

Registered No 4959947

**REPORT AND FINANCIAL STATEMENTS**

**BRIXTON NORTHFIELDS (WEMBLEY) LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

**Directors** D C Bridges (resigned 23 March 2012)  
S A Carlyon  
V K Simms (resigned 21 November 2011)  
G J Osborn  
P A Redding  
A M Holland (appointed 23 March 2012)

**Secretary** E A Blease

**Registered Office** Cunard House  
15 Regent Street  
London  
SW1Y 4LR

**Registered No** 4959947

**Auditor** Deloitte LLP  
Chartered Accountants  
London

## **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

### **Directors' Report**

The directors submit their annual report together with the audited financial statements of BRIXTON NORTHFIELDS (WEMBLEY) LIMITED ("the Company") for the year ended 31 December 2011

### **Business review and principal activities**

The principal activity of the Company is to act as a holding company. The Company has performed in line with expectations and the directors are satisfied with the year end position.

The accounts have been prepared on a going concern basis. The Company is in a net asset position. As explained in note 10, the Company is funded via an inter-company 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.

See disclosure of principal risks and uncertainties relevant to the Company below.

The results for the Company show a pre-tax profit of £0.10m (2010: £0.10m profit). Dividends of £0.00m were paid during the year (2010: £0.00m). The Company has debt owing from / (owed to) group companies of £0.20m (2010: £0.10m).

### **Future Outlook**

The Directors are considering the future activities of the company, but have reached no conclusion as at the date of this report.

### **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 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.

#### **Strategic risks**

- Changes in the macro-economic environment,
- Accurately evaluate and drive value from opportunities in new and existing territories,
- Recycling assets in a constantly changing economic environment, and
- Ability to innovate and adapt to changing customer demands

#### **Financial risks**

- Breaching of covenants leading to cancellation of credit facilities, and
- Cost and availability of borrowing

#### **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,
- Change or breach of regulatory requirements, and
- Supplier or business partner being unable or unwilling to support the Company

These risks and uncertainties are described in greater detail together with mitigating factors on pages 50 to 53 of the SEGRO plc Annual Report and Accounts. Further information on financial risks is set in note 10 to these financial statements.

### **Key performance indicators ("KPIs")**

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

## **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

### **Directors' Report (continued)**

#### **Directors**

The present directors of the Company all of whom served throughout the year, unless otherwise stated, are as shown on page 1

#### **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

#### **Charitable, political and other donations**

The Company made no charitable donations during the year (2010 £nil)

#### **Payment of suppliers**

The payment of suppliers is the responsibility of a fellow subsidiary, SEGRO Administration Limited

#### **Auditor**

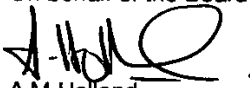
Each of the persons who is a director at the date of approval of this annual report confirms that

- 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

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

On behalf of the Board

  
A M Holland  
Director

15 May 2012

## **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the directors must not approve the accounts 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

- properly select and apply accounting policies,
- present information, including accounting policies, in the manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

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.

## **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

We have audited the financial statements of **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED** for the year ended 31 December 2011 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on 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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

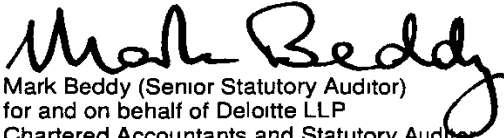
#### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **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.



Mark Beddy (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, UK  
15 May 2012

**BRIXTON NORTHFIELDS (WEMBLEY) LIMITED****Income Statement for the year ended 31 December 2011**

	<b>Note</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Dividends received	2	-	-
Administration expenses	3	-	-
<b>Operating profit/(loss)</b>		<b>-</b>	<b>-</b>
Finance income	4	<b>103</b>	<b>96</b>
Finance costs	5	-	-
<b>Profit/(loss) before tax</b>		<b>103</b>	<b>96</b>
Tax	6	-	-
<b>Profit/(loss) for the year</b>		<b>103</b>	<b>96</b>

All activities during the year are derived from continuing operations

There are no other items of comprehensive income in the current or prior year and therefore no statement of comprehensive income is shown

