.

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 assessed the future cashflows of the Group for at least the next 12 months from the date of approval of these financial statements. Forecasts indicate that, under both base and severe but plausible downside scenarios, the Group will require additional funding from its ultimate controlling parties to meet its liabilities as they fall due during this period.

As of the date of signing these financial statements, the Group is financed through two fully drawn third party loans and shareholder loans from San Simeon Investments Limited and CG Jersey Properties Limited. The interest attached to both the external debt facilities is variable based on the Sterling Overnight Index Average (SONIA) rate.

Under a base case scenario, assuming a 1% reduction in SONIA from August 2024 to August 2025, the Group will require additional funding to service interest payments and comply with the covenant of the loans held by London Oxford Street Invest Limited and Manchester Exchange Square Invest Limited. Under a severe but plausible downside scenario, assuming a decrease in the value of investment property, the Group will need additional funding to remedy any breach of the loan-to-value covenant attached to the loan held by Manchester Exchange Square Invest Limited.

On 29 December 2023, SIGNA Holding GmbH, the Company's joint ultimate controlling party, filed for insolvency, placing the Group in default on the London Oxford Street Invest Limited third party loan and the shareholder loan with San Simeon Investments Limited, and cross default under the Manchester Exchange Square Invest Limited third party loan. The cross default under the Manchester Exchange Square Invest Limited third party loan has since been waived.

On 18 September 2024, SIGNA Prime Selection AG, indirect parent to the Group, signed a Sale and Purchase Agreement ("SPA") to sell its investment in the Group to the Public Investment Fund ("PIF"), the sovereign Wealth Fund of Saudi Arabia.

Selfridges Properties Limited**Notes to the financial statements for the period ended 31 December 2023 (continued)**

2 Summary of significant accounting policies (continued)**d) Going concern (continued)**

The loan to London Oxford Street Invest Limited is due to mature in August 2025, and the loan to Manchester Exchange Square Invest Limited is due to mature in November 2024. The directors reasonably expect these repayment dates to be extended beyond the going concern period subsequent to the completion of the sale of SIGNA Prime Selection AG's investment in the Group to the Public Investment

The Shareholders have reached an agreement with the Public Investment Fund ("PIF") regarding the method and timing of future financing for the Group, including provisions for the San Simeon Investments Limited and CG Jersey Properties Limited loans. Additionally, the bank has expressed its intention to waive the default event on the London Oxford Street Invest Limited loan. However, both the future financing and default waiver are reliant on completion of the deal and therefore the uncertainty remains. Additionally, since both third party loans are due within 12 months and discussions with lenders are ongoing but not finalised, there is uncertainty about the financing of these loans during the going concern period.

Despite these uncertainties, the directors believe it is appropriate to prepare the financial statements on a going concern basis. However, these conditions indicate a material uncertainty that may cast significant doubt on the Group's and hence the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

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 unless otherwise stated.

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.

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.

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

2 Summary of significant accounting policies (continued)

h) Investment properties (continued)

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. Depreciation is recorded within administrative expenses.

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:

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

2 Summary of significant accounting policies (continued)

j) Financial assets and liabilities (continued)

- 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.

iv) Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Selfridges Properties Limited**Notes to the financial statements for the period ended 31 December 2023 (continued)**

2 Summary of significant accounting policies (continued)**j) Financial assets and liabilities (continued)***(v) Derecognition**Financial assets*

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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.

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.

Selfridges Properties Limited**Notes to the financial statements for the period ended 31 December 2023 (continued)**

2 Summary of significant accounting policies (continued)**l) Cash and Cash equivalents**

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

m) Trade and other receivables

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

n) 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.

o) Leases*The Company as a lessor*

All of the Company'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 Company. The Company recognises lease payments received under operating leases on a straight-line basis over the lease term as revenue.

p) 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.

q) 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 £2,300.0m (2022: £2,811m).

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

2 Summary of significant accounting policies (continued)

q) Significant accounting estimates and judgements (continued)

- 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 2023 is £260.6m (2022: £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 with 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 2023 is £124.6m (2022: £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 (loss)/profit is stated after charging the items set out below:

	52 weeks ended 31 December 2023	48 weeks ended 31 December 2022
	£m	£m
Depreciation of property, plant and equipment	1.5	1.5
Professional services and management fees	1.2	1.4
Total administrative expenses	2.7	2.9

5 Auditor's remuneration

The audit fee for the Company for the period ending 31 December 2023 is £37,621 (2022: £40,000). There were no other non-audit fees charged to the Company during the year (2022: none).

6 Employee information

The average monthly number of employees during the period excluding the Directors was nil (2022: nil).

