Registered No. 4523671

REPORT AND FINANCIAL STATEMENTS

BRIXTON NORTHFIELDS 5 LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2008

Registered No. 4523671

DIRECTORS

T C Wheeler BSc FRICS	(resigned 2 March 2009)
S J Owen LLB FCA MCT	
P A Dawson BSc MRICS	
M J Andrews BSc MRICS	
S D Lee BSc FRICS	
C M Sheedy MRICS	(resigned 4 April 2008)
R Howell BA ACA	
S H Armitage FRICS	(appointed 1 June 2008)
A Whalley ACIS	(resigned 14 March 2008)
T P R Bridson BSc MRICS	(appointed 1 June 2008)

SECRETARY

A Whalley ACIS	(resigned 14 March 2008)
R Howell BA ACA	(appointed 14 March 2008)

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

REGISTERED OFFICE

50 Berkeley Street
London
W1J 8BX

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2008.

RESULTS AND DIVIDENDS

In the year ended 31 December 2008 the profit/(loss) after tax of the company was £(183,024) (year ended 31 December 2007: profit/(loss) after tax of £(37,715)). The directors do not recommend a dividend for the year ended 31 December 2008 (year ended 31 December 2007: £nil).

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activities of the Company are property investment and development. It is a wholly-owned subsidiary of Brixton plc, a company registered in England and Wales.

The Company holds an investment in the property at North Circular Units, Northfields, Park Royal. The Company is expected to own the property for the foreseeable future.

Brixton demonstrated the resilience of its underlying operating business in 2008.

Due to the global market turmoil, the reduction in the supply of finance and weakening economic conditions there have been widespread declines in UK commercial property values in 2008. This accelerated in the fourth quarter of 2008 and it is widely expected that there will be further reductions in commercial property values in the UK during 2009. This has already been evidenced through declines in capital values and the IPD Monthly All Property Index of -3.0% in January. The valuation process continues to be conducted against a background of limited transactional evidence particularly in the prime London industrial markets.

It is anticipated that more investments will be traded this year: particularly between distressed, rather than willing, sellers and opportunist well funded purchasers which will provide more evidence of realisable prices. However, these transactions are likely to be below current balance sheet valuations. The transactional transparency should be welcomed and may help improve liquidity in the sector.

While market conditions remain extremely difficult, we are confident in the resilience of the business and the long-term strength of the underlying portfolio. We are focused on meeting the immediate challenge to protect against further valuation falls and strengthen our balance sheet.

On 10 August 2009, the shareholders of Brixton plc approved the recommended acquisition of Brixton plc by SEGRO plc. The acquisition through a scheme of arrangement is expected to become effective on 25 August 2009, at which point SEGRO plc will become the owners of Brixton plc and all its subsidiaries.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the Company can be classified under the heading of credit risk. Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. The Company's policies are aimed at minimising such losses, and tenants are required to pay their rent in advance.

DIRECTORS

The directors holding office during the year ended 31 December 2008 and the present membership of the board is shown on page 1.

The Company's Articles of Association do not require the directors to retire by rotation.

Liability insurance cover for directors and officers of the Company was maintained during the year.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquires of fellow directors and the Company's auditor, each director has taken all steps that he/she is obliged to take as a director in order to have made himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditor of the Company.

ELECTIVE RESOLUTION

On 9 October 2002 the Company passed an elective resolution in accordance with s379 of the Companies Act 1985. In accordance with this resolution the Company is not required to lay reports and financial statements before the shareholders in general meeting, to hold an Annual General Meeting or to appoint auditors annually.

By order of the board

R Howell BA ACA
Secretary

14 August 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the Independent Auditors' Report set out on page 5, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

The Directors are required by company law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the results of the Company for the year.

