Registered No 5161627

REPORT AND FINANCIAL STATEMENTS

BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD
FOR THE YEAR ENDED 31 DECEMBER 2011

BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD

Directors	D C Bridges (resigned 23 March 2012) G J Osborn P A Redding S A Carlyon V K Simms (resigned 21 November 2011) A M Holland (appointed 23 March 2012)
Secretary	E A Blease
Registered Office	Cunard House 15 Regent Street London SW1Y 4LR
Registered No	5161627
Auditor	Deloitte LLP Chartered Accountants London

BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD

Directors' Report
The directors submit their annual report together with the audited financial statements of BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD ("the Company") for the year ended 31 December 2011

Business review and principal activities
The principal activities of the Company are property investment and development, specialising in the provision of modern buildings, mostly industrial, designed to meet the requirements of individual tenants These developments are let on fully repairing and insuring leases and retained by the Company as investments 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, as the Directors intend the Company to maintain the same level of activity during the forthcoming year The Company is in a net current asset position and net liability position As explained in note 11, 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 meeting 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 loss of £1 04m(2010 £0 39m loss) Dividends of £nil were paid during the year (2010 £nil) The Company has debt owing from / (owed to) group companies of £(4,024)k (2010 £(3,461)k)

Future Outlook
It is expected that current levels of activity will be maintained during the forthcoming year

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 11 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 (TRAFFORD POINT, TRAFFORD PARK) LTD

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

P A Redding
Director

15 May 2012

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 (TRAFFORD POINT, TRAFFORD PARK) LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD

We have audited the financial statements of BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD 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 17. 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 loss 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

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

BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD

Income Statement for the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Revenue		**156**	122
Gross property rental income		**156**	122
Property operating expenses		**(109)**	(270)
Net property rental income		**47**	(148)
Administration expenses	2	**(23)**	(31)
Property gains/(losses)	3	**(872)**	(23)
Operating profit/(loss)		**(848)**	(202)
Finance income	4	**-**	-
Finance costs	5	**(196)**	(190)
Profit/(loss) before tax		**(1,044)**	(392)
Tax	6	**-**	-
Profit/(loss) for the year		**(1,044)**	(392)

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 (TRAFFORD POINT, TRAFFORD PARK) LTD

Balance sheet at 31 December 2011

	Note	2011 £'000	2010 £'000
Non-current assets			
Investment and development properties	7	**3,409**	4,100
Amounts due from Group undertakings	9	**-**	-
Rental guarantee receivable		**-**	-
Total non-current assets		**3,409**	4,100
Current assets			
Trading properties		**-**	-
Trade and other receivables	8	**140**	23
Total current assets		**140**	23
Total assets		**3,549**	4,123
Non-current liabilities			
Borrowings	9	**4,024**	3,461
Preference share capital	10	**6,146**	6,146
Rental guarantee		**-**	-
Total non-current liabilities		**10,170**	9,607
Current liabilities			
Trade and other payables	12	**63**	156
Total liabilities		**10,233**	9,763
Net assets/(liability)		**(6,684)**	(5,640)
Equity			
Share capital	13	**-**	-
Revaluation reserve		**(5,002)**	(4,130)
Retained earnings		**(1,682)**	(1,510)
Total equity		**(6,684)**	(5,640)

The financial statements on pages 6 to 20 (registered number 5161627) were approved by the Board of directors and authorised for issue on 15 May 2012 and signed on its behalf by

P A Redding
Director

BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD

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	Transfers £000's	31 December £000's
2011						
Share capital	-	-	-	-	-	-
Revaluation reserve	(4,130)	-	-	-	(872)	**(5,002)**
Retained earnings	(1,510)	(1,044)	-	-	872	**(1,682)**
Total equity attributable to equity shareholders	**(5,640)**	**(1,044)**	**-**	**-**	**-**	**(6,684)**
2010						
Share capital	-	-	-	-	-	-
Revaluation reserve	(4,107)	-	-	-	(23)	(4,130)
Retained earnings	(1,141)	(392)	-	-	23	(1,510)
Total equity attributable to equity shareholders	(5,248)	(392)	-	-	-	(5,640)

BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD

Cash flow statement for the year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Cash inflow/(outflow) generated from operations	14	(186)	(35)
Interest received		-	-
Interest paid		(196)	(190)
Net cash received from/(used in) operating activities		(382)	(225)
Cash flows from investing activities			
Proceeds on sale of investment and development properties	3	-	-
Purchase and development of investment and development properties	7	(181)	(897)
Purchase of trading properties		-	-
Net cash received from/(used in) investing activities		(181)	(897)
Cash flows from financing activities			
Dividends paid		-	-
Net movement in borrowings		563	1,122
Net cash received from/(used in) financing activities		563	1,122
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD

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

1 Accounting Policies

General

BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD 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 as modified by the revaluation of properties

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

Investment properties

These properties comprise freehold and leasehold properties and are first measured at cost (including transaction costs), then revalued to market value at each reporting date by professional valuers Leasehold properties are shown gross of the leasehold payables (which are accounted for as finance lease obligations) Valuation gains and losses in a period are taken to the income statement These gains and losses are transferred from retained earnings to the revaluation reserve at the end of the period As the Company uses the fair value model as per IAS 40, no depreciation is provided

Development properties

These comprise properties acquired to be developed for future use as investment properties and are initially measured at cost including capitalised interest where applicable Development properties are held at fair value on the same basis as investment properties with revaluation movements being booked in the income statement

Property sales and purchases

Property purchases and sales are recognised on the date of the unconditional exchange, or, where exchange is conditional, on the date that the conditions have been satisfied.

Leases

Leases where substantially all the risks and rewards of ownership are transferred to the lessee, are classified as finance leases All others are deemed operating leases The Company has no finance leases Under operating leases, properties leased to tenants are accounted for as investment properties In cases where only the buildings part of a property lease qualifies as a finance lease, the land is shown as an investment property

1 Accounting Policies (continued)

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

Revenue

Revenue includes rental income, service charges and other recoveries from tenants of the Company's investment properties

Rental income

This includes net income from managed operations Rentals from properties let as operating leases are recognised on a straight-line basis over the lease term Lease incentives and the initial costs to arrange leases are amortised on a straight-line basis For properties let as finance leases, 'minimum lease receipts' are apportioned between finance income and principal repayment, but receipts that were not fixed at lease inception (e g rent reviews), are booked to income when earned Surrender premiums received in the period are included in rental income

Service charges and other recoveries from tenants

These include income in relation to service charges, directly recoverable expenditure and management fees Revenue from services is recognised by reference to the stage of completion of the relevant services provided at reporting date

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

Gross borrowing costs relating to direct expenditure on properties under development or undergoing major refurbishment are capitalised The interest capitalised is calculated using the weighted average cost of the borrowing Interest is capitalised as from the commencement of the development work until the practical day of completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted

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

1 Accounting Policies (continued)

Tax

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

Deferred tax

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

The carrying amount of tax assets is reviewed each reporting date and reduced if full recoverability is not expected Tax is calculated at rates expected to apply in the period the liability settles or the asset is realised, and is booked to income statement Where it relates to items accounted for in equity, however, the tax is also dealt with in equity Tax assets and liabilities are offset when they are levied by the same tax authority and the Company is entitled to settle net Indexation relief on land is allowed as a reduction on the deferred tax liability, but not on buildings, unless the properties are in the process of being sold

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

BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD

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

1 Accounting Policies (continued)

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

2 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

3 Property gains/(losses)

	2011	2010
	£'000	£'000
Valuation surplus/(deficit) on investment and development properties	(872)	(23)
Profit/(loss) on disposal of investment and development properties	-	-
Total property gains/(losses)	**(872)**	(23)

Profits/(losses) on disposal of property assets were as follows

	Proceeds	Book value	Profit/(loss)
	£'000	£'000	£'000
2011			
Investment and development properties	-	-	-
2010			
Investment and development properties	-	-	-

4 Finance income

	2011 £'000	2010 £'000
Interest receivable from Group undertakings	-	-
Third party interest receivable	-	-
	-	-

5 Finance costs

	2011 £'000	2010 £'000
Preference dividend paid	39	25
Interest payable to Group undertakings	242	181
Interest capitalised	(85)	(16)
	196	190

The interest capitalised rate for 2011 was 6 25 per cent (2010 6 25 per cent) Interest is capitalised gross of tax relief

6 Tax

Current tax	2011 £'000	2010 £'000
Corporation tax at 26 5% (2010 28%)	-	-
Adjustment in respect of prior periods	-	-
Total tax on ordinary activities	-	-

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	(1,044)	(392)
Less revaluation movement not taxable	872	23
Adjusted profit/(loss) on ordinary activities before tax	(172)	(369)
Adjusted profit/(loss) 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)	(46)	(103)
Effect of		
REIT tax exemption	46	103
Corporation tax – prior year	-	-
Total tax on ordinary activities	-	-

