

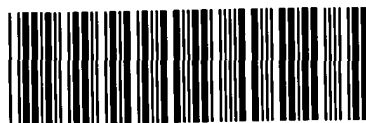
Registration number: 4523671

# Brixton Northfields 5 Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2020

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**Brixton Northfields 5 Limited**

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## **Brixton Northfields 5 Limited**

### **Company Information**

<b>Directors</b>	A. J. Pilsworth
	A. O. Peters
	A. M. Holland
	J. W. Craddock
<b>Company secretary</b>	E. A. Blease
<b>Registered office</b>	1 New Burlington Place
	London
	W1S 2HR

## **Brixton Northfields 5 Limited**

### **Strategic Report for the Year Ended 31 December 2020**

The Directors present their Strategic Report for the year ended 31 December 2020.

#### **Principal activities**

The principal activity of the Company is historically property investment and development, specialising in the provision of modern buildings, mostly industrial, designed to meet the requirements of individual tenants. The company is dormant and has not traded during the year or subsequent to the year end.

This is a private company limited by shares incorporated in England and Wales. Details of the Company's registered office is set out in the Company information on page 1.

#### **Fair review of the 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 result of £Nil (2019: result £Nil).


#### **Key Performance Indicators (KPIs)**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance, or position of the business. KPIs are disclosed within the SEGRO plc Annual Report and Accounts for the year ended 31 December 2020.

#### **Covid-19**

The onset of the Covid-19 pandemic had wide reaching implications for stakeholders of the Company and the SEGRO Group. The implications on the Company and Group's employees, customers, development programme, suppliers, communities and financing is detailed on pages 20 to 23 of the SEGRO plc Annual Report and Accounts for the year ended 31 December 2020. Rent collection levels have been impacted by the Covid-19 pandemic, Note 13 details the approach to calculating expected credit losses, the loss allowance held at year end and the expense recognised in the Income Statement. The Group and the Company continue to monitor the situation and the effects it may have. The Group and the Company have been able to continue operating by implementing remote working practices.

Approved by the Board on 22 June 2021 and signed on its behalf by:

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A. M. Holland  
Director

## **Brixton Northfields 5 Limited**

### **Directors' Report for the Year Ended 31 December 2020**

The Directors present their report and the unaudited financial statements of the Company for the year ended 31 December 2020.

#### **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**

- Disruptive Brexit; and
- Failure to anticipate political and regulatory change

##### **Financial risks**

- Financial strategy: the risk of acute liquidity or solvency crisis, financial loss or financial distress as a result of a failure in the design or execution of its financial strategy.

##### **Operational and compliance risks**

- Major event/business disruptional event (such as Covid-19 pandemic);
- Health and safety incidents;
- Environmental sustainability and failure to anticipate and respond to risks from climate change on the sustainability of our environment;
- Structural failure of one of our assets;
- Supply chain failure;
- Major customer default;
- Failure to attract, retain and motivate key employees; and
- Compliance failures, such as breaches of joint venture shareholders' agreements, loan agreements or tax legislation.

##### **Investment real estate risks**

- Market cycle;
- Development plan execution; and
- Portfolio strategy and execution

These risks and uncertainties are described in greater detail together with mitigating factors on pages 76 to 81 of the SEGRO plc Annual Report and Accounts for the year ended 31 December 2020.

## **Brixton Northfields 5 Limited**

### **Directors' Report for the Year Ended 31 December 2020 (continued)**

#### **Employees**

There were no employees directly employed by the Company during the year (2019: none).

#### **Dividends**

Dividends paid and dividends recommended in respect of the current and prior year are disclosed within the dividends note.

#### **Directors of the Company**

The directors of the Company who were in office during the year and up to the date of signing the financial statements, were as follows:

A. J. Pilsworth

A. O. Peters

A. M. Holland

J. W. Craddock (appointed 16 March 2020)

#### **Directors' indemnity provision**

A qualifying third party indemnity provision (as defined in S234 of the Companies Act 2006) was in force for the benefit of the Directors of the Company during the financial year and at the date of the approval of the financial statements.

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.

#### **Subsequent events**

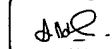
Details of the significant events affecting the Company since the year end are included in the subsequent events note.

#### **Audit exemption taken for the year ended 31 December 2020**

The company is exempt from the requirement of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of the Act, as disclosed on page 201 of SEGRO Plc Annual Report and Accounts 2020. The ultimate holding company and controlling party is SEGRO plc.

