

SFP Holdings Limited
ANNUAL REPORT AND FINANCIAL STATEMENTS
Company registration number 11148192
for the 52 week period ended 29 January 2022



SFP Holdings Limited
Annual Report and Financial Statements
For the year ended 29 January 2022

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Company Information

Company secretary & Registered office	E Howes 103 Wigmore Street London W1U 1QS England
Company's registered number	11148192
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 40 Clarendon Road Watford Hertfordshire WD17 1JJ

Strategic Report for the year ended 29 January 2022

The Directors present their Strategic Report and the audited Financial Statements of SFP Holdings Limited ("the Company") and its subsidiary undertakings (the Company together with its subsidiary undertakings being "the Group") for the 52 week period ended 29 January 2022 (2021: 52 week period ended 30 January 2021).

Principal activities

The principal activity of the Company is as a holding company for Group activities. The principal activity of the Group is that of retail property holding and financing.

Review of the business

The financial statements reflect the results of the Group.

Group revenue in the 52 weeks to 29 January 2022 was £55.6m (2021: £54.3m).

Group profit before income tax for the 52 weeks to 29 January 2022 was £253.6m (2021: loss of £95.7m).

As at 29 January 2022 the Group had net assets of £886.6m (2021: £747.3m), which, in the opinion of the Directors, is satisfactory.

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

In 2021, the Company's ultimate parent company, Wittington Investments, Limited ("WIL"), undertook a review of strategic options for its European retail trading businesses in the United Kingdom, the Netherlands, and Ireland, which included online and digital businesses and real estate holdings used in the retail businesses. As a result of this review, WIL through a subsidiary, entered into a sale and purchase agreement ("SPA") signed on 23 December 2021 with entities jointly controlled by Central Group and SIGNA Group (collectively, the "Buyers"). Pursuant to the SPA, WIL's subsidiary has agreed to sell to the Buyers the companies operating its European retail businesses including SFP Holdings Limited. The acquisition is expected to close in the coming months upon satisfaction of closing conditions.

Principal risks and uncertainties

The Company is part of the Selfridges Group of companies ("Selfridges Group") whose principal business is owning and operating retail investments.

As part of this Group, the Company takes a proactive approach to identifying, managing, and mitigating key risks and uncertainties.

Complying with applicable laws and doing the right thing is an important part of the Group's culture and values, and this is underpinned by a Code of Ethics which describes how we use our values to guide us through a range of topics in seeking to maximise the long term responsible and sustainable success of the Group.

The Group Risk Committee meets quarterly to review principal and emerging risks; developing and monitoring strategies to mitigate against such risks and minimise their impact. Bi-annually, principal risks are discussed at a meeting of the Audit Committee, as appointed by the Board of Directors.

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 and tenant default. The impact of the Covid-19 pandemic continued to be felt through 2021, however with the vaccine rollout and economic recovery we remain confident in the long term prospects of the Company.

Risk is also mitigated by the Company's underlying business model and long term lease arrangements with a related party. 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. Risk is further mitigated by Selfridges Group's historically strong financial performance, its long standing reputation, and the appropriate measures taken by its management in the context of changing market conditions.

Key performance indicators ("KPIs")

The Directors believe that other than the statutory KPIs of revenue, operating loss/profit, loss/profit before income tax set out in the Statement of Comprehensive Income and the carrying value of the property, 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 Selfridges Group 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 group's employees.
- c) the need to foster the group's business relationships with suppliers, customers and others.
- d) the impact of the group's operations on the community and the environment.
- e) the desirability of the group maintaining a reputation for high standards of business conduct
- f) the need to act fairly between members of the company.

There may be other factors relevant to certain decisions, which may also be taken into account as appropriate.

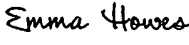
Selfridges Group operates under high standards of corporate governance which underpin the importance of the role of statutory directors. Directors are kept up to date on new legislation and market developments by the Company Secretary and are aware of their duties as Directors.

The Wates Corporate Governance Principles for Large Private Companies (the "Wates Principles") were adopted across Selfridges Group and provide a framework for the Group's corporate governance standards. This is primarily to support the directors in meeting their statutory and fiduciary duties, to promote the success of Selfridges Group companies and regulate the behaviour and activities of the Company's and its subsidiaries' boards and each of their respective executive committees.

Responsibility for the implementation of any decisions remain with the Group, with ongoing monitoring of governance processes in accordance with the Group's approach to governance.

During the year the Board met to approve certain decisions, including approval of budget and annual financial statements.

Approved by the Board of Directors on 29 June 2022 and signed by order of the board:

DocuSigned by:

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 E howes
 Company Secretary
 29 June 2022

Directors' Report for the year ended 29 January 2022

The Directors present their audited consolidated financial statements for the 52 weeks to 29 January 2022 (2021: 52 weeks ended 30 January 2021).

General Information

The Company was incorporated on 15 January 2018. The Company is a private limited 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 Group Limited, which is incorporated in Canada. The Directors consider the ultimate parent company and controlling party to be Wittington Investments, Limited, which is incorporated in Canada.

Future developments and going concern

Future growth is planned to be driven by continued rental income from the lease of the Group's properties.

As global Covid-19 restrictions are lifted and recovery progresses, the Directors continue to monitor the latest information to assess any impacts on the Group and manage and mitigate risks. Based on this ongoing assessment, and that the Group's investment properties are under long term lease arrangements with a related party, the Directors are satisfied that it will continue to have sufficient assets in place to meet its obligations for the foreseeable future.

The Group currently has access to sufficient borrowing facilities and on this basis the directors continue to adopt the going concern basis in preparing the financial statements for the Group. In light of the pending sale of the Group to the Buyers, the completion of the sale process will result in a change of control that will trigger provisions within the borrowing facilities that could result in them becoming unavailable to the Group, although this is not anticipated. The Directors expect that on completion of the sale process, current facilities will either continue (subject to agreement with the financing provider), or be replaced with at least equivalent facilities. In addition, given the upcoming change in control, as at the date of signing the financial statements, the Directors do not currently have certainty over the future structure for the Group and therefore the Company. As the completion of the sale and the availability of funding for the Group and Company is not yet finalised as of the date of signing the financial statements, this represents a material uncertainty that may cast significant doubt about the Group and the Company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

Financial risk management

The principal financial risks faced by the Company are liquidity and interest rate risks, and counterparty risks. Interest rate risks are managed through the use of interest rate swaps to fix the interest rates payable, and SONIA floor derivative instruments to protect against negative interest rates. Given the nature of the Company's operations, it is not exposed to price or foreign currency risk. Counterparty risks are managed by rigorous diligence on parties to contracts. Risk management is controlled by the Company under policies approved by the board of directors. The Company identifies, evaluates and hedges financial risks where appropriate. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Please refer to note 20 for further details.