In preparing the financial statements the Directors have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and have followed all applicable accounting standards. The financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BRIXTON NORTHFIELDS 5 LIMITED

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records,. if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP — Ernst & Young LLP
Registered auditor
London

21 AUG 2009

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2008

	Notes	2008 £	2007 £
NET RENTAL INCOME/(EXPENSE)	2	**69,956**	214,499
Administrative expenses		**(36,000)**	(45,000)
NET OPERATING PROFIT/(LOSS)		**33,956**	175,398
Net interest payable and similar charges	3	**(216,980)**	(213,113)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**(183,024)**	(37,715)
Taxation	4	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		**(183,024)**	(37,715)
Equity dividends payable		-	-
RETAINED PROFIT/(LOSS) FOR THE YEAR		**(183,024)**	(37,715)
MOVEMENT IN RETAINED PROFIT/(LOSS)			
Opening balance		**(432,688)**	(394,973)
Retained profit/(loss) for the year		**(183,024)**	(37,715)
Realisation of revaluation reserve		-	-
At 31 December		**(615,712)**	(432,688)

The results in the profit and loss account relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2008

	2008	2007
	£	£
Profit/(loss) for the year	**(183,024)**	(37,715)
Unrealised surplus/(deficit) on valuation of properties	**(2,421,000)**	(469,779)
Total recognised gains and losses for the year	**(2,604,024)**	(507,494)

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 31 December 2008

	2008	2007
	£	£
Profit/(loss) on ordinary activities before taxation	**(183,024)**	(37,715)
Realisation of property revaluation surplus/(deficit) of previous years	-	-
Historical cost profit/(loss) on ordinary activities before taxation	**(183,024)**	(37,715)
Historical cost profit/(loss) for the year retained after taxation and dividends	**(183,024)**	(37,715)

BALANCE SHEET
at 31 December 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Investment properties	5	**2,759,000**	5,180,000
Investment in subsidiary undertakings	6	**-**	-
		2,759,000	5,180,000
CURRENT ASSETS			
DEBTORS	7	**-**	10,247
CREDITORS: amounts falling due within one year	8	**(23,226)**	(71,708)
NET CURRENT ASSETS/(LIABILITIES)		**(23,226)**	(61,461)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,735,774**	5,118,539
CREDITORS: amounts falling due after more than one year			
Amount due to parent undertaking		**(554,006)**	(332,747)
Amounts due to associated group undertaking		**(450,537)**	(450,537)
Preference share liability	9	**(4,054,839)**	(4,054,839)
Provision for liabilities	10	**-**	-
NET ASSETS/(LIABILITIES)		**(2,323,608)**	280,416
CAPITAL AND RESERVES			
Called up equity share capital	11	**1**	1
Revaluation reserve	12	**(1,707,897)**	713,103
Profit and loss account		**(615,712)**	(432,688)
EQUITY SHAREHOLDER'S FUNDS/(DEFICIT)		**(2,323,608)**	280,416

The financial statements were approved for issue by the Board of Directors 14 August 2009.

R Howell
Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention modified by the revaluation of properties and in accordance with applicable accounting standards.

Fundamental accounting concept

These financial statements have been prepared under the going concern basis as Brixton plc, the Company's parent undertaking has agreed to provide continuing support to the Company, at least twelve months after the date of approval by the Directors of the financial statements for the year ended 31 December 2008 subject to the Company remaining 100% owned by Brixton plc, to enable the Company to meet its liabilities as they fall due.

After the year end the company entered into an arrangement to be acquired by SEGRO plc, a transaction which received Brixton plc shareholder approval on 10 August 2009.

Investment properties

All investment properties are valued annually. The valuations are adopted in the financial statements and the surpluses and deficits are taken to revaluation reserve, except for those deficits expected to be permanent which are included in the profit and loss account. All long leasehold properties with terms over 150 years are treated as freehold properties.

Finance costs associated with direct expenditure on investment properties under development or undergoing major refurbishment are capitalised from the commencement of the development work until the date when the property is physically complete and becomes available for occupation. The capitalisation of finance cost is suspended if there are prolonged periods when development activity is interrupted.

Depreciation

In accordance with SSAP19, no depreciation is provided in respect of investment properties. This is a departure from the requirements of the Companies Act 1985 which require all fixed assets to be depreciated. The Directors consider that this departure is necessary in order for the financial statements to give a true and fair view as the properties are held for investment and not for consumption.

Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Auditors' remuneration

Auditors' remuneration has been borne by Brixton plc. The fee attributable to the Company for the year ended 31 December 2008 was £2,000 (2007: £2,000). The Company is exempt from disclosing the auditors' fee for non-audit services since the ultimate parent company, Brixton plc, is required to make these disclosures in its consolidated financial statements.

Directors' remuneration

Directors' remuneration has been borne by Brixton plc.

Liability for taxation on investment properties

As all the Company's investment properties are held as long term investments, no provision is made for the tax which would arise if they were sold at their book values at the balance sheet date.

Statement of cash flows

The Company has taken advantage of the exemption given in FRS1 (revised 1996) 'Cash Flow Statements', from preparing a cash flow statement on the basis that it is a wholly owned subsidiary of Brixton plc. The consolidated financial statements of Brixton plc are publicly available.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

1. ACCOUNTING POLICIES continued

Net rental income

Income, which is stated net of value added tax, represents amounts invoiced to third parties for rental income receivable in relation to the leasing of investment properties, net of associated property costs.

Rental income is recognised on a straight-line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

Financial instruments

The Company has taken advantage of the exemption given in FRS 29 'Financial Instruments: Disclosures' with respect to disclosures as the group controls at least 90% of the Company's voting share capital, and the consolidated financial statements of Brixton plc, the ultimate parent undertaking are publicly available.

Related party transactions

The Company has taken advantage of the exception given in FRS 8, 'Related Party Disclosures' with respect to inter-group disclosures as the group controls at least 90% of the Company's voting share capital and that of associated group undertakings, and the consolidated financial statements of Brixton plc, the ultimate parent undertaking are publicly available.

Deferred tax

In accordance with FRS 19, deferred tax is provided in respect of all timing differences that have originated, but not reversed at the balance sheet date that may give rise to an obligation to pay more or less tax in the future. As all of the Group's investment properties are held as long-term investments, deferred tax is not provided on timing differences arising from the revaluation of those assets. Following the sale of a property any deferred tax provision not required will be released to the profit and loss account. Deferred tax is measured on a non-discounted basis.

Investments

Investments are stated at cost less provision for impairment.

2. NET RENTAL INCOME/(EXPENSE)

	2008	2007
	£	£
Net rental income/(expense)	**69,956**	214,499

The source and destination of income is the United Kingdom. The Company has one class of business.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

3. NET INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Third party interest receivable	-	(85)
Third party interest payable	-	-
Interest charged by/(to) parent undertaking	**(2,193)**	(2,375)
Interest charged by/(to) associated undertaking	**25,681**	26,503
Preference share dividend payable	**193,492**	189,070
	216,980	213,113

Net interest payable is stated after deducting capitalised interest of £nil (2007: £nil).

4. TAXATION

	2008 £	2007 £
Deferred tax:		
Release of deferred tax in respect of conversion to REIT	-	-
Total deferred tax	-	-
UK corporation tax – prior year	-	-
	-	-
Factors affecting the corporation tax charge for the year:		
Tax charge/(credit) on profit/(loss) on ordinary activities at UK corporation tax rate of 28%/30% (2007: 30%)	**(52,162)**	(11,315)
Effect of:		
Amounts not tax deductible	**52,162**	11,315
Impact of corporation tax – prior year	-	
	-	-

The rate of corporation tax changed from 30% to 28% at 1 April 2008.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

4. TAXATION (continued)

The Brixton plc Group converted to a REIT (Real Estate Investment Trust) on 1 January 2007. Consequently, the Company is not expected to pay corporation tax on rental income and capital gains arising on the disposal of qualifying investment properties in the future. As the Company's expected effective future tax is 0% no provision for deferred tax has been made as at 31 December 2008.

No provision was made in these accounts for the REIT entry charge, calculated as 2% of the market value of the Company's property assets as at 1 January 2007, as an undertaking was received from its ultimate holding company, Brixton plc, that the latter will assume all liabilities for this charge.