6 Tax (continued)

Factors that may affect future tax charges

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 BRIXTON (TRAFFORD POINT, TRAFFORD PARK) LTD is a member

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 Investment and development properties

Investment and development properties consist of land and buildings held for rental income and capital growth, and land and properties held for or in the course of redevelopment All properties are freehold or long leasehold

	2011	2010
	£'000	£'000
At 1 January	**4,100**	3,219
Additions	**181**	904
Disposals	-	-
Transfers (to)/from Group undertakings	-	-
Revaluation surplus/(deficit)	**(872)**	(23)
At 31 December	**3,409**	4,100
Add tenant lease incentives, letting fees and rental guarantees	-	-
	3,409	4,100
Completed properties	**2,046**	2,735
Properties for or under redevelopment	**1,363**	1,365
	3,409	4,100
Properties held at valuation	**8,411**	8,230
	(5,002)	(4,130)
	3,409	4,100

Valuation

The Company's properties were externally valued as at 31 December 2011 by DTZ Debenham Tie Leung The valuation basis is market value, conforms to International Valuation Standards and was arrived at by reference to market evidence of the transaction prices paid for similar properties The valuer above is a qualified independent valuer who holds a recognised and relevant professional qualification and has recent experience in the relevant location and the category of properties being valued The valuer has adopted a policy for the regular rotation of the responsible valuer

8 Trade and other receivables

	2011	2010
	£'000	£'000
Current assets		
Trade receivables	33	1
VAT recoverable	-	-
Other receivables	2	-
Prepayments and accrued income	105	22
Rental guarantee	-	-
	140	23

Trade and other receivables are stated after provisions against bad debts of £-k (2010 £-k)

9 Amounts owing to and from 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 Preference share liability

	Shares '000	£'000
Preference shares of £1 each		
Authorised		
At 1 January 2011 and 31 December 2011	7,000	7,000
Allotted, called up and fully paid		
At 1 January 2011 and 31 December 2011	6,146	6,146

11 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

11 Financial instruments and fair value (continued)

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)	**4,024**	3,461
Equity	**(6,684)**	(5,640)
Debt to equity ratio	**(60%)**	(61%)

The Company is not subject to externally imposed capital requirements

Financial risk management objectives

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

11 Financial instruments and fair value (continued)

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

	Under 1 year £'000	1-2 years £'000	2-5 years £'000	Over 5 years £'000	Total £'000
2011					
Non-interest bearing					
Trade and other payables	63	-	-	-	63
Intercompany debt (variable rate)	-	4,024	-	-	4,024
Preference shares at 12 month average LIBOR less 1%	-	-	-	6,146	6,146
Total	63	4,024	-	6,146	10,233
2010					
Non-interest bearing					
Trade and other payables	156	-	-	-	156
Intercompany debt (variable rate)	-	3,461	-	-	3,461
Preference shares at 12 month average LIBOR less 1%	-	-	-	6,146	6,146
Total	156	3,461	-	6,146	9,763

Derivative financial instruments

The Company is not party to any derivative financial instruments

12 Trade and other payables

	2011 £'000	2010 £'000
Due within one year		
Trade payables	-	-
VAT payable	6	6
Other payables	-	-
Accruals and deferred income	57	150
Rental guarantee	-	
	63	156

13 Share capital

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

14 Reconciliation of cash generated from operations

	2011 £'000	2010 £'000
Operating profit/(loss)	(848)	(202)
Adjustments for		
Revaluation (surplus)/deficit on investment and development properties	872	23
Loss/(gain) on disposal of investment and development properties	-	-
	24	(179)
Changes in working capital		
Movement in debtors	(117)	43
Movement in creditors	(93)	101
Net cash inflow/(outflow) generated from operations	(186)	(35)

15 Related party transactions

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

	2011 £'000	2010 £'000
Nature of transaction		
Dividends paid	-	-
Interest received	-	-
Interest paid	242	181

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

	Amounts receivable / (payable) 2011 £'000	2010 £'000
	(4,024)	(3,461)

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

15 Related party transactions (continued)

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

16 Capital commitments

Contractual obligations to purchase, construct, develop, repair, maintain or enhance as at 31 December 2011 were £- (2010 £183,000)

17 Operating leases

The company as lessor

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows

	2011	2010
	£'000	£'000
Not later than one year	**101**	21
Later than one year but not later than five years	**378**	37
Later than five years	**-**	-
	479	58