Stakeholder engagement statement

The principal stakeholders which the Board considers when making its decisions are its immediate parent company and Selfridges Group, as well as suppliers and customers, as appropriate in accordance with the Group's approach to governance.

The Directors consider a number of factors when making decisions including the impact of these decisions on our stakeholders. The Company believes that only through ongoing dialogue with its stakeholders (directly or indirectly, as appropriate) can it deliver Selfridges Group's strategy to reinvent retail and to imagine and create a sustainable future for our customers (the "Vision and Purpose"). The Company engages regularly with its immediate parent company and Selfridges Group. Engagement with customers and team members is substantially delegated throughout Selfridges Group to the respective subsidiary businesses and this is regularly fed back to the Directors via the established channels in place across the Group, enabling Directors to apply this knowledge when residing as directors on their respective Boards.

As above, the corporate governance strategy also supports the principal decision-making of the Directors. This, and regular engagement with the retail businesses, supports the Directors' decision-making as the Directors are kept informed of engagement with stakeholder groups by Selfridges Group.

As part of their decision-making process in respect of the reporting year, the Directors considered the solvency of the Group, the impact of any decisions on its stakeholders, as referred to above and had regard to the impact of their decisions on Selfridges Group.

Directors

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

T Reade (resigned 19 April 2022)
K Down
N Power
A Pitcher

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

Group profit before income tax for the 52 weeks to 29 January 2022 was \$253.6m (2021: £ loss of 95.7m).

The Company received dividend income of \$50m during the year (2021: nil).

The Company paid a dividend of \$0.31 (2021: nil) per ordinary \$0.005 share, amounting to \$50m was paid on 26 October 2021. Following this, the dividend was contributed to a group company to recapitalise and strengthen its balance sheet.

The 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.

Employees

The Group has no employees (2021: nil). Directors are employed and remunerated by Selfridges Retail Limited or SHEL Holdings Europe Limited, companies under common control.

Independent auditors

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

Company's registered number

The Company's registered number is 11148192.

Directors' Report for the year ended 29 January 2022 (continued)

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

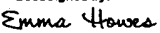
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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 group's and 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 group's and company's auditors are aware of that information.

Approved by the Board of Directors on 29 June 2022 and signed by order of the board:

DocuSigned by:

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E Howes
Company Secretary
29 June 2022

Independent auditors' report to the members of SFP Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- SFP Holdings Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 29 January 2022 and of the group's profit and the group's cash flows for the 52 week period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 29 January 2022; the Consolidated Statement of Comprehensive income, the Consolidated and Company Statements of Changes in Equity and the Consolidated Cash Flow Statement for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the group's and the company's ability to continue as a going concern. In 2021, the company's ultimate parent company, Wittington Investments, Limited ("WIL"), undertook a review of strategic options for its retail trading businesses in the United Kingdom, the Netherlands, and Ireland which includes online and digital businesses and real estate holdings and financing entities used in the retail businesses (the 'Selfridges group'). As a result of this review, WIL, through a subsidiary, entered into a sale and purchase agreement ("SPA") signed on 23 December 2021 with entities jointly controlled by Central Group and SIGNA Group (collectively, the "Buyers"). Pursuant to the SPA, WIL's subsidiary has agreed to sell to the Buyers the companies operating its European retail, real estate and financing businesses including the company, SFP Holdings Limited (SFPH). The acquisition is expected to close in the coming months upon satisfaction of closing conditions. Given the change in control, the SFPH group's existing borrowing facilities have a change in control clause and as a result these facilities will need to be replaced. The SFPH group has net current liabilities and is reliant on new external financing facilities to allow it to meet its liabilities as they fall due. At the date of signing the financial statements, these facilities have not been agreed and as a result the Directors do not currently have visibility of the source, nature and extent of this funding. In addition, given the upcoming change in control, as at the date of signing the financial statements, the Directors do not currently have certainty over the future structure for the Selfridges group and therefore the company. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and the company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 29 January 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with regulations relating to taxes, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and profits and management bias in determining accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Testing and sensitising the estimates relating to the valuation of the investment properties owned by the group;
- Review of the investment property valuation and use of our auditors' expert to assess the work of management's expert, which the directors have used to determine the fair value of the investment properties;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Identifying and testing journal entries mainly relating to entries with unusual account combinations, entries posted by unusual users, and entries including specific words;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Owen Mackney (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
29 June 2022

Consolidated Statement of Comprehensive Income
for the year ended 29 January 2022

		52 weeks ended 29 January 2022	52 weeks ended 30 January 2021
	Note(s)	\$m	\$m
Revenue	4	55.6	54.3
Administrative expenses	5	(2.7)	(2.1)
Operating profit before investment property valuation movements		52.9	52.2
Net gain/(loss) on revaluation of investment properties	12	213.0	(135.3)
Operating profit/(loss)		265.9	(83.1)
Finance income	9	2.7	1.2
Finance costs	10	(15.0)	(13.8)
Net finance costs		(12.3)	(12.6)
Profit/(loss) before income tax		253.6	(95.7)
Income tax (charge)/credit	11	(78.9)	12.8
Profit/(loss) after tax for the financial year		174.7	(82.9)
Other comprehensive income/(expense)			
Items that may be subsequently reclassified to profit or loss			
Fair value gains/(losses) on interest rate swaps held in cash flow hedges	19/20	14.5	(8.1)
Fair value gains recycled to interest expense	19/20	3.8	2.8
Movement in deferred tax on cash flow hedges	11	(3.7)	1.2
Total other comprehensive income/(expense)		14.6	(4.1)
Total comprehensive income/(expense) for the year		189.3	(87.0)

The results for the year reflect trading from continuing operations.

