Registration number: 5161489

Brixton (Equiton) 1 Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2015

Brixton (Equiton) 1 Limited

Contents

Brixton (Equiton) 1 Limited

Company Information

Directors	A.M. Holland G.J. Osborn A.J. Pilsworth S.C. Pursey 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

Brixton (Equiton) 1 Limited

Strategic Report for the Year Ended 31 December 2015

The Directors present the annual report and audited financial statements for the year ended 31 December 2015.

Principal activity
The principal activity of the Company is to act as a holding company.

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 loss of £0.3m (2014: loss £0.4m). The Company is in a net liability position at the year end. The Directors are satisfied that the financial statements have been prepared on a going concern basis. For further disclosure see the Directors' Report under going concern.

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.

Key Performance Indicator ("KPI")
Given the straightforward nature of the business, the Company's Directors are of the opinion that the KPI relevant to understanding the development, performance and position of the business is profit before tax. The result is 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.M. Holland
Director

Brixton (Equiton) 1 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:

A.M. Holland

G.J. Osborn

A.J. Pilsworth

L.Y. Giard (resigned 30 June 2015)

D.R. Proctor (resigned 30 June 2015)

S.C. Pursey (appointed 30 June 2015)

A.O. Peters (appointed 30 June 2015)

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 in a net liabilities position at the year end. 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.

Employees
There were no employees directly employed by the Company.

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.

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

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

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A.M. Holland
Director

Brixton (Equiton) 1 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.

Brixton (Equiton) 1 Limited

Independent Auditor's Report

We have audited the financial statements of Brixton (Equiton) 1 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 12. 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 loss 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.

Brixton (Equiton) 1 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.

Jennifer Chase

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Jennifer Chase ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor

London
United Kingdom

23 June 2016

Brixton (Equiton) 1 Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Interest payable	5	(317)	(352)
Loss before tax		(317)	(352)
Taxation	6	-	-
Loss for the year		(317)	(352)

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 loss for the year.

Brixton (Equiton) 1 Limited

(Registration number: 5161489)
Balance Sheet as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Assets			
Fixed assets			
Investments in subsidiaries, joint ventures and associates	7	4	4
Net current assets/(liabilities)		-	-
Total assets less current liabilities		4	4
Creditors: Amounts falling due after more than one year			
Amounts owed to group undertakings	9	(7,852)	(7,535)
Net liabilities		**(7,848)**	**(7,531)**
Capital and reserves			
Profit and loss account		(7,848)	(7,531)
Total shareholders' deficit		**(7,848)**	**(7,531)**

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

A.M. Holland

Director

The notes on pages 12 to 20 form an integral part of these financial statements.

Brixton (Equiton) 1 Limited

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

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2015	-	(7,531)	(7,531)
Loss for the year	-	(317)	(317)
At 31 December 2015	-	(7,848)	(7,848)

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2014	-	(7,179)	(7,179)
Loss for the year	-	(352)	(352)
At 31 December 2014	-	(7,531)	(7,531)

The notes on pages 12 to 20 form an integral part of these financial statements.

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 12.

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

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 years 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 12.

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.

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 and 3.

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 in a net liabilities position at the year end. 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.

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.

Investments
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.

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.

Loans
All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Taxation
Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Income tax on the profit for the year comprises current and deferred tax. Current tax is the tax payable on the 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

Summary of significant accounting policies and key accounting estimates
Management are required to make judgements, estimates and associated assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experince 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 estimates 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.

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.

4 Administrative expenses

Employees

There were no employees directly employed by the Company in either year.

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.

5 Interest payable

	2015 £ 000	2014 £ 000
Interest payable		
Interest on group borrowings	(317)	(352)

6 Taxation

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

	2015 £ 000	2014 £ 000
Total current taxation	-	-

The tax on loss 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
Loss before tax	(317)	(352)
Corporation tax at standard rate	(64)	(85)
REIT tax exemption	64	85
Total tax charge/(credit)	-	-

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.

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.

7 Investments in subsidiaries, joint ventures and associates

Associates

	£ 000
Cost or valuation	
At 1 January 2015	44
Additions	-
Disposals	-
At 31 December 2015	44
Provision	
At 1 January 2015	40
Written back	-
Disposals	-
At 31 December 2015	40
Net book value	**4**

Details of the associates as at 31 December 2015 are as follows:

Name of associate	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held 2015	2014
The Equiton Industrial Partnership	Property investment	England and Wales	5%	5%

8 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 an inter-company 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.

9 Amounts owed to group undertakings

	2015 £ 000	2014 £ 000
Non-current loans and borrowings		
Amounts due to group undertakings	7,852	7,535

Amounts due to group undertakings 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 6.10% (2014 6.10%). SEGRO plc has agreed that it will not demand repayment of intercompany loans owing to it within the next twelve months.

10 Called up share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary of £1 each	1	1	1	1

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.

11 Related party transactions

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

	2015 £ 000	2014 £ 000
Interest payable to group undertakings	(317)	(352)

	2015 £ 000	2014 £ 000
Amounts due to group undertakings	(7,852)	(7,535)

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

12 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.