

Registered number
09338152

Tritax REIT Acquisition 16 Limited
Report and Financial Statements
for the year ended 31 December 2018



Tritax REIT Acquisition 16 Limited
Report and Financial Statements
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Tritax REIT Acquisition 16 Limited

Company Information

Directors

Mark Shaw
Henry Franklin
Colin Godfrey
Petrina Austin
Bjorn Hobart

Secretary

Mark Shaw
Aberdeen House
South Road
Haywards Heath
West Sussex
RH16 4NG

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

Barclays Bank PLC
PA Box 3333
One Snowhill
Snow Hill Queensway
Birmingham
B3 2WN

Solicitors

Taylor Wessing LLP
5 New Street Square
London
EC4A 3TW

Registered office

C/o Henry Franklin
Standbrook House
4th Floor
2-5 Old Bond Street
London
W1S 4PD

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Tritax REIT Acquisition 16 Limited

Registered number: 09338152

Directors' Report

The Directors present their report and financial statements for the for the year ended 31 December 2018.

The report has been prepared in accordance with the special provisions relating to small companies under Sections 415(A) (1) and (2) of the Companies Act 2006.

Principal activities

The Company was incorporated on 3 December 2014. The Company's principal activity is an intermediate holding company for a property investment company investing in UK big box assets.

Strategic report

The Directors have taken advantage of the exemptions allowed under Section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

Results and dividends

The profit for the year amounted to £4,796,347 (2017: £4,832,707). The Directors paid a dividend in respect of the year of £4,796,247 (2017: £4,832,807). Any profit for the year is to be transferred to reserves.

Directors

The following persons served as directors during the year:

Mark Shaw
Henry Franklin
Colin Godfrey
Petrina Austin
Bjorn Hobart

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Statement of Comprehensive Income 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 judgements and 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.

Tritax REIT Acquisition 16 Limited**Registered number:** 09338152**Directors' Report**

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.

Disclosure of information to auditors

Each person who was a Director at the time this report was approved confirms that:

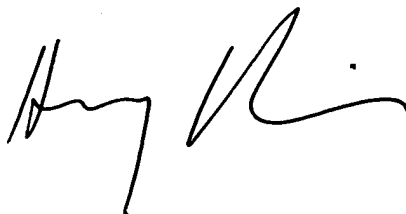
- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Appointment of auditors

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report was approved by the Board of Directors on 30 September 2019
and signed on its behalf by:

Henry Franklin
Director

A handwritten signature in black ink, appearing to be 'H. Franklin', written over a horizontal line.

Tritax REIT Acquisition 16 Limited
Independent Auditor's Report
to the members of Tritax REIT Acquisition 16 Limited

Opinion

We have audited the financial statements of Tritax REIT Acquisition 16 Limited ("the Company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit 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.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Tritax REIT Acquisition 16 Limited
Independent Auditor's Report
to the members of Tritax REIT Acquisition 16 Limited**

Other information

The Directors are responsible for the other information. The other information comprises the information included in the report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Tritax REIT Acquisition 16 Limited
Independent Auditor's Report
to the members of Tritax REIT Acquisition 16 Limited

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date: 30 September 2019

BDO LLP is a limited liability partnership registered in England and Wales
(with registered number OC305127).

Tritax REIT Acquisition 16 Limited
Statement of Comprehensive Income
for the year ended 31 December 2018

	Notes	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Administrative and other expenses	2	(30)	(30)
Income from investments		4,796,377	4,832,737
Profit before taxation		<u>4,796,347</u>	<u>4,832,707</u>
Tax charge on profit	3	-	-
Total comprehensive income (attributable to the shareholders)		<u>4,796,347</u>	<u>4,832,707</u>

All amounts included in the Statement of Comprehensive Income relate to continuing activities.
There are no items of comprehensive income other than the profit for the financial year.

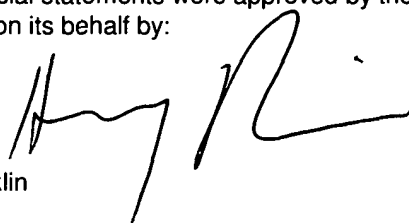
The notes on pages 10 to 15 form part of these financial statements.