Total comprehensive income/(expense) is allocated in full to the owners of the Company.

The notes on pages 13 to 22 form an integral part of these financial statements.

Consolidated Balance Sheet
as at 29 January 2022

	Note	29 January 2022 \$m	30 January 2021 \$m
Assets			
Non-current assets			
Investment properties	12	1,363.0	1,150.0
Property, plant and equipment	13	9.8	11.4
Derivative financial instruments	18	-	0.7
Deferred income tax asset	16	12.4	0.4
Total non-current assets		1,385.2	1,162.5
Current assets			
Trade and other receivables	14	9.1	20.3
Derivative financial instruments	18	3.6	-
Cash and cash equivalents		198.4	199.3
Total current assets		211.1	219.6
Total assets		1,596.3	1,382.1
Liabilities			
Current liabilities			
Trade and other payables	15	20.9	16.7
Borrowings and other financial liabilities	17	546.7	-
Corporation tax liabilities		0.2	0.7
Derivative financial instruments	19	0.3	4.2
Total current liabilities		568.1	21.6
Non-current liabilities			
Borrowings and other financial liabilities	17	-	545.7
Derivative financial instruments	19	-	10.7
Deferred income tax liabilities	16	141.6	56.8
Total non-current liabilities		141.6	613.2
Total liabilities		709.7	634.8
Equity			
Called up share capital	22	0.8	0.8
Hedging reserve		2.4	(12.2)
Capital reserve		612.4	612.4
Group reorganisation reserve		(725.0)	(725.0)
Retained earnings		996.0	871.3
Total equity		886.6	747.3
Total liabilities and equity		1,596.3	1,382.1

The notes on pages 13 to 22 form an integral part of these financial statements.

The Financial Statements on pages 9 to 12 were authorised for issue by the board of directors on 29 June 2022 and were signed on its behalf by:

DocuSigned by:

Kath Down

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K Down

Director

29 June 2022

Consolidated Statement of Changes in Equity
for the year ended 29 January 2022

	Called up share capital \$m	Hedging reserve \$m	Capital reserve \$m	Group reorganisation reserve \$m	Retained earnings \$m	Total equity \$m
Balance at 01 February 2020	0.8	(8.1)	726.0	(725.0)	840.6	834.3
Loss for the financial year	-	-	-	-	(82.9)	(82.9)
Other comprehensive expense	-	(4.1)	-	-	-	(4.1)
Total comprehensive expense for the year	-	(4.1)	-	-	(82.9)	(87.0)
Transfer of reserves (see below)	-	-	(113.6)	-	113.6	-
Transactions with owners recognised directly in equity	-	-	(113.6)	-	113.6	-
Balance at 30 January 2021	0.8	(12.2)	612.4	(725.0)	871.3	747.3
Profit for the financial year	-	-	-	-	174.7	174.7
Other comprehensive income	-	14.6	-	-	-	14.6
Total comprehensive income for the year	-	14.6	-	-	174.7	189.3
Dividends paid	-	-	-	-	(50.0)	(50.0)
Transactions with owners recognised directly in equity	-	-	-	-	(50.0)	(50.0)
Balance at 29 January 2022	0.8	2.4	612.4	(725.0)	996.0	886.6

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

The notes on pages 13 to 22 form an integral part of these financial statements.

Consolidated Cash Flow Statement
for the year ended 29 January 2022

	Note	52 weeks ended 29 January 2022 £m	52 weeks ended 30 January 2021 £m
Cash flows from operating activities			
Operating profit/(loss)		265.9	(83.1)
Adjustments for:			
- Depreciation of Property, Plant and Equipment	5	1.6	1.2
- Revaluation of LIBOR floor		-	(0.4)
- Net (gain)/loss on revaluation	12	(213.0)	135.3
		64.5	53.0
Changes in:			
- Decrease/(Increase) in debtors		11.2	(0.2)
- Increase/(Decrease) in creditors		4.2	(11.0)
Cash generated from operating activities		69.9	41.8
Interest received		2.6	1.1
Interest paid		(13.1)	(13.2)
Income tax paid		(10.3)	(16.5)
Net cash generated from/(used in) operating activities		49.1	13.2
Cash flows from financing activities			
Drawdown of loans to entities under common control		-	(20.0)
Drawdown of revolving credit facility		-	200.0
Net cash used in financing activities		-	180.0
Dividends paid to owners of the Company		(50.0)	-
Net cash generated from financing activities		(50.0)	-
Net (outflow)/inflow in cash and cash equivalents		(0.9)	193.2
Cash and cash equivalents at beginning of financial year		199.3	6.1
Cash and cash equivalents at end of financial year		198.4	199.3

Non-cash changes

Reconciliation of liabilities arising from financing activities

	01 February 2020 £m	Cash flows £m	Amortisation £m	Other non-cash changes £m	30 January 2021 £m
Bank loans	344.8	200.0	1.0	(0.1)	545.7
Total liabilities from financing activities	344.8	200.0	1.0	(0.1)	545.7

	30 January 2021 £m	Cash flows £m	Amortisation £m	Other non-cash changes £m	29 January 2022 £m
Bank loans	545.7	-	1.0	-	546.7
Total liabilities from financing activities	545.7	-	1.0	-	546.7

Notes to the Consolidated Financial Statements for the year ended 29 January 2022**1 General Information**

SFP Holdings Limited (the "Company") is a private limited 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 as a holding company for Group activities which is that of retail property holding and financing.

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 Consolidated Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The Group has elected to use 'Capital Reorganisation Accounting' for these consolidated financial statements. Accordingly, these financial statements include the full year results (including comparatives) of all subsidiaries. The consolidated balance sheet includes the carrying values of assets and liabilities acquired in the subsidiary undertakings, as reflected in the financial statements of these acquired subsidiaries - there is no fair value adjustment to those values and no goodwill is recorded.

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The company transitioned to UK-adopted International Accounting Standards in its financial statements on 31 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The Financial Statements of the company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

New and amended standards adopted by the company:

The company has applied the following amendments for the first time for their annual reporting period commencing 31 January 2021:

- COVID-19-Related Rent Concessions - amendments to IFRS 16, and
- Interest Rate Benchmark Reform - Phase 2 - amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The company also elected to adopt the following amendments early:

- Annual Improvements to IFRS Standards 2018-2020, and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - amendments to IAS 127

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted:

• Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 29 January 2022 reporting periods and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods on an foreseeable future transactions.

