

Registration number: 1087015

SEGRO Administration Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2015



SEGRO Administration Limited

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SEGRO Administration Limited

Company Information

Directors	D.J.R. Sleath
	A.M. Holland
	G.J. Osborn
	J.R. Read
	A.J. Pilsworth
	A.S. Gulliford
	A.O. Peters
Company secretary	E.A. Blease
Registered office	Cunard House
	15 Regent Street
	London
	SW1Y 4LR
	United Kingdom
Auditor	Deloitte LLP
	Chartered Accountants and Statutory Auditor
	London
	United Kingdom

SEGRO Administration Limited

Strategic Report for the Year Ended 31 December 2015 (continued)

The directors present the annual report and financial statements and auditor's report for the year ended 31 December 2015.

Principal activity

The principal activity of the Company is the provision of a central service of administration, secretariat, accounts, business information systems and personnel control for the SEGRO plc group of companies (the "Group").

Business review

Fair review of business

The company has performed in line with expectations and the directors are satisfied with the year end position.

The results for the company show a pre-tax profit of £824.1k (2014: profit £1,125.8k). The company is in a net asset position at the year end.

Principal risks and uncertainties

The company, as a subsidiary of SEGRO plc, is managed on a unified basis as part of the SEGRO plc group "The Group". The principal risks faced by the company reflect those of the SEGRO plc group and the table below outlines the principal risks and uncertainties faced by the SEGRO plc group in delivering its strategic priorities for the forthcoming year.

Economic Risks

- Changes in macro-economic conditions;
- Changes in government policies; and
- Changes on the commercial environment.

Strategic risks

- Portfolio shape and performance;
- Pace of strategic change; and
- Impact of Eurozone economic environment.

Financial risks

- Solvency and covenant breach.

Operational risks

- Health and safety incidents;
- Environmental damage or failure to meet sustainability targets;
- Business or IT system disruption;
- Failure to attract, retain and motivate key employees; and
- Breach of anti-bribery and corruption legislation.

Investment/ real estate risks

- Market cycle
- Appropriateness of investment plans; and
- Portfolio valuation

These risks and uncertainties are described in greater detail together with mitigating factors on pages 62 to 70 of the SEGRO plc Annual Report and Accounts.

SEGRO Administration Limited

Strategic Report for the Year Ended 31 December 2015 (continued)

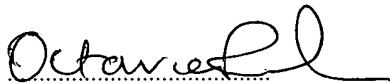
Key Performance Indicators ("KPI's")

Given the straightforward nature of the business, the Company and directors are of the opinion that the KPI relevant to understanding the development, performance and position of the business is profit before tax. The results are disclosed above.

Future developments

The Directors expect the general level of activity to remain consistent with the current year in the forthcoming year. This is due to the straightforward nature of the business in which the Company operates.

Approved by the Board on 23 June 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A.O. Peters', written over a dotted line.

A.O. Peters
Director

SEGRO Administration Limited

Directors' Report for the Year Ended 31 December 2015

Directors of the company

The directors who held office during the year were as follows:

D.J.R. Sleath

A.M. Holland

G.J. Osborn

S. A Carlyon (resigned 30 June 2015)

J.R. Read

A.J. Pilsworth

A.S. Gulliford

A.O. Peters

Going concern

The financial statements have been prepared on a going concern basis, as the Directors intend the Company to maintain the same level of activity during the forthcoming year. The Company is funded via an inter-company non-current account provided by the Company's ultimate parent, SEGRO plc, which has confirmed its continuing financial support and therefore the directors consider the Company is in a position to meet its liabilities as they fall due.

Future developments

Details of future developments can be found in the Strategic Report on pages 2 to 3 and form part of this report by cross-reference.

Financial risk management objectives and policies

Details of financial risks can be found under the Principal risks and uncertainties in the Strategic Report on pages 2 to 3 and form part of this report by cross-reference.

Dividends

Dividends paid and received during the current and prior year are disclosed within the related party transactions note.

Directors' indemnities

Directors of the Company are entitled to be indemnified by the Company against any liability, loss or expenditure incurred in connection with their duties, powers or office, to the extent permitted by statute.

The contracts of employment of the Directors of the Company do not provide for compensation for the loss of office that occurs because of takeover.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

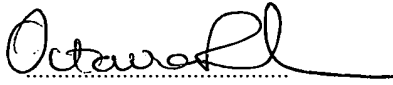
Auditor of the Company

Deloitte LLP was the auditor of the company for the year ended 31 December 2015. Subsequent to the year end PricewaterhouseCoopers LLP was appointed for the year ending 31 December 2016.