Approved by the Board on 22 June 2021 and signed on its behalf by:

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A. M. Holland

Director

**Brixton Northfields 5 Limited****Income Statement for the Year Ended 31 December 2020**

	Note	2020 £ 000	2019 £ 000
Revenue		-	-
Administrative expenses		-	-
Realised and unrealised property gain/(loss)		-	-
Operating profit/(loss)		-	-
Profit/(loss) before tax		-	-
Income tax (expense)/credit	4	-	-
Profit/(loss) for the financial year		-	-

The above results were derived from continuing operations.

# **Brixton Northfields 5 Limited**

## **Statement of Comprehensive Income for the Year Ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit/(loss) for the financial year	-	-
Other comprehensive income/(expense) for the year, net of tax	-	-
Total comprehensive income/(expense) for the year	-	-



**Brixton Northfields 5 Limited**  
**(Registration number: 4523671)**  
**Statement of Financial Position as at 31 December 2020**

	Note	2020 £ 000	2019 £ 000
<b>Total assets</b>		-	-
<b>Net current assets/(liabilities)</b>		-	-
<b>Total assets less current liabilities</b>		-	-
<b>Equity</b>			
Called up share capital	7	-	-
Revaluation reserve		-	-
<b>Total shareholders' funds/(deficit)</b>		-	-


For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 5 to 14 were approved by the Board on 22 June 2021 and signed on its behalf by:

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A. M. Holland  
 Director

**Brixton Northfields 5 Limited****Statement of Changes in Equity for the Year Ended 31 December 2020**

	<b>Share capital</b> <b>£ 000</b>	<b>Revaluation</b> <b>reserve</b> <b>£ 000</b>	<b>Retained</b> <b>earnings</b> <b>£ 000</b>	<b>Total</b> <b>£ 000</b>
At 1 January 2020	-	-	-	-
Profit/(loss) for the year	-	-	-	-
Total comprehensive income	-	-	-	-
At 31 December 2020	-	-	-	-

	<b>Share capital</b> <b>£ 000</b>	<b>Revaluation</b> <b>reserve</b> <b>£ 000</b>	<b>Retained</b> <b>earnings</b> <b>£ 000</b>	<b>Total</b> <b>£ 000</b>
At 1 January 2019	-	-	-	-
Profit/(loss) for the financial year	-	-	-	-
Total comprehensive income/(expense)	-	-	-	-
At 31 December 2019	-	-	-	-

The notes on pages 9 to 14 form an integral part of these financial statements.

## **Brixton Northfields 5 Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

#### **1 General information**

##### **General**

Brixton Northfields 5 Limited ("the Company") is a private company limited by share capital incorporated and domiciled in the United Kingdom. The address of its registered office is 1 New Burlington Place, London, W1S 2HR, England. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

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 and is the functional currency of the Company.

These financial statements were prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework'. 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 for the year ended 31 December 2020 are available to the public and can be obtained as set out in note 8.

#### **2 Significant accounting policies**

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, disclosures in respect of the compensation of key management personnel, related parties and disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities and standards not yet effective.

Where relevant, equivalent disclosures have been given in the Group financial statements of SEGRO plc for the year ended 31 December 2020. The Group financial statements of SEGRO plc are available to the public and can be obtained as set out in note 8.

As the Company is a subsidiary of the SEGRO plc group, it is managed on a unified basis as part of the SEGRO plc group.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

There are standard accounting policies followed by the Group and they are included within this note for standardised presentation across all financial statements as the Group has a significant number of subsidiaries.

## **Brixton Northfields 5 Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Significant accounting policies (continued)**

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 fair value through profit or loss, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies applied in the preparation of these financial statements are set out below, and have, unless otherwise stated, been consistently applied to all periods presented in these financial statements.

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 IFRS 16, 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.

#### **Adoption of new and revised Standards**

The following standards and amendments have been adopted by the Company for the first time for the financial year beginning on 1st January 2020:

- Definition of a Business - amendments to IFRS 3
- Definition of Material - amendments to IAS 1 and IAS 8
- Interest Rate Benchmark Reform - amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The impact of the adoption of the amendments to IFRS 3, 'Business combinations', definition of a business is disclosed further below. Other standards and amendments did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

Amendments to IFRS 3 'Business Combinations', definition of a business, provides a revised framework for evaluating a business and introduces an optional 'concentration test'. The amendment impacts the assessment and judgements used in determining whether property transactions represent an asset acquisition or business combination. As a result of the amendment it is expected that future transactions are more likely to be treated as an asset acquisition.