The Consolidated Financial Statements of the Group as at and for the year ended 29 January 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group companies").

b) Accounting convention

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and financial liabilities (including derivative instruments) at fair value through the statement of other comprehensive income.

c) Accounting periods

The Financial Statements are 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 30 January 2021 in 2021 and 29 January 2022 in 2022.

d) Going concern

As global Covid-19 restrictions are lifted and recovery progresses, the Directors continue to monitor the latest information to assess any impacts on the Group and manage and mitigate risks. Based on this ongoing assessment, and that the Group's investment properties are under long term lease arrangements with a related party, the Directors are satisfied that it will continue to have sufficient assets in place to meet its obligations for the foreseeable future.

The Group currently has access to sufficient borrowing facilities and on this basis the directors continue to adopt the going concern basis in preparing the financial statements for the Group. In 2021, the Company's ultimate parent company, Wittington Investments, Limited ("WIL"), undertook a review of strategic options for its European retail trading businesses in the United Kingdom, the Netherlands, and Ireland, which included online and digital businesses and real estate holdings used in the retail businesses. As a result of this review, WIL, through a subsidiary, entered into a sale and purchase agreement ("SPA") signed on 23 December 2021 with entities jointly controlled by Central Group and SIGMA Group (collectively, the "Buyers"). Pursuant to the SPA, WIL's subsidiary has agreed to sell to the Buyers the companies operating its European retail businesses including the Company, SFP Holdings Limited. The acquisition is expected to close in the coming months upon satisfaction of closing conditions. In light of the pending sale of the Group to the Buyers, the completion of the sale process will result in a change of control that will trigger provisions within the borrowing facilities that could result in them becoming unavailable to the Group, although this is not anticipated. The Directors' expect that on completion of the sale process, current facilities will either continue (subject to agreement with the financing provider), or be replaced with at least equivalent facilities. In addition, given the upcoming change in control, as at the date of signing the financial statements, the Directors do not currently have certainty over the future structure for the Group and therefore the Company. As the completion of the sale and the availability of funding for the Group and Company is not yet finalised as of the date of signing the financial statements, this represents a material uncertainty that may cast significant doubt about the Group and the Company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Group and the Company were 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.

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 paid.

g) Revenue

Revenue, which excludes value added tax, comprises rents receivable from tenants under operating leases, recognised on an accruals basis. 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 Group 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 year in which they arise. Depreciation is not provided for in respect of investment properties.

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 Group. 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.

Notes to the Consolidated Financial Statements for the year ended 29 January 2022 (continued)**2 Summary of significant accounting policies (continued)****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 year.

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. These are recognised in the Statement of Comprehensive Income.

j) Financial assets and liabilities**Recognition and measurement**

Financial assets and liabilities are recognised in the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

i) Classification

The Group 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 Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group 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 year in which it arises.

iii) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For trade receivables, the group 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. Note 18 (financial risk management) contains further details how the Group determines the impact of credit risk on financial assets.

k) Current and deferred taxation

The tax expense for the year 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.

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.

Notes to the Consolidated Financial Statements for the year ended 29 January 2022 (continued)**2 Summary of significant accounting policies (continued)****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.

o) Significant accounting estimates and judgements

In preparing the Financial Statements, judgments, 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 Group 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 Group'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 Group 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 12. 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 Group's properties differ from the valuation reported in the Financial Statements, which could have a material effect on the Group's financial position.
- 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. This is an area of significant judgment due to the potential for material changes in the property value going forward.
- Fair value of derivatives
The Group entered into interest rate swaps and a LIBOR floor derivative policy. This was amended to a SONIA floor policy from 11 January 2022. The carrying values of these derivatives are reviewed each year end. These derivative assets and liabilities are held on the balance sheet at current market valuation provided by the Group's banks.
- Effect of LIBOR reform
On 21 December 2021 the group's external LIBOR-linked £350m floating-rate facility agreement which is hedged with an interest rate swap, was amended and restated to reflect the transition to SONIA effective from 11 January 2022. The associated interest rate swap agreements were also amended and restated. As a consequence the internal back to back floating rate facility and interest rate swaps were also amended and restated. Furthermore as GBP LIBOR included a credit spread over the risk-free rate, whereas SONIA does not, LIBOR was replaced by SONIA plus the industry agreed credit adjustment spread of 0.1193%. This ensured that the two benchmark rates were economically equivalent on transition.

3 Segmental analysis

The Group's properties, which are located in London, are managed as a single portfolio.

For the purposes of IFRS 8 'Operating Segments', the London portfolio is considered to be a single operating segment. The aggregation criteria set out in IAS 14 have been applied to give one reportable segment.

The Board assesses the performance of the reportable segment based on the current property income and investment property valuation. All financial information provided to the Board is prepared on a basis consistent with these Financial Statements and, as the Group has only one reportable segment, the measures used in assessing the business are set out in the Statement of Comprehensive Income.

4 Revenue

All rents receivable are due from one company. This company is an entity undertaking under common control.

5 Administrative expenses

Operating (loss)/profit is stated after charging the items set out below:

	52 weeks ended 29 January 2022	52 weeks ended 30 January 2021
	\$m	\$m
Depreciation of Property, Plant and Equipment	1.6	1.2
Other costs	1.1	0.9
Total administrative expenses	2.7	2.1

6 Auditors' remuneration

The audit fee for the Group for the year ending 29 January 2022 is £29,736 (2021: £27,600). No fees were incurred during the year (2021: nil) for any non-audit work.

7 Employee information

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

8 Directors' emoluments

	52 weeks ended 29 January 2022	52 weeks ended 30 January 2021
	\$'000	\$'000
Aggregate emoluments	41.8	-
Aggregate amounts received under long-term incentive schemes	19.7	-
Aggregate pension costs	3.7	-

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

The highest paid director received total emoluments of £41,790 (2021: \$nil) and amounts under long-term incentive schemes of £19,660 (2021: nil). There were £3,666 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.