SEGRO Administration Limited

Directors' Report for the Year Ended 31 December 2015 (continued)

Approved by the Board on 23 June 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A.O. Peters', written over a dotted line.

A.O. Peters
Director

SEGRO Administration Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report including 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standard and applicable law), including Financial Reporting Standard 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 judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SEGRO Administration Limited

Independent Auditor's Report

We have audited the financial statements of SEGRO Administration Limited for the year ended 31 December 2015, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the Related Notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

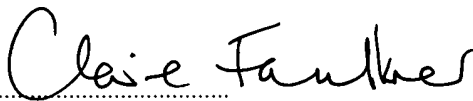
SEGRO Administration Limited

Independent Auditor's Report (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Claire Faulkner FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Chartered Accountants and Statutory Auditor

London
United Kingdom

23 June 2016

SEGRO Administration Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Turnover	4	29,856	29,972
Administrative expenses	5	<u>(29,030)</u>	<u>(28,844)</u>
Operating profit		826	1,128
Interest payable	6	<u>(2)</u>	<u>(2)</u>
Profit before tax		824	1,126
Taxation	7	<u>-</u>	<u>-</u>
Profit for the year		<u><u>824</u></u>	<u><u>1,126</u></u>

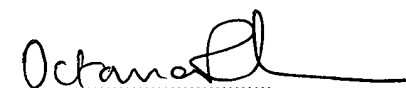
The above results were derived from continuing operations.

There are no items of other comprehensive income in the current or prior year and therefore no statement of other comprehensive income is shown. Comprehensive income for the current and prior year is the same as the profit/(loss) for the year.

SEGRO Administration Limited
(Registration number: 1087015)
Balance Sheet as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Assets			
Fixed assets			
Tangible assets	8	1,786	3,879
Intangible assets	12	5,196	3,502
Amounts due from group undertakings	9	17,772	16,369
		<u>24,754</u>	<u>23,750</u>
Current assets			
Debtors	10	709	1,420
Income tax asset		4	8
Cash and cash equivalents		2	1
		<u>715</u>	<u>1,429</u>
Total assets		<u>25,469</u>	<u>25,179</u>
Creditors: Amounts falling due within one year			
Trade and other payables	16	(12,609)	(15,412)
Net current liabilities		<u>(11,894)</u>	<u>(13,983)</u>
Total assets less current liabilities		<u>12,860</u>	<u>9,767</u>
Creditors: Amounts falling due after more than one year			
Provisions	15	(247)	(247)
Other non-current financial liabilities		(57)	(57)
		<u>(304)</u>	<u>(304)</u>
Total liabilities		<u>(12,913)</u>	<u>(15,716)</u>
Net assets		<u>12,556</u>	<u>9,463</u>
Capital and reserves			
Called up share capital	17	10,025	10,025
Other reserves		6,145	4,548
Profit and loss account		(3,614)	(5,110)
Total shareholders' funds		<u>12,556</u>	<u>9,463</u>

Approved by the Board on 23 June 2016 and signed on its behalf by:



A.O. Peters
Director

SEGRO Administration Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2015	10,025	4,548	(5,110)	9,463
Profit for the year	-	-	824	824
Movement in FV of share based payments	-	1,365	-	1,365
Other	-	232	672	904
At 31 December 2015	<u>10,025</u>	<u>6,145</u>	<u>(3,614)</u>	<u>12,556</u>

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2014	10,025	3,562	(6,236)	7,351
Profit for the year	-	-	1,126	1,126
Movement in FV of share based payments	-	1,101	-	1,101
Other	-	(115)	-	(115)
At 31 December 2014	<u>10,025</u>	<u>4,548</u>	<u>(5,110)</u>	<u>9,463</u>

The company has taken the exemption in FRS 101 for share-based payments. There are details of the share-based payments in the Group accounts on pages 155 to 157

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

General

The Company is a private company limited by share capital incorporated and domiciled in England and Wales. Details of the Company's registered office is set out in the Company information on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 3.

These financial statements are presented in thousands and in sterling since that is the currency in which the majority of the Company's transactions are denominated. The financial statements have been prepared under the historical cost convention.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the financial statements of SEGRO plc. The Group financial statements of SEGRO plc are available to the public and can be obtained as set out in note 19.