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

7 Directors' emoluments

	52 weeks ended	48 weeks ended
	31 December	31 December
	2023	2022
	£'000	£'000
Aggregate emoluments	-	14.7
Aggregate amounts received under long-term incentive schemes	-	9.3

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 £nil (2022: £14,710) and amounts under long-term incentive schemes of £nil (2022: £9,321). No director was paid compensation for loss office during the period.

8 Finance costs

	52 weeks ended	48 weeks ended
	31 December	31 December
	2023	2022
	£m	£m
Loan interest payable		
- Interest on borrowings from entities under common control	50.9	19.0
- Amortisation of refinancing costs	-	3.0
Expense from the valuation of derivative financial instruments	-	0.1
	50.9	22.1

9 Finance income

	52 weeks ended	48 weeks ended
	31 December	31 December
	2023	2022
	£m	£m
Fair value gains on derivative financial instruments	-	14.7
Interest received	0.3	-
Total finance income	0.3	14.7

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

10 Income tax credit/(charge)

	52 weeks ended 31 December 2023 £m	48 weeks ended 31 December 2022 £m
Current tax		
UK corporation tax on profits of the period	21.8	7.9
Total current tax	21.8	7.9
Deferred tax		
Origination/(reversal) of timing differences	(148.8)	280.4
Adjustments in respect of prior periods	-	(0.1)
Total deferred tax	(148.8)	280.3
Income tax (credit)/charge for the period	(127.0)	288.2

Reconciliation of total tax charge

The UK standard rate of corporation tax for the period is 23.5% (2022: 19%). The tax charge/(credit) for the current period is higher (2022: higher) than the standard rate for the reasons set out in the following reconciliation:

	52 weeks ended 31 December 2023 £m	48 weeks ended 31 December 2022 £m
(Loss)/profit before taxation	(502.7)	1,162.7
(Loss)/Profit before taxation multiplied by the standard rate of taxation of 23.5% (2022: 19%)	(118.2)	220.9
Tax effects of:		
Impact of deferred tax rate changes	(8.8)	67.3
Tax (credit)/charge for the period	(127.0)	288.2

	52 weeks ended 31 December 2023 £m	48 weeks ended 31 December 2022 £m
Tax components of Other Comprehensive (expense)/income		
<i>Tax on items that may be reclassified to profit or loss</i>		
Impact of tax on derivative hedge taken to equity	-	(0.8)
Total tax in other comprehensive (expense)/income	-	(0.8)
Deferred tax	-	(0.8)
	-	(0.8)

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

11 Investment Properties

	Freehold land and buildings £m	Total £m
As at 29 January 2022	1,363.0	1,363.0
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	1,097.5	1,097.5
As at 31 December 2022	2,811.0	2,811.0
Accrued income	75.9	75.9
Amortisation of lease incentive	(12.9)	(12.9)
Net loss on revaluation	(574.0)	(574.0)
As at 31 December 2023	2,300.0	2,300.0
 Investment properties consist of the following assets:		
	2023	2022
Lease incentive	311.3	324.2
Accrued income	102.2	26.3
Investment property	1,886.5	2,460.5
Total as at 31 December 2023	2,300.0	2,811.0

The Directors have assessed the most recent external valuation of the properties and a net loss on revaluation of £574.0m was recognised during the year (2022: £1,097.5m gain plus a £350.5m lease incentive) 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 2023 by qualified independent valuers, being members of the Royal Institute of Chartered Surveyors, working for CBRE Limited (2022: 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.

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

11 Investments Properties (continued)

Fair Value investment

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 (2022: level 3).

Sensitivity

The table below illustrates the estimated impact on the Statement of profit and loss and other comprehensive income and equity as a result of market movements in the fair value of the Company's properties.

	52 weeks ended 31 December 2023 £m	48 weeks ended 31 December 2022 £m
Impact on Statement of Comprehensive Income		
0.50% (2022: 0.50%) weakening in discount rate	89.2	119.0
0.50% (2022: 0.50%) strengthening in discount rate	(87.2)	(111.0)
0.50% (2022: 0.50%) strengthening of rent yields	(134.8)	(234.0)
0.50% (2022: 0.50%) weakening of rent yields	163.6	308.0

12 Property, Plant and equipment

	Plant and equipment £m	Total £m
Cost		
As at 31 December 2022	33.4	33.4
As at 31 December 2023	33.4	33.4
Accumulated depreciation		
As at 31 December 2022	(25.1)	(25.1)
Charge for the year	(1.5)	(1.5)
As at 31 December 2023	(26.6)	(26.6)
Net book value		
As at 31 December 2022	8.3	8.3
As at 31 December 2023	6.8	6.8