9 Finance income

	52 weeks ended 29 January 2022	52 weeks ended 30 January 2021
	\$m	\$m
Interest on loan issued to entities under common control	2.7	1.2
Interest receivable and similar charges	2.7	1.2

Notes to the Consolidated Financial Statements for the year ended 29 January 2022 (continued)

10 Finance costs

	52 weeks ended 29 January 2022 £m	52 weeks ended 30 January 2021 £m
Bank interest payable		
- Bank borrowings	9.5	10.4
- Fair value losses on interest rate swaps transferred from equity	3.8	2.8
- Amortisation of refinancing costs	1.0	1.0
Fair value losses/(gains) on unhedged derivative financial instruments	0.7	(0.4)
Interest payable and similar charges	15.0	13.8

11 Income tax charge/(credit)

	52 weeks ended 29 January 2022 £m	52 weeks ended 30 January 2021 £m
Current tax		
UK corporation tax on profits of the year	9.9	9.7
Adjustments in respect of prior years (excluding group relief)	(0.1)	(0.1)
Total current tax	9.8	9.6
Deferred tax		
Origin and reversal of timing differences	60.3	(27.9)
Impact of tax rate changes	18.7	9.2
Adjustments in respect of prior years	0.1	(3.7)
Total deferred tax	69.1	(22.4)
Tax charge/(credit) for the year	78.9	(12.8)

Reconciliation of total tax charge

The UK standard rate of corporation tax for the year is 19% (2021: 19%). The tax charge for the current and prior years differ from the standard rate for the reasons set out in the following reconciliation.

	52 weeks ended 29 January 2022 £m	52 weeks ended 30 January 2021 £m
Profit/(loss) before income tax	253.6	(95.7)
Tax on profit/(loss) at standard rate of 19% (2021: 19%)	48.2	(18.2)
Tax effects of:		
Adjustment in respect of prior years	(0.1)	(3.8)
Impact of deferred tax rate changes	30.8	9.2
Tax charge/(credit) for the year	78.9	(12.8)

Tax components of Other Comprehensive Income

Tax on items that may be reclassified to the Statement of Comprehensive Income

	52 weeks ended 29 January 2022 £m	52 weeks ended 30 January 2021 £m
Impact of tax on derivative hedge taken to equity	3.7	(1.2)
Total tax in other comprehensive income	3.7	(1.2)
Deferred tax	3.7	(1.2)

12 Investment properties

	Freehold land and buildings £m	Total £m
Cost or valuation		
As at 01 February 2020	1,285.3	1,285.3
Net loss on revaluation	(135.3)	(135.3)
As at 30 January 2021	1,150.0	1,150.0
Net gain on revaluation	213.0	213.0
As at 29 January 2022	1,363.0	1,363.0

Notes to the Consolidated Financial Statements for the year ended 29 January 2022 (continued)

12 Investment properties (continued)

External valuations

The investment properties were subject to external valuations as at 29 January 2022 by qualified valuers, being members of the Royal Institute of Chartered Surveyors, working for CBRE Limited.

The properties were valued on the basis of fair value and highest and best use in accordance with the RICS Valuation – Professional Standards 2014 and IFRS 13. When considering the highest and best use a valuer considers its actual and potential uses which are legally and financially viable. Where the highest and best use differs from the existing use, the valuer considers the use a market participant would have in mind when formulating the price it would bid and reflects the cost and likelihood of achieving that use.

The external valuations use information provided by the Group, such as tenancy information and capital expenditure expectations. The valuers, in forming their opinion make a series of assumptions. The assumptions are typically market related, such as yields and rental values, and are based on the valuers' professional judgment and market observations. The major inputs to the external valuation are reviewed by the Board.

Fair value measurements

The Group'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 Group's properties has been determined using a market approach which provides an indication of the value by comparing the subject assets with identical or similar assets for which price information is available. All properties held by the Group at the end of the year were therefore rated level 3 (2021: 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. Due to increased uncertainty caused by the Covid-19 pandemic, the Directors consider that a 10% +/- movement in value represents a reasonable possible change. However this analysis is for illustrative purposes only.

	29 January 2022 £m	30 January 2021 £m
Impact on Statement of Comprehensive Income		
10% (2021: 10%) weakening in property estimated rental value	(22.0)	(20.0)
10% (2021: 10%) strengthening in property estimated rental value	22.0	30.0
0.5% (2021: 0.5%) strengthening of rent yields	(111.0)	(90.0)
0.5% (2021: 0.5%) weakening of rent yields	132.0	120.0

13 Property, Plant and equipment

	Plant and equipment £m	Total £m
Cost		
As at 30 January 2021	33.4	33.4
Disposals	-	-
As at 29 January 2022	33.4	33.4
Accumulated depreciation		
As at 30 January 2021	(22.0)	(22.0)
Charge for the year	(1.6)	(1.6)
As at 29 January 2022	(23.6)	(23.6)
Net book value		
As at 30 January 2021	11.4	11.4
As at 29 January 2022	9.8	9.8

14 Trade and other receivables

	29 January 2022 £m	30 January 2021 £m
Current		
Amounts owed by group undertakings	8.8	20.1
Prepayments	0.3	0.2
Total current	9.1	20.3

During the year, the Group provided committed facilities to entities under common control in the form of interest bearing grid promissory note agreements. As at the year end, the Group has total outstanding loan and interest of £8.8m (2021: £20.1m) from these counterparties

15 Trade and other payables

	29 January 2022 £m	30 January 2021 £m
Amounts owed to entity undertakings under common control	13.2	9.2
Accruals and deferred income	7.6	7.5
Other creditors	0.1	-
Total current	20.9	16.7

Amounts owed by the Group to entity undertakings under common control are non-interest bearing and repayable upon demand. Further details can be found at note 24.