Adoption of new and revised Standards

The following new and revised standards and interpretations have been adopted in the current year. The adoption of the standards, interpretations and amendments effective for the first time from 1 January 2015 had no material effect on the financial statements.

- IFRIC21 Levies
- Amendments to IFRS 2 Share-based Payments
- Amendments to IFRS 3 Business Combination
- Amendments to IFRS 8 Operating Segments
- Amendments to IFRS 13 Fair Value Measurement
- Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets
- Amendments to IAS 24 Related Party Disclosure
- Amendments to IAS 40 Investment Property
- Amendments to IFRS 1 First-time adoption of IFRS

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

2 Significant accounting policies

Basis of preparation

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. This transition was effected prior year and did not have a material impact on the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard, for all periods presented, in relation to business combinations, financial instruments, capital management, presentation of comparative information in respect of certain assets, share based payments, presentation of a cash-flow statement and standards not yet effective.

Where relevant, equivalent disclosures have been given in the group financial statements of SEGRO plc. The group financial statements of SEGRO plc are available to the public and can be obtained as set out in note 19.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 2.

The financial statements have been prepared on a going concern basis, as the Directors intend the Company to maintain the same level of activity during the forthcoming year. The Company is funded via a non-current account provided by the Company's ultimate parent, SEGRO plc, which has confirmed its continuing financial support and therefore the directors consider the Company is in a position to meet its liabilities as they fall due.

The Directors, having assessed the responses of the Directors of the Company's ultimate parent SEGRO plc to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the SEGRO plc group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of SEGRO plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Impairment

The Company's assets, excluding investment properties, are reviewed at each reporting date to assess impairment. Where indication of impairment exists, the asset's recoverable amount is estimated, and if found to be lower than its carrying value, it is written down to the recoverable amount. The impairment loss is taken to the profit and loss account. The recoverable amount is the higher of an asset's net selling price and its value-in-use (i.e. the net present value of its future cash flows, discounted at a pre-tax interest rate that reflects the borrowing costs and risks for the asset).

An impairment loss is reversed if estimates for the recoverable amount change, but only to the extent that its carrying amount after reversal does not exceed the net asset value that would arise had there been no impairment loss.

Turnover

Turnover represents central administration costs incurred by the Company which have been subsequently recharged to subsidiaries within the Group.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade debtors

Trade and other debtors are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method. An impairment provision is created where there is objective evidence that the Group will not be able to collect in full.

Trade creditors

Trade and other creditors are initially measured at fair value, net of transaction costs and subsequently measured at amortised costs using the effective interest method.

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Pensions - defined benefit schemes

In SEGRO plc, the schemes' assets are measured at fair value, their obligations are calculated at discounted present value, and any net surplus or deficit is recognised in the balance sheet. Operating and financing costs are charged to the income statement, with service costs spread systematically over employees' working lives, and financing costs expensed in the period in which they arise. Actuarial gains and losses are recognised in the statement of comprehensive income. Where the actuarial valuation of the scheme demonstrates that the scheme is in surplus, the recognisable asset is limited to that for which the Company can benefit in the future. Professional actuaries are used in relation to defined benefit schemes and the assumptions made are outlined in note 14.

Pensions - defined contribution schemes

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payments

The cost of granting share options and other share-based remuneration is recognised in the income statement at their fair value at grant date. They are expensed straight-line over the vesting period, based on estimates of the shares or options that eventually vest. Charges are reversed if it appears that performance will not be met. Options are valued using the Black-Scholes model. Own shares held in connection with employee share plans or other share based payment arrangements are treated as treasury shares and deducted from equity, and no profit or loss is recognised on their sale, issue or cancellation.

Taxation

Current tax

The current tax charge is based on results for the year, adjusted for items that are non-assessable or disallowable. It is calculated using rates that are enacted (or substantively enacted) by the balance sheet date.

Deferred tax

This is the tax expected to be paid or recovered on differences between the reported value of assets and liabilities and their tax base. The company uses the balance sheet liability method, under which tax liabilities are usually recognised for all taxable temporary differences, but tax assets are recognised only to the extent taxable profits are expected to be available against which to utilise temporary differences.

The carrying amount of tax assets is reviewed each reporting date and reduced if full recoverability is not expected. Tax is calculated at rates expected to apply in the period the liability settles or the asset is realised, and is booked to the income statement. Where it relates to items accounted for in equity, however, the tax is also dealt with in equity. Tax assets and liabilities are offset when they are levied by the same tax authority and the Group is entitled to settle net.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged on a straight line basis.