5. INVESTMENT PROPERTIES

	2008	2007
	£	£
Freehold properties		
Opening book value	**5,180,000**	5,646,000
Additions	**-**	3,779
Disposals	**-**	-
Revaluation surplus/(deficit)	**(2,421,000)**	(469,779)
Book value at 31 December	**2,759,000**	5,180,000

The Company's property was externally valued as at 31 December 2008 by CB Richard Ellis in accordance with the Appraisal and Valuation Standards of RICS which became effective on 1 January 2008, on the basis of market value. Market value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller. Market value is estimated without regard to costs of sale.

Investment properties have been included at market value after having (added)/deducted an amount of £nil (2007: £nil) in respect of lease incentives included in tenant debtors.

The historical cost of investment properties as at 31 December 2008 was £4,466,897 (2007: £4,466,897).

The Directors have given due consideration to the revaluation movement in the period, and on reflection do not consider this downward revaluation to be a permanent diminution in value.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

6. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2008 £	2007 £
Book value at 1 January	-	-
Disposals	-	-
Book value at 31 December	-	-

7. DEBTORS

	2008 £	2007 £
Amounts falling due within one year:		
– tenant debtors	-	-
– prepayments and accrued income	-	-
– other debtors	-	10,247
	-	10,247
Amounts falling due in more than one year:		
– amounts due from parent undertaking	-	-
– amounts due from associated group undertaking	-	-
	-	10,247

8. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	-	27,800
Accruals and deferred income	**22,815**	42,100
Corporation tax creditor	-	-
Other creditors	**411**	1,808
	23,226	71,708

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

9. PREFERENCE SHARE LIABILITY

Preference shares of £1 each

	2008 £	2007 £
Authorised	**4,999,000**	4,999,000
Allotted, called up and fully paid	**4,054,839**	4,054,839

On 1 January 2007 the company issued 4,054,839 £1 preference shares paying a cumulative preferential dividend calculated at the average 12 month LIBOR rate for the period minus 100 basis points.

10. PROVISION FOR LIABILITIES

	2008 £	2007 £
Deferred tax:		
Opening balance	-	-
Charge for the year	-	-
Balance at 31 December	-	-

11. EQUITY SHARE CAPITAL

Ordinary shares of £1 each

	2008 £	2007 £
Authorised	**1,000**	1,000
Allotted, called up and fully paid		
Opening balance	**1**	1
Issued in year	-	-
	1	1

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

12. REVALUATION RESERVE

	2008 £	2007 £
Opening balance	**713,103**	1,182,882
Revaluation surplus/(deficit) in year	**(2,421,000)**	(469,779)
Transfer to profit and loss account	-	-
Balance at 31 December	**(1,707,897)**	713,103

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS/(DEFICIT)

	2008 £	2007 £
Profit/(loss) for the year	**(183,024)**	(37,715)
Dividends paid	-	-
	(183,024)	(37,715)
Other recognised gains and losses for the year	**(2,421,000)**	(469,779)
Share capital issued	-	-
Net addition/(reduction) to shareholder's funds	**(2,604,024)**	(507,494)
Opening shareholder's funds	**280,416**	787,910
Closing shareholder's funds/(deficit)	**(2,323,608)**	280,416

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

14. CAPITAL COMMITMENTS

The directors have authorised future capital expenditure which amounts to:

	2008	2007
	£	£
Contracted for	-	-
Not contracted for	-	-
	-	-

15. ULTIMATE HOLDING COMPANY

The ultimate holding company is Brixton plc, a company registered in England and Wales.

The company has entered into an arrangement whereby SEGRO plc will become the new owners of Brixton plc and all its subsidiaries. The effective date of the arrangement is expected to be 25 August 2009.

16. GROUP FINANCIAL STATEMENTS

The parent undertaking of the company for which group financial statements are drawn up and of which the Company is a member is Brixton plc. Copies of Brixton plc's financial statements can be obtained from 50 Berkeley Street, London W1J 8BX.