Notes to the Consolidated Financial Statements for the year ended 29 January 2022 (continued)

16 Deferred tax balances

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

	29 January 2022 \$m	30 January 2021 \$m
Deferred tax assets due after more than 12 months	12.4	10.0
Deferred tax liabilities due after more than 12 months	(141.6)	(66.4)
Total provision	(129.2)	(56.4)

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

	52 weeks ended 29 January 2022 \$m	52 weeks ended 30 January 2021 \$m
As at beginning of year	56.4	80.0
Charged/(credited) to the Statement of Comprehensive Income	69.1	(22.4)
Credited to other comprehensive income	3.7	(1.2)
As at end of year	129.2	56.4

Deferred tax liabilities	Accelerated Capital Allowances \$m	Derivative Instruments \$m	Property revaluation \$m	Total \$m
As at 02 February 2020	-	-	(85.8)	(85.8)
(Charged)/credited to the Statement of Comprehensive Income	-	-	19.3	19.3
As at 30 January 2021	-	-	(66.5)	(66.5)
Credited to the Statement of Comprehensive Income	-	-	(74.3)	(74.3)
Credited to other comprehensive income	-	(0.8)	-	(0.8)
As at 29 January 2022	-	(0.8)	(140.8)	(141.6)

Deferred tax assets	Accelerated Capital Allowances \$m	Derivative Instruments \$m	Other timing differences \$m	Total \$m
As at 02 February 2020	4.1	1.7	-	5.8
Charged to the Statement of Comprehensive Income	0.6	-	2.5	3.1
Credited to other comprehensive income	-	1.2	-	1.2
As at 30 January 2021	4.7	2.9	2.6	10.1
Charged to the Statement of Comprehensive Income	1.3	-	3.9	5.2
Credited to other comprehensive income	-	(2.9)	-	(2.9)
As at 29 January 2022	6.0	-	6.4	12.4

In the March 2021 UK Budget, it was announced that legislation will be introduced in the Finance Bill 2021 to increase the main rate of tax from 19% to 25% effective April 2023. No changes to this were made in the March 2022 UK Budget announcement. As this was substantively enacted at the balance sheet date deferred tax balances are measured at the rate applicable at the date when the underlying temporary differences are expected to unwind.

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:

- The same taxable entity, or
- 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.

17 Borrowings and other financial liabilities

	29 January 2022 \$m	30 January 2021 \$m
Current		
Bank loans	546.7	-
Total current	546.7	-
Non-current		
Bank loans	-	545.7
Total non-current	-	545.7

In January 2018, a loan facility of £550.0m was entered into, of which £350.0m was drawn and the £200.0m revolving credit facility was kept available for general corporate purposes. The loan is secured by a fixed and floating charge over the Group's freehold properties. The fair value of the long term loan is equivalent to the carrying value of the loans as this is a floating-rate financial instrument. The loan was for an original term of five years and two 1-year extensions were agreed in January 2019 and January 2020.

The Group entered into interest rate swaps with a total notional amount of £350.0m maturing in line with the underlying loan facility and a LIBOR floor derivative policy under which it will receive a three month LIBOR below a strike value of 0%. On agreement of the one-year loan extensions in January 2019 and January 2020, the Group entered into further interest rate swaps with a total notional amount of £350.0m, maturing in line with the extended period.

On the 19th March 2020, the Group fully drew down the £200.0m revolving credit facility. The Group has not entered into interest rate swaps in relation to the £200m.

During the year the £550m loan facility agreement was amended and restated to reflect the change from LIBOR to SONIA. The interest rate swaps agreement and floor derivative policy were also amended accordingly together with the back to back derivative contracts.

The loan liability as at 29 January 2022 of £546.7m (30 January 2021: £545.7m) is shown net of £7.4m (30 January 2021: £7.4m) direct financing costs which are being amortised over the term of the loan. Accrued amortisation at the year end amounted to £4.3m (2021: £3.3m). Covenant compliance has been maintained throughout the period. The bank loan is classed as falling due within one year as the lenders have the right to call in the loan upon a change of control of the Companies in the Group.

Notes to the Consolidated Financial Statements for the year ended 29 January 2022 (continued)

18 Financial assets by category

	Amortised cost \$m	Derivatives used for hedging \$m	Assets held at fair value through the Statement of Comprehensive Income \$m	Total \$m
As at 30 January 2021				
Cash and cash equivalents				
- Current	199.3	-	-	199.3
Trade and other receivables				
- Current	20.3	-	-	20.3
Derivative financial instruments				
- Current	-	-	-	-
- Non-current	-	-	0.7	0.7
Total	219.6	-	0.7	220.3
As at 29 January 2022				
Cash and cash equivalents				
- Current	198.4	-	-	198.4
Trade and other receivables				
- Current	9.1	-	-	9.1
Derivative financial instruments				
- Current	-	3.6	-	3.6
Total	207.5	3.6	-	211.1

Derivative asset amounts represent the fair value as at the balance sheet date of the interest rate swap contracts (which are held in a cash flow hedge relationship) and the interest rate option (which is held at fair value through the Statement of Comprehensive Income). Fair values are estimated using discounted cash flow models that use observable yield curves prevailing as at the reporting date. The valuation technique falls within level 2 of the fair value hierarchy (see note 12 for definition).

During the year, the Group provided committed facilities to entities under common control in the form of interest bearing grid promissory note agreements. As at the year end, the Group has total outstanding loan and interest of \$8.8m (2021: \$20.1m) from these counterparties.

19 Financial liabilities by category

	Derivatives used for hedging \$m	Other liabilities held at amortised cost \$m	Total \$m
As at 30 January 2021			
Borrowings			
- Non-current	-	545.7	545.7
Trade and other payables			
- Current	-	16.7	16.7
Derivative financial instruments			
- Current	4.2	-	4.2
- Non-current	10.7	-	10.7
Total	14.9	562.4	577.3
As at 29 January 2022			
Borrowings			
- Non-current	-	-	-
- Current	-	546.7	546.7
Trade and other payables			
- Current	-	20.9	20.9
Derivative financial instruments			
- Current	0.3	-	0.3
- Non-current	-	-	-
Total	0.3	567.6	567.9

Derivative liability amounts represent the fair value as at the balance sheet date of the interest rate swap contracts. The fair value of the interest rate swap contracts have been estimated using a discounted cash flow model using an observable yield curve prevailing as at the reporting date. The valuation technique falls within level 2 of the fair value hierarchy (see note 12 for definition).