Asset class

Property, plant and equipment

Depreciation method and rate

15-33%

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Intangible assets	5 years straight line

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

3 Critical accounting judgements

Summary of significant accounting policies and key accounting estimates

Management believes that the judgements, estimates and associated assumptions used in the preparation of the financial statements are reasonable, however actual results may differ from these estimates. Critical judgements, where made, are disclosed within the relevant section of the financial statements in which such judgements have been applied.

Critical judgements and sources of uncertainty relate to provisioning, the actuarial assumptions used in calculating the company's retirement benefit obligations and the assumptions used in calculating share-based payments arrangements.

The principal accounting policies applied in the preparation of these financial statements are set out above. These policies have been consistently applied to all the years presented, unless otherwise stated.

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2015 £ 000	2014 £ 000
Administration expenses recharged to Group companies	<u>29,856</u>	<u>29,972</u>

5 Administrative expenses

Audit fees

A notional charge of £2,000 (2014: £2,000) per Company is deemed payable to Deloitte LLP in respect of the audit of the financial statements. The actual amounts payable to Deloitte LLP are paid at group level by SEGRO plc.

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

Directors' remuneration

The Directors received no remuneration in respect of their services to the Company during the year (2014: £nil). Some of the Directors are also Directors of SEGRO plc, the Company's ultimate holding company, and the remuneration of these Directors is disclosed in the financial statements of that Company.

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015 £ 000	2014 £ 000
Wages and salaries	14,744	14,235
Social security costs	2,074	2,056
Pension costs, defined contribution scheme	782	686
Pension costs, defined benefit scheme	649	578
Redundancy costs	195	532
Share-based payment expenses	<u>1,365</u>	<u>1,101</u>
	<u>19,809</u>	<u>19,188</u>

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Property management	<u>166</u>	<u>184</u>

Included within administration expenses is depreciation and amortisation of £2,795k (2014: £1,754k), legal and professional fees of £2,183k (2014: £2,673k), IT services of £2,053k (2014: £2,000k) and other administration expenses of £2,190k (2014: £3,229k).

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

6 Interest receivable and Interest payable

	2015 £ 000	2014 £ 000
Interest payable		
Other finance costs	<u>(2)</u>	<u>(2)</u>

The interest capitalised rate for 2015: was 6.10% (2014: 6.10%). Interest is capitalised gross of tax relief.

7 Income tax

Tax charged/(credited) in the profit and loss account

	2015 £ 000	2014 £ 000
Total current taxation	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2014 : lower than the standard rate of corporation tax in the UK) of 20.25% (2014 : 21.5%).

The differences are reconciled below:

	2015 £ 000	2014 £ 000
Profit before tax	<u>824</u>	<u>1,126</u>
Adjusted profit on ordinary activities before tax	<u>824</u>	<u>1,126</u>
Corporation tax at standard rate	167	242
Group claim surrendered for no consideration	<u>(167)</u>	<u>(242)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

The standard rate of UK corporation tax is due to fall in stages to 18% by April 2020. This is unlikely to significantly impact the Company's tax charge.

Deferred tax

At balance sheet date the Company has unused revenue losses of nil (2014: £0.64m) available for offset against future profits. The Company has an unrecognised deferred tax asset relating to capital allowances in excess of depreciation of £0.48 million (2014: £0.34 million). This asset has not been recognised as its future recovery is uncertain or not currently anticipated.

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

8 Property, plant and equipment

	Furniture, fittings and equipment £ 000
Cost or valuation	
At 1 January 2014	8,450
Additions	1,966
Disposals	<u>(1,695)</u>
At 31 December 2014	<u>8,721</u>
At 1 January 2015	8,721
Additions	204
Disposals	<u>(2,511)</u>
At 31 December 2015	<u>6,414</u>
Depreciation	
At 1 January 2014	5,313
Charge for year	1,224
Eliminated on disposal	<u>(1,695)</u>
At 31 December 2014	<u>4,842</u>
At 1 January 2015	4,842
Charge for the year	1,446
Eliminated on disposal	<u>(1,660)</u>
At 31 December 2015	<u>4,628</u>
Carrying amount	
At 31 December 2015	<u>1,786</u>
At 31 December 2014	<u>3,879</u>
At 1 January 2014	<u>3,137</u>

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

9 Amounts due from group undertakings

Amounts due from group undertakings are not interest bearing. However, where a company's balance has moved in the year from a debtor to a creditor this may result in an interest charge. This is charged at the Group's average cost of sterling borrowings plus 0.5%. The amounts due have no fixed repayment terms.