13 Trade and other receivables

	31 December 2023 £m	31 December 2022 £m
Receivables from other taxes	-	5.0
Total trade and other receivables	-	5.0

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

14 Trade and other Payables

	31 December 2023 £m	31 December 2022 £m
Amounts owed to related party undertakings	0.1	-
Other taxes	-	4.8
Accruals and deferred income	14.1	11.8
Total trade and other Payables	14.2	16.6

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

15 Current and Deferred tax balances

	31 December 2023 £m	31 December 2022 £m
Movement in corporation tax balance		
At beginning of period	2.7	(0.1)
Movement in current tax balance in the period	(3.6)	2.8
Provision at end of period	(0.9)	2.7

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

	31 December 2023 £m	31 December 2022 £m
Deferred tax liabilities due after more than 12 months	(260.6)	(409.4)
Total provision	(260.6)	(409.4)

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

	31 December 2023 £m	31 December 2022 £m
As at beginning of the period	409.4	129.9
(Credited)/charged to the statement of comprehensive income	(148.8)	280.3
Credited to other comprehensive income	-	(0.8)
As at end of period	260.6	409.4

Deferred tax liabilities

	Derivative Instruments £m	Property Revaluation £m	Total £m
As at 29 January 2022	(0.8)	(140.7)	(141.5)
Credited/(charged) to other comprehensive income	0.8	(274.7)	(273.9)
As at 31 December 2022	-	(415.4)	(415.4)
Credited to other comprehensive income	-	146.8	146.8
As at 31 December 2023	-	(268.6)	(268.6)

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

15 Current and Deferred tax balances (continued)

Deferred tax assets	Accelerated Capital Allowances	Other timing differences	Total
	£m	£m	£m
As at 29 January 2022	6.0	5.6	11.6
Credited to the statement of comprehensive income	-	(5.6)	(5.6)
As at 31 December 2022	6.0	-	6.0
(Charged)/credited to the statement of comprehensive income	(0.1)	2.1	2.0
As at 31 December 2023	5.9	2.1	8.0

Closing current tax assets comprise £nil (2022: £2.7m) group relief debtor.

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.

16 Borrowings and other financial liabilities

	31 December 2023 £m	31 December 2022 £m
Current		
Amounts owed to entity undertakings under common control	-	6.0
Total current	-	6.0
Non-current		
Amounts owed to entity undertakings under common control	662.7	647.4
Total non-current	662.7	647.4

Amounts owed to entity undertakings under common control

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, with a temporary margin reduction to 2.75% from August 2023 to August 2024. A further loan of £6m was entered into in 2022 with the Company's immediate parent, which was repaid in 2023.

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

17 Financial instruments

Financial liabilities by category

	Other liabilities held at amortised cost	Total
	£m	£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	658.2	658.2

	Other liabilities held at amortised cost	Total
	£m	£m
As at 31 December 2023		
Amounts owed to entity undertakings under common control		
- Current	-	-
- Non-current	662.7	662.7
Trade and other payables		
-Current	-	-
Total	662.7	662.7

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.

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

17 Financial instruments (continued)

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	Trade and other payables	Total
	£m	£m	£m
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

Timing of undiscounted cash flows

Within one year	-	-	-
Between one and two years	754.8	-	754.8
Between two and five years	-	-	-
More than five years	-	-	-
As at 31 December 2023	754.8	-	754.8

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.

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

17 Financial instruments (continued)

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.

18 The Company as a Lessor

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

	31 December 2023	31 December 2022
	£m	£m
Not later than one year	81.6	62.7
Later than one year but not later than two years	101.2	79.7
Later than two years but not later than three years	117.1	96.9
Later than three years but not later than four years	119.7	112.7
Later than four years but not later than five years	121.5	115.0
Later than five years	2,816.6	2,829.4
Total	3,357.7	3,296.4

As at year end, the Company had three (2022: three) leases in issue with a related party. In August 2022, as a result of the sale of the Company to Harg Central Department Store Limited and SIGNA Holding GmbH, 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 Capital up share capital

	31 December 2023	31 December 2022
	£m	£m
Allotted, called up and fully paid		
164,600,000 (2022: 164,600,000) ordinary shares of £1 each	164.6	164.6

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.

Selfridges Properties Limited

Notes to the financial statements for the period ended 31 December 2023 (continued)

20 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 Harng Central Department Store Limited and SIGNA Holding GmbH, 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.

21 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 £nil (2022: £0.01m) due from Selfridges Retail Limited.

During the period the Company paid an annual management charge of £0.1m (2022: £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.

22 Post balance sheet events

On 18 September 2024, SIGNA Prime Selection AG, indirect parent to the Group, signed a Sale and Purchase Agreement ("SPA") to sell its investment in the Group to the Public Investment Fund ("PIF"), the sovereign Wealth Fund of Saudi Arabia.