Notes to the Consolidated Financial Statements for the year ended 29 January 2022 (continued)**20 Financial risk management**

The principal financial risks faced by the Group are interest rate risks and this is managed through use of interest rate swaps to fix the interest rates payable, and SONIA floor derivative instruments to protect against negative interest rates. Given the nature of the Group's operations, it is not exposed to price or foreign currency risk. Risk management is controlled by the Group under policies approved by the board of directors. The Group identifies, evaluates and hedges financial risks where appropriate. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Interest rate risks

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

Interest rate risk arises from the Group'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 Group's policy is to minimise this risk through long-term committed bank facilities and the use of long-term interest rate swaps on a large portion of its floating-rate bank debt.

Market risk**Instruments used by the group**

Interest rate swaps currently in place cover 100% of the variable loan principal outstanding. The fixed interest rate of the swaps is 1.16220%, and the variable rate of the loan amounts to the SONIA rate plus a credit adjustment spread of 0.1193%.

The swap contracts require settlement of net interest receivable or payable every 90 days. The settlement rates coincide with the dates on which interest is payable on the underlying debt.

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the group's financial position and performance are as follows:

	29 January 2022 £m	30 January 2021 £m
Interest rate swaps		
Carrying amount (liability)	3.3	(14.9)
Notional amount	350.0	350.0
Maturity dates	30 January 2023 30 January 2024 30 January 2025	30 January 2023 30 January 2024 30 January 2025
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments since 03 February (2021: 02 February)	14.6	(8.1)
Change in value of hedged item used to determine hedge effectiveness	(14.5)	8.1
Weighted average hedged rate for the year	1.1622%	1.1622%

Effect of LIBOR reform

On 31 December 2021, the London Interbank Offered rate (LIBOR) was phased out replaced by the Sterling Overnight Index Average (SONIA), which is the risk free rate (RFR) selected by the Bank of England. SONIA is currently a "backward-looking" rate: It is based on overnight rates from actual transactions, and it is published at the end of the overnight borrowing period.

On 21 December 2021 the Group's LIBOR-linked £350m floating-rate facility agreement which is hedged with an interest rate swap, was amended and restated to reflect the transition to SONIA effective from 11 January 2022. The associated interest rate swap agreements were also amended and restated. Furthermore as GBP LIBOR included a credit spread over the risk-free rate, whereas SONIA does not, LIBOR was replaced by SONIA plus the industry agreed credit adjustment spread of 0.1193%. This ensured that the two benchmark rates were economically equivalent on transition.

Liquidity and funding

Liquidity and funding risk is the risk that the Group will not be able to meet its short term financial demands. The Group's operating subsidiaries are funded by a combination of retained profits and bank borrowings. Please refer to note 2d for more detail.

Notes to the Consolidated Financial Statements for the year ended 29 January 2022 (continued)**20 Financial risk management (continued)**

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

	Loan finance \$m	Derivative financial instruments \$m	Trade and other payables \$m	Total \$m
Timing of undiscounted cash flows				
Within one year	14.2	3.9	16.7	34.8
Between one and two years	14.2	3.8	-	18.0
Between two and five years	578.4	6.6	-	585.0
More than five years	-	-	-	-
As at 30 January 2021	606.8	14.3	16.7	637.8
Timing of undiscounted cash flows				
Within one year	595.0	(0.3)	20.9	615.6
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	595.0	3.3	20.9	619.2

Counterparty risks

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

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

The Group also operates as a financing company for a number of entities under common control, and is therefore exposed to credit risk on loans receivable from group companies. The maximum exposure to credit risk at the reporting date represents the carrying value of the financial assets presented in note 14.

Sensitivity

The Group is exposed to market movements in interest rates. In the current year, risks arising with financial instruments issued by related parties and external parties are largely mitigated and hedged against through the use of an interest rate swap contract.

Capital risks

The Group's objectives when managing capital (i.e., the shareholder's equity in the business) are to safeguard the Group'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 Group may adjust the amount of dividends paid to shareholders, reduce capital to shareholders, issue new shares or sell assets to reduce debt.

21 The Group as Lessor

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

	29 January 2022 \$m	30 January 2021 \$m
Not later than one year	57.9	55.1
Later than one year but not later than two years	60.8	56.2
Later than two years but not later than three years	62.6	57.4
Later than three years but not later than four years	64.3	58.5
Later than four years but not later than five years	66.1	59.7
Later than five years	1,916.8	1,662.0
Total	2,228.4	1,948.9

As at the year end, the Group had three (2021: three) leases in issue with entities under common control. On 31st January 2018 the existing leases were renewed. The term of the leases is 30 years and rents receivable are reviewed on an annual basis.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group 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.

Notes to the Consolidated Financial Statements for the year ended 29 January 2022 (continued)**22 Called up share capital**

	29 January 2022 £m	30 January 2021 £m
Alotted, called up and fully paid		
162,001,000 ordinary shares of £0.005 each (2021: 162,001,000 ordinary shares of £0.005 each)	<u>0.8</u>	<u>0.8</u>

23 Ultimate holding company

The immediate parent undertaking is Selfridges Group Limited, which is incorporated in Canada. The Directors consider the ultimate parent company and controlling party to be Wittington Investments, Limited, which is incorporated in Canada.

The Company is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 29 January 2022.

24 Related party transactions

The Group leases its properties to Selfridges Retail Limited. A description of the terms of these leases can be found in note 21.

During the year, rental income of £4.9m (2021: £4.7m) was received by the Group on behalf of Selfridges Manchester Limited, a company under common control. A balance of £13.1m (2021: £9.2m) is payable to Selfridges Manchester Limited as at the year end.

During the year, the Group provided funding to entities under common control in the form of interest bearing loans. As at the year end, the Group has total outstanding loan and interest of £8.8m (2021: £20.1m) from these counterparties

During the period the Group paid an annual management charge of £0.5m (2021: NIL) to SHEL Holdings Europe Limited, in relation to staff costs and overheads which are incurred at a group level.

The Group considers the key management to be the Directors.

25 Subsequent events

There have been no significant events post balance sheet date.