# **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

## **Balance sheet at 31 December 2011**

	<b>Note</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Non-current assets</b>			
Investments in subsidiaries and associates	7	-	-
Amounts due from subsidiaries	9	1,428	1,428
Amounts due from Group undertakings	9	199	96
<b>Total non-current assets</b>		<b>1,627</b>	<b>1,524</b>
<b>Current assets</b>			
Trade and other receivables	8	-	-
<b>Total assets</b>		<b>1,627</b>	<b>1,524</b>
<b>Non-current liabilities</b>			
Borrowings	9	1,428	1,428
Preference share capital	11	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Net assets/(liabilities)</b>		<b>199</b>	<b>96</b>
<b>Equity</b>			
Share capital	12	-	-
Share premium		-	-
Retained earnings		199	96
<b>Total equity</b>		<b>199</b>	<b>96</b>

The financial statements on pages 6 to 18 (registered number 4959947) were approved by the Board of directors and authorised for issue on 15 May 2012 and signed on its behalf by



A M Holland  
Director



**BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

**Statement of changes in equity for the year ended 31 December 2011**

	1 January £000's	Profit / (loss) for year £000's	Dividends paid £000's	Share capital issued £000's	31 December £000's
<b>2011</b>					
Share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Retained earnings	96	103	-	-	<b>199</b>
<b>Total equity attributable to equity shareholders</b>	<b>96</b>	<b>103</b>	<b>-</b>	<b>-</b>	<b>199</b>
<b>2010</b>					
Share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Retained earnings	-	96	-	-	<b>96</b>
<b>Total equity attributable to equity shareholders</b>	<b>0</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>96</b>

# **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

## **Cash flow statement for the year ended 31 December 2011**

	Note	2011 £'000	2010 £'000
<b>Operating profit/(loss)</b>		-	-
Less Dividends received	2	-	-
Add Write off of subsidiary loans		-	-
Movement in trade and other receivables		-	-
<b>Cash inflow/(outflow) generated from operations</b>		-	-
Dividends received	2	-	-
Interest received	4	103	96
Interest paid	5	-	-
<b>Net cash received from/(used in) operating activities</b>		<b>103</b>	<b>96</b>
<b>Cash flows from investing activities</b>			
Movement in loans to subsidiary and associate undertakings		-	-
Increase in investment in subsidiary and associate undertakings	7	-	-
Proceeds on sale of investments in subsidiary and associate undertakings	7	-	-
<b>Net cash received from/(used in) investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Dividends paid		-	-
Net movement in borrowings		(103)	(96)
<b>Net cash received from/(used in) financing activities</b>		<b>(103)</b>	<b>(96)</b>
<b>Net movement in cash and cash equivalents</b>		<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year		-	-
<b>Cash and cash equivalents at the end of the year</b>		<b>-</b>	<b>-</b>

## **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011**

#### **1 Accounting Policies**

##### **General**

BRIXTON NORTHFIELDS (WEMBLEY) LIMITED is a limited company incorporated in Great Britain. The Company's ultimate holding company is SEGRO plc ("the Group") which is also incorporated in Great Britain.

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 in accordance with EU Endorsed International Financial Reporting Standards, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis. This is discussed further in the Directors' Report on pages 2 and 3.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the report year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

The key estimates and assumptions relate to the property valuations applied by the Group's property valuers.

##### **Summary of significant accounting policies**

##### **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 income statement. 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.

##### **Borrowings**

Borrowings, other than bank overdrafts, are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and the redemption value being recognised in the income statement over the period of the borrowings, using the effective interest method.

##### **Trade and other receivables and payables**

Trade and other receivables are booked at fair value. An impairment provision is created where there is objective evidence that the Company will not collect in full. Trade and other payables are stated at cost, since cost is a reasonable approximation of fair value.

##### **Provisions**

A provision is recognised where there is an obligation from past events requiring settlement by an outflow of economic benefits. Where material, expected outflows are discounted at rates reflecting prevailing interest rates and risks. A provision for an onerous contract is recognised where the unavoidable cost of meeting contractual obligations exceeds its benefits. Dilapidations are provided for if an obligation exists at the reporting date which can be reliably estimated.

## **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011**

#### **1 Accounting Policies (continued)**

##### **Investments in subsidiaries and associates**

Where the Company holds investments in subsidiaries and associates these are held at cost or provided against where the recoverable amount falls below this balance. The Company has taken advantage of the exemption under S400 Companies Act 2006 not to produce consolidated accounts.

##### **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 the rates that are enacted (or substantively enacted) by the balance sheet date.

##### **New accounting policies**

In the current year, the following new and revised standards and Interpretations have been adopted by the Company, none of which had a material impact on the current or prior year reported results.

- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments,
- IFRS 3 (amended), Business Combinations,
- IFRS 7 (amended) Financial Instruments Disclosures,
- IFRS 1 (amended), Limited Exemption from Comparative IFRS 7 Disclosures for the First-time Adopters,
- IAS 24 (2009), Related Party Disclosures,
- IAS 32 (amended), Classification of Rights and Issues, and
- IFRIC 14 (amended), Prepayments of a Minimum Funding Requirement

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU)

- IFRS 1 (amended), Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters,
- IFRS 7 (amended), Transfer of Financial Assets,
- IFRS 9, Financial Instruments,
- IFRS 10, Consolidated Financial Statements,
- IFRS 11, Joint Arrangements,
- IFRS 12, Disclosures of Interest in Other Entities,
- IFRS 13, Fair Value Measurement,
- IAS 1 (amended), Presentation of items of Other Comprehensive Income,
- IAS 12 (amended), Deferred Tax Recovery of Underlying Assets,
- IAS 19 (revised), Employee Benefits,
- IAS 27 (revised), Separate Financial Statements, and
- IAS 28 (revised) Investment in Associates and Joint Ventures

IFRS 9 is expected to replace IAS 39 Financial Instruments Recognition and Measurement applicable from 1 January 2013 (with early adoption permitted), subject to EU adoption. IFRS 9 in issue at the date of this report concerns classification and measurement of financial assets and liabilities. It is expected that, during 2012, the exposure drafts for the derecognition of financial instruments, impairment and hedge accounting will be finalised. The Directors do not expect that the adoption of other standards listed above will have a material impact on the financial statements of the Company in future periods.

## **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011**

#### **2 Dividends received**

	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>Subsidiaries</b>	<b>Associates</b>	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Dividends received	-	-	-	-

#### **3 Administration expenses**

##### **Employees**

There were no employees directly employed by the Company

##### **Audit fees**

A notional charge of £2,000 (2010 £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

##### **Directors' remuneration**

The directors received no remuneration in respect of their services to the company during the year (2010 £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

#### **4 Finance income**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable from Group undertakings	103	96

#### **5 Finance costs**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Preference dividend paid	-	-
Interest payable to Group undertakings	-	-
	-	-

#### **6 Tax**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
Corporation tax at 26.5% (2010 28%)	-	-
Adjustment in respect of prior periods	-	-
<b>Total tax on ordinary activities</b>	-	-

# **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011**

### **6 Tax (continued)**

#### **Factors affecting tax for the period**

The tax charge differs from the standard rate of corporation tax in the UK. The differences are explained below

	2011 £'000	2010 £'000
Profit/(loss) on ordinary activities before tax	103	96
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 26.5 per cent (2010: 28 per cent)	27	27
Effect of		
Group relief (claimed)/surrendered	(27)	(27)
Corporation tax – prior year	-	-
<b>Total tax on ordinary activities</b>	<b>-</b>	<b>-</b>

#### **Factors that may affect future tax charges**

The standard rate of UK corporation tax is due to fall in stages to 22 per cent by 2014. This is unlikely to impact the Company's tax charge significantly.

### **7 Investments in subsidiaries and associates**

	Investment in subsidiaries		Investment in associates		Total	
	2011	2010	2011	2010	2011	2010
	£	£	£	£	£	£
<b>Net book value at 1 January</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
Additions	-	-	-	-	-	-
Provision for impairment	-	-	-	-	-	-
Disposals (net of provision)	-	-	-	-	-	-
Investment written off	-	-	-	-	-	-
<b>At 31 December</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>

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**BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2011**

**7 Investments in subsidiaries and associates (continued)**

The Company's principal wholly owned subsidiaries, all of which are incorporated in Great Britain, are listed below. These companies are all involved in property investment, property management or property trading. The investment in them is held in ordinary share capital.

Brixton Northfields (Wembley 1) Limited

The Company's investment in associates comprises a 100% holding in -, a property investment limited partnership incorporated in Great Britain.

## BRIXTON NORTHFIELDS (WEMBLEY) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

#### 8 Trade and other receivables

	2011	2010
	£'000	£'000
<b>Current assets</b>		
Other Receivables	-	-
Prepayments and accrued income	-	-
	<u>-</u>	<u>-</u>

#### 9 Amounts owing to and from subsidiaries and Group undertakings

Intercompany loans have no fixed repayment terms and are interest bearing at the Group UK weighted average cost of funds plus a margin of 0.5%, amounting to 6.75% (2010 6.75%). SEGRO plc has agreed that it will not demand repayment of intercompany loans owing to it within the next twelve months.