## **Brixton Northfields 5 Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Significant accounting policies (continued)**

##### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### **Income tax expense**

Income tax on the profit for the year comprises current and deferred tax. Current tax is the tax payable on taxable income for the year and any adjustment in respect of previous years.

Deferred tax is provided in full using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

No provision is made for temporary differences (i) arising on the initial recognition of assets or liabilities, other than a business combination, that affect neither accounting nor taxable profit and (ii) relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that suitable taxable profits will be available against which deductible temporary differences can be utilised.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revisions and future periods if the revision affects both current and future periods.

## Brixton Northfields 5 Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

#### 3 Critical accounting judgements and key sources of estimation uncertainty (continued)

##### Significant areas of estimation uncertainty

###### *Property valuations*

Valuation of property is a central component of the business. In estimating the fair value, the Group engage a third party qualified valuer to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of the property portfolio is disclosed in the Investment Properties note of the SEGRO plc Annual Report and Accounts for the year ended 31 December 2020.

##### Significant areas of judgement in applying the Company's accounting policies

###### *Accounting for significant property transactions*

Property transactions are complex in nature. Management considers each material transaction separately, with an assessment carried out to determine the most appropriate accounting treatment and judgements applied. The judgements include whether the transactions represent an asset acquisition or business combination and the cut off for property transactions on recognition of property assets and revenue recognition. In making its judgement over the cut-off for property transactions, management considers whether the control of ownership of the assets acquired or disposed of has transferred to or from the Company (this consideration includes the revenue recognition criteria set out in IFRS 15 Revenue for the sale of trading properties).

In making its judgement on whether the acquisition of property through the purchase of a corporate vehicle represents an asset acquisition or business combination, management considers whether the integrated set of assets and activities acquired contain both input and processes along with the ability to create outputs. Management also apply the optional 'concentration test' allowed under IFRS 3. When applying the optional test, management considers if substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets). Where management judge that substantially all of the fair value of the gross assets acquired are concentrated in a single asset (or a group of similar assets) and the 'concentration test' met, the assets acquired would not represent a business and the purchase would be treated as an asset acquisition.

###### *REIT Status*

SEGRO Plc has elected for UK REIT status. To continue to benefit from this tax regime, the Group and Company is required to comply with certain conditions as outlined in Note 10 of the SEGRO plc Annual Report and Accounts for the year ended 31 December 2020. Management intends that the Group and Company should continue as a UK REIT for the foreseeable future.

#### 4 Income tax (expense)/credit

Tax charged/(credited) in the Income Statement:

	2020 £ 000	2019 £ 000
Total current income tax	-	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

## Brixton Northfields 5 Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

#### 4 Income tax (expense)/credit (continued)

	2020 £ 000	2019 £ 000
Profit/(loss) before tax	-	-
Less: revaluation movement not taxable	-	-
Adjusted profit /(loss) on ordinary activities before tax	-	-
Corporation tax at standard rate	-	-
REIT tax exemption	-	-
Total tax charge/(credit)	-	-

The standard rate of UK corporation tax is expected to be maintained at 19% for the financial year beginning 1 April 2021 and 1 April 2022, and then 25% for the financial year beginning 1 April 2023. This is unlikely to significantly impact the Company's tax charge.

SEGRO plc elected during 2007 to become a Real Estate Investment Trust (REIT) for UK tax purposes with effect from 1 January 2007. As a result, no UK corporation tax should be due on future income or capital gains in respect of investment properties within the REIT group, of which the Company is a member.

#### 5 Dividends

A dividend of £Nil was recognised during the year ended 31 December 2020 (2019: £Nil). After the balance sheet date, dividends of £Nil (2019: £Nil) were proposed by the Directors and paid. The dividends proposed after the balance sheet date have not been provided for in the current year financial statements.

#### 6 Creditors: Amounts falling due after more than one year

	2020 £ 000	2019 £ 000
Amounts owed to group undertakings	-	-

Where the Company is trading, its amounts owed to Group undertakings are charged at an interest rate of 1.85% (2019: 2.15%). Where the Company is not trading the non-current account is not interest bearing. The amounts due have no fixed repayment terms.

## Brixton Northfields 5 Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

#### 7 Called up share capital

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.

#### Allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No.	£	No.	£
Ordinary of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 8 Parent and ultimate parent undertaking

The immediate parent undertaking is Brixton Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is SEGRO plc. Copies of the SEGRO plc consolidated financial statements can be obtained from 1 New Burlington Place, London, W1S 2HR, England.

The ultimate controlling party is SEGRO plc.

#### 9 Subsequent events

There have been no significant events since year end.