Company Balance Sheet
as at 29 January 2022

	Note	29 January 2022 £m	30 January 2021 £m
Assets			
Non-current assets			
Investments in Subsidiaries	C5	885.7	747.3
Total non-current assets		<u>885.7</u>	<u>747.3</u>
Total Assets		<u>885.7</u>	<u>747.3</u>
Total liabilities		<u>-</u>	<u>-</u>
Equity			
Called up share capital	C7	0.8	0.8
Capital reserve		612.4	612.4
Retained earnings/(accumulated losses)		<u>272.6</u>	<u>134.1</u>
Total equity		<u>885.7</u>	<u>747.3</u>
Total liabilities and equity		<u>885.7</u>	<u>747.3</u>

The notes on pages 25 to 26 form an integral part of these financial statements.

Profit for the year amounted to £188.4m (2021: loss of £83.1m).

The Financial Statements on pages 23 to 24 were authorised for issue by the board of directors on 29 June 2022 and were signed on its behalf by:

DocuSigned by:

Keith Down

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Director
29 June 2022

Company Statement of Changes in Equity
for the year ended 29 January 2022

	Called up share capital \$m	Capital reserve \$m	(Accumulated losses)/ retained earnings \$m	Total equity \$m
As at 01 February 2020	0.8	726.0	103.6	830.4
Loss for the financial year	-	-	(83.1)	(83.1)
Total comprehensive expense for the year	-	-	(83.1)	(83.1)
Transfer of reserves (see below)	-	(113.6)	113.6	-
As at 01 February 2020	0.8	612.4	134.1	747.3
Profit for the financial year	-	-	188.4	188.4
Total comprehensive income for the year	-	-	188.4	188.4
Dividends	-	-	(50.0)	(50.0)
Transactions with owners recognised directly in equity	-	-	(50.0)	(50.0)
As at 29 January 2022	0.8	612.4	272.5	885.7

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

During the current year, the Company has recognised an impairment reversal of £138.3m relating to the investment in its subsidiary. As a result £111.7m of the £113.6m transferred from capital reserves to retained earnings in the periods to 30 January 2021 is now unrealised as at 29 January 2022.

Notes to the Company Financial Statements for the year ended 29 January 2022

C1 Accounting policies

The Company's accounting policies are the same as those set out in note 2 of the Group financial statements except as noted below.

The Company's financial statements are prepared on a standalone basis and accordingly only show the financial results of the Company for the year ended 29 January 2022. Capital reorganisation accounting principles have not been applied to the Company financial statements.

The Company's financial risk is managed as part of the Group's strategy and policies as discussed in note 20 of the Group financial statements.

Investments in subsidiaries are carried at cost less accumulated impairment losses. The carrying value of the investment is dependent on the fair value less costs to sell. The carrying value of investments have been reassessed during the financial period and as a result the directors have reversed the previous impairment based on the fair value less costs to sell, which were derived from the net assets of the investment Company.

o) Basis of preparation

On 31 December 2020, EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In preparing these financial statements in accordance with FRS 101, the Company Financial Statements transitioned to UK-adopted international accounting standards (as described above) on 31 January 2021. There is no impact on recognition, measurement or disclosure in the period reported as a result of this change.

New and amended standards adopted by the company

The company has applied the following amendments for the first time for their annual reporting period commencing 31 January 2021:

- COVID-19-Related Rent Concessions - amendments to IFRS 16, and
- Interest Rate Benchmark Reform - Phase 2 - amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The company also elected to adopt the following amendments early:

- Annual Improvements to IFRS Standards 2018-2020, and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - amendments to IAS 127

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted:

- Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 January 2022 reporting periods and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods on on foreseeable future transactions.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- IAS 7, 'Statement of cash flows'.
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- SFP Holdings Limited has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company profit and loss account.

These financial statements have been prepared on a going concern basis. Refer to note 2(d) for the going concern assessment of the Group.

C2 Auditors' remuneration

The audit fees are borne by Selfridges Properties Limited, an entity undertaking under common control, and are not recharged. The audit fee for the Company for the year ending 29 January 2022 is £5,900 (2021: £4,250). No fees were incurred during the year (2021: nil) for any non-audit work.

C3 Employee information

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

C4 Directors' emoluments

No directors were remunerated for their services in relation to the Company (2021: £nil). The directors' services are considered incidental to their roles in other companies under common control. They are employed and remunerated by either Selfridges Retail Limited or SHEL Holdings Europe limited, both companies under common control.

C5 Investments in subsidiaries

	Investment in subsidiaries £m	Total £m
Cost		
As at 30 January 2021 and 29 January 2022	888.0	888.0
Impairment:		
Accumulated losses as at 30 January 2021	(140.6)	(140.6)
Reversal of impairment in the period	138.3	138.3
Accumulated losses as at 29 January 2022	(2.3)	(2.3)
Net book value		
As at 29 January 2022	885.7	885.7
As at 30 January 2021	747.4	747.4

There are two undertakings as at 29 January 2022 whose results and financial position affected the figures shown in the Group's annual financial statements, as below:

	Selfridges Financing Limited	Selfridges Properties Limited*
Country of registration	England & Wales	England & Wales
Country of operation	United Kingdom	United Kingdom
Activity	Financing Company	Retail Property Holding Company
Registered Office address	103 Wigmore Street, London, W1U 1QS	103 Wigmore Street, London, W1U 1QS
Percentage share holding	100%	100%
Type of shares held	Ordinary	Ordinary

All companies are limited by shares.

*Owned indirectly

The carrying value of the investment was assessed as at 29 January 2022, which resulted in a gain of value £138.3m, based on fair value less costs to sell.

Notes to the Company Financial Statements for the year ended 29 January 2022

C6 Financial risk management

The Directors consider the Company's financial risk profile to be low. Given the nature of the Company's operations, it is not exposed to interest rate, price or foreign currency risk.

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 Company's operating subsidiaries are funded by a combination of retained profits and bank borrowings.

Capital risks

The Company's objectives when managing capital (i.e., the shareholder's 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.

C7 Called up share capital

Refer to note 22 of the Group consolidated financial statements.

C8 Ultimate holding company

The immediate parent undertaking is Selfridges Group Limited.

The immediate parent undertaking is Selfridges Group Limited, which is incorporated in Canada. The Directors consider the ultimate parent company and controlling party to be Wittington Investments, Limited, which is incorporated in Canada.

C9 Subsequent events

There have been no significant events post balance sheet date.