#### 10 Financial instruments and fair value

##### Financial assets and liabilities

Financial assets in the Company comprise trade and other receivables, 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 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 an inter-company current account ultimately provided by the Group's parent entity SEGRO plc, at the Group's average cost of sterling borrowings plus 0.5%. 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.

##### Capital risk management

The capital structure of the Company is managed by Group Treasury as part of the overall Group position, which is monitored on an ongoing basis by the Treasury Risk Committee and reported quarterly to the Group Board. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns and as such it aims to maintain a prudent mix between debt and equity financing. The current capital structure of the Group is considered appropriate.

The Company gearing ratio at the end of the year was

	2011	2010
	£'000	£'000
Debt (intercompany)	1,428	1,428
Equity	199	96
<b>Debt to equity ratio</b>	<b>718%</b>	<b>1,488%</b>

The Company is not subject to externally imposed capital requirements.



## **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011**

#### **10 Financial Instruments and fair value (continued)**

##### **Capital risk management (continued)**

The Group's Treasury function procures all external funding required for the Group's UK operations. It aggregates the total requirement and funds this from the capital markets or banks as and when necessary. Where necessary, it finances all UK subsidiary companies, including the Company, on inter-company current account and manages net financial exposures on an aggregated basis.

##### **Foreign currency risk management**

The Company does not have any foreign currency exposures or financial instruments denominated in a foreign currency.

##### **Interest rate risk management**

The Group's aggregate interest rate risk is managed by Group Treasury. The Company is charged interest at 0.5% above the Group's weighted average cost of sterling, most of which is held at long term fixed interest, as the Group's policy states that around 60 to 100 per cent of borrowings should be at fixed interest rates. Short term interest rate movements thus have little or no effect on the Company's profits.

##### **Interest rate swap contracts**

The Company has no interest rate swap contracts.

##### **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company and the Group. Potential customers are evaluated for creditworthiness and where necessary collateral is secured, which might be in the form of a cash rental security deposit, parent company guarantee or a bank rental guarantee.

The directors consider that there is no material concentration of credit risk within the lease portfolio. The directors are of the opinion that the quantum of outstanding debtors compared to the net assets and operating profit of the Company is low and hence credit risk associated with unpaid rent is low. Generally, throughout the SEGRO group 95% of rent due is collected within 21 days of the due date.

##### **Liquidity risk management**

Liquidity risk is managed on an aggregate basis for all UK Group operations (including the Company) by Group Treasury. The Company relies on the provision of credit through inter-company funding from its parent, SEGRO plc.

##### **Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity profile for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

**BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2011

**10 Financial instruments and fair value (continued)**

	Under 1 year £'000	1-2 years £'000	2-5 years £'000	Over 5 years £'000	Total £'000
<b>2011</b>					
Preferences shares – LIBOR less 1%	-	-	-	-	-
Intercompany debt (variable rate)	-	1,428	-	-	1,428
	-	1,428	-	-	1,428
<b>2010</b>					
Preferences shares – LIBOR less 1%	-	-	-	-	-
Intercompany debt (variable rate)	-	1,428	-	-	1,428
	-	1,428	-	-	1,428

**Derivative financial instruments**

The Company is not party to any derivative financial instruments

**11 Preference share liability**

	Shares '000	£'000
<b>Preference shares of £- each</b>		
<b>Authorised</b>		
At 1 January 2011 and 31 December 2011	-	-
<b>Allotted, called up and fully paid</b>		
At 1 January 2011 and 31 December 2011	-	-

**12 Share capital**

	Shares	£
<b>Ordinary shares of £1 each</b>		
<b>Authorised</b>		
At 1 January 2011 and 31 December 2011	100	100
<b>Allotted, called up and fully paid</b>		
At 1 January 2011	1	1
Issued in year	-	-
At 31 December 2011	1	1

## **BRIXTON NORTHFIELDS (WEMBLEY) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011**

#### **13 Related party transactions**

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

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Nature of transaction</b>		
Dividends received	-	-
Interest received	<b>103</b>	<b>96</b>
Interest paid	-	-

Significant balances outstanding between the Company and SEGRO plc group companies are shown below

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Amounts receivable from subsidiaries and associates	<b>1,428</b>	<b>1,428</b>
Amounts receivable from other group undertakings	<b>199</b>	<b>96</b>
Amounts payable to other group undertakings	<b>1,428</b>	<b>1,428</b>

The above balance is not secured. All of the above transactions are made on terms equivalent to those that prevail in arm's length transactions.

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