10 Trade and other receivables

	2015 £ 000	2014 £ 000
Prepayments	508	616
Other debtors	201	804
	<u>709</u>	<u>1,420</u>

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

11 Investments in subsidiaries, joint ventures and associates

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Details of the joint ventures as at 31 December 2015 are as follows:

Undertaking	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2015	2014
Kwacker Limited	Investment Company	England and Wales	50%	50%

The company holds £1 ordinary share capital

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

12 Intangible assets

	Computer software £ 000
Cost or valuation	
At 1 January 2014	2,472
Additions	<u>1,972</u>
At 31 December 2014	<u>4,444</u>
At 1 January 2015	4,444
Additions	3,043
Disposals	<u>(205)</u>
At 31 December 2015	<u>7,282</u>
Amortisation	
At 1 January 2014	412
Amortisation charge	<u>530</u>
At 31 December 2014	<u>942</u>
At 1 January 2015	942
Amortisation charge	<u>1,144</u>
At 31 December 2015	<u>2,086</u>
Carrying amount	
At 31 December 2015	<u><u>5,196</u></u>
At 31 December 2014	<u><u>3,502</u></u>
At 1 January 2014	<u><u>2,060</u></u>

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

13 Financial instruments

Financial assets and liabilities

Financial assets in the Company comprise trade and other receivables, excluding prepayments, which are categorised as loans and receivables. Financial liabilities comprise inter-company debt, which is categorised as financial liabilities and measured at amortised cost, and trade and other payables, excluding deferred income, and tax balances, which are categorised as other financial liabilities. The carrying values of these financial assets and liabilities approximate their fair value.

The Company is funded via a non-current account ultimately provided by the Group's parent entity SEGRO plc. Where the Company is trading this is charged at the Group's average cost of sterling borrowings plus 0.5%. Where the Company is not trading the non-current account is not interest bearing. This advance has no set maturity date although the parent entity has undertaken to give 12 months notice of any demand for repayment of the balance. To date no such notice has been issued. The parent entity has also indicated its intention to provide the support necessary to ensure the Company remains a going concern.

The Company has no bank debt, is not party to any derivative instruments and has no foreign currency exposures as 100% of its business is UK based.

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

14 Pension and other schemes

Defined benefit pension schemes

General

The Company's employees are either members of the defined benefit section of SEGRO Pension Scheme ("the Scheme") or are members of the defined contribution section of the same scheme. The latter section is a separate element of the entire scheme and the following notes exclude any detail relating to the defined contribution section. The Company has no legal liability in respect of the scheme as the entire scheme is in the name of the ultimate parent company, SEGRO plc, whose accounts reflect the full outstanding liability. The Company makes specific contributions to the scheme for both defined benefit and defined contribution sections based on the amounts requested by the actuaries. There is no formal, contractual relationship between SEGRO plc and the Company in regard to the Scheme.

Defined benefit scheme

The Scheme's assets are held by trustees separately from the assets of the employer. Contributions to the Scheme, which are assessed in accordance with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit method of calculation, are charged to the income statement so as to spread the cost of pensions over employees' working lives with the Company.

The valuation of the Scheme has been based on the most recent actuarial valuation at 31 March 2013 and updated by the independent actuaries in order to assess the liabilities of the scheme at 31 December 2015. Assets of the scheme are stated at their market value at 31 December 2015.

Contributions paid to the defined contribution pension scheme, through the payroll, during the year are £781,000 (2014 - £686,000).

The total contributions in the next year are expected to be £7.9m (2014 - £7.8m).

Risks

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position of SEGRO plc are as follows:

	2015 £m	2014 £m
Fair value of scheme assets	230.9	171.4
Present value of scheme liabilities	(210.5)	(183.6)
Net asset/(liability) in the statement of financial position	20.4	(12.2)

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2015 £m	2014 £m
Fair value at start of year	171.4	142.2
Interest income	7.3	6.5
Actuarial gains and losses	2.2	17.9
Employer contributions	17.8	8.6
Contributions by scheme participants	.1	.1
Contributions by scheme participants	(6.2)	(3.9)
Assets acquired on acquisition of pension scheme	38.3	-
Fair value at end of year	<u>230.9</u>	<u>171.4</u>

Analysis of assets

The major categories of scheme assets are as follows:

	Analysis of assets 2015 £m	Analysis of assets 2014 £m	Analysis of assets 2015 %	Analysis of assets 2014 %
Equities				
UK	4	3	1.6%	1.6%
US	29	20	12.6%	11.8%
Europe	8	6	3.5%	3.3%
Japan	5	3	2.0%	1.8%
Other	5	4	2.2%	2.3%
Gilts				
UK	99	72	42.8%	42.0%
Bonds				
UK	54	50	23.3%	28.9%
Other assets	27	14	12%	8.3%
Total	231	171	100%	100%

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Actual return on scheme's assets

	2015 £m	2014 £m
Actual return on scheme assets	5.2	24.4

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2015 £m	2014 £m
Present value at start of year	183.6	150.1
Current service cost	.6	.5
Actuarial gains and losses - changes in demographic assumptions	(1.3)	30.2
Actuarial losses - changes in financial assumptions	(19.4)	(.2)
Interest cost	7.6	6.7
Benefits paid	(6.2)	(3.9)
Contributions by scheme participants	.1	.1
Liabilities acquired in acquisition of pension scheme	45.4	-
Present value at end of year	210.5	183.5

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

	2015 %	2014 %
Discount rate	3.8	3.4
Future salary increases	3.2	3.3
Inflation	3.2	3.3
Rate of increase to pensions in payment in excess of GMP before April 2003	4.2	4.2
Rate of increase to pensions in payment in excess of GMP from April 2003 to October 2005	3.0	3.1
Rate of increase to pensions in payment in excess of GMP after October 2005	2.1	2.1
Expected return on scheme assets - cash	2.1	2.1

Post retirement mortality assumptions

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Both life expectancy estimates use the standard S1PA base tables with a scaling factor of 80 per cent for males and 100 per cent for females. Future improvements to the life expectancy are in line with CMI 2009 projections with an assumed long-term rate of improvement of one per cent p.a.

	2015 Years	2014 Years
Current UK pensioners at retirement age - male	24.5	24.4
Current UK pensioners at retirement age - female	25.8	25.7
Future UK pensioners at retirement age - male	26.3	26.2
Future UK pensioners at retirement age - female	<u>27.8</u>	<u>27.7</u>

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Both life expectancy estimates use the standard S1PA base tables with a scaling factor of 80 per cent for males and 90 per cent for females. Future improvements to the life expectancy are in line with CMI 2009 projections with an assumed long-term rate of improvement of one per cent p.a.

Amounts recognised in the income statement in SEGRO plc.

	2015 £m	2014 £m
Amounts recognised in operating profit		
Current service cost	(.6)	(.5)
Amounts recognised in other finance costs		
Interest (income) cost	(3)	(2)
Total recognised in the income statement	(9)	(7)

15 Other provisions

	Other provisions £ 000	Total £ 000
At 1 January 2015	247	247
At 31 December 2015	247	247
Non-current liabilities	247	247

Other provisions relate to the non-current portion of an unfunded retirement benefit scheme for a retired Director of the ultimate holding company. The provision is released to the income statement as appropriate.

16 Trade and other payables

	2015 £ 000	2014 £ 000
Trade payables	1,197	614
Accrued expenses and deferred income	9,345	9,355
Social security and other taxes	2,022	5,397
Other payables	45	46
	12,609	15,412

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

SEGRO Administration Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

17 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary of £1 each	<u>10,025,000</u>	<u>10,025,000</u>	<u>10,025,000</u>	<u>10,025,000</u>

The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at the general meetings of the Company.

18 Related party transactions

Transactions between the Company and SEGRO plc group companies are shown below:

	2015 £ 000	2014 £ 000
Administrative recharge	<u>29,856</u>	<u>29,972</u>

The above balance is not secured, is not interest bearing and there are no fixed repayment terms. Segro Administration Limited has agreed that it will not demand repayment of these loans within the next twelve months.

There was a net increase in loans to SEGRO plc of £1.403m (2014: net decrease of £0.756m)

All of the above transactions are made on terms equivalent to those that prevail in arm's length transactions.

19 Parent and ultimate parent undertaking

The parent and ultimate holding company is SEGRO plc a Company incorporated in Great Britain. SEGRO plc is also the smallest and largest group of which the Company is a member to prepare group accounts. Copies of the consolidated Financial Statements of SEGRO plc can be obtained from Cunard House, 15 Regent Street, London, SW1Y 4LR, England.

SEGRO Administration Limited