Tritax REIT Acquisition 16 Limited
Statement of Financial Position
as at 31 December 2018
Company Number 09338152

	Notes	31 December 2018 £	31 December 2017 £
Non-current assets			
Investments in subsidiaries	4	<u>55,500,002</u>	<u>55,500,002</u>
Current assets			
Trade and other receivables	5	55,386,511	52,209,945
Cash held at bank	6	<u>70</u>	<u>100</u>
Total current assets		<u>55,386,581</u>	<u>52,210,045</u>
Current liabilities			
Trade and other payables	7	<u>(55,366,482)</u>	<u>(52,190,046)</u>
Net current assets		20,099	19,999
Net assets		<u>55,520,101</u>	<u>55,520,001</u>
Capital and reserves			
Called up share capital	9	55,520,001	55,520,001
Retained earnings	10	<u>100</u>	<u>-</u>
Total equity		<u>55,520,101</u>	<u>55,520,001</u>

These financial statements have been prepared in accordance with the provisions applicable to the small companies' regime.

These financial statements were approved by the Board of Directors on 30 September 2019 and signed on its behalf by:



Henry Franklin
Director

The notes on pages 10 to 15 form part of these financial statements.

Tritax REIT Acquisition 16 Limited
Statement of Changes in Equity
for the year ended 31 December 2018

	Note	Share capital	Retained earnings	Total
		£	£	£
At 1 January 2017		55,520,001	100	55,520,101
Total comprehensive income		-	4,832,707	4,832,707
Dividends	11	-	(4,832,807)	(4,832,807)
At 31 December 2017		<u>55,520,001</u>	<u>-</u>	<u>55,520,001</u>
 At 1 January 2018		 55,520,001	 -	 55,520,001
Total comprehensive income		-	4,796,347	4,796,347
Dividends	11	-	(4,796,247)	(4,796,247)
At 31 December 2018		<u>55,520,001</u>	<u>100</u>	<u>55,520,101</u>

The notes on pages 10 to 15 form part of these financial statements.

Tritax REIT Acquisition 16 Limited
Notes to the Financial Statements
for the year ended 31 December 2018

1 Summary of significant accounting policies

1.1 General information

The financial statements of Tritax REIT Acquisition 16 Limited (the 'Company') for the year ended 31 December 2018 and were authorised for issue by the Board of Directors on ~~30~~ September 2019.

The Company is a registered private company incorporated in the UK. The address for the registered office is C/o Henry Franklin, Standbrook House, 4th Floor, 2-5 Old Bond Street, London, W1S 4PD. The Company's principal activity is the investment of big box assets in the UK. The Company is owned by its ultimate parent company Tritax Big Box REIT plc.

These financial statements are contained within the group consolidated financial statements of Tritax Big Box REIT plc. The group consolidated financial statements may be obtained from the Company Secretary at Standbrook House, 4th Floor, 2-5 Old Bond Street, London, W1S 4PD.

The financial statements contain information about Tritax REIT Acquisition 16 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of Tritax Big Box REIT plc, a company incorporated in the UK.

1.2 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and derivative financial instruments, which have been measured at fair value through the Statement of Comprehensive Income, and in accordance with the Companies Act 2006.

The financial statements are prepared on a going concern basis.

FRS 101 introduces a disclosure framework enabling qualifying entities to use the recognition and measurement bases of International Financial Reporting Standards ("IFRS") in their individual entity financial statements, while being exempt from a number of disclosures required by full IFRS. The Company has taken advantage of the following disclosure exemptions which are permissible under FRS 101 as the equivalent disclosures are contained within the group consolidated financial statements of Tritax Big Box REIT plc:

- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel;
- disclosure of related party transactions with other wholly owned members of the Tritax Big Box REIT plc group of companies;
- the disclosure of certain information relating to financial instruments and other fair value measurements; and
- the disclosure of certain comparative information relating to investment properties.

Tritax REIT Acquisition 16 Limited
Notes to the Financial Statements
for the year ended 31 December 2018

1.3 Impact of New Standards Applied

The following new standards are effective and have been adopted for the year ended 31 December 2018:

IFRS 9: Financial Instruments

IFRS 9 has replaced IAS 39 Financial Instruments: Recognition and Measurement (IAS 39).

Management have reviewed the requirements of IFRS 9. The Company's principal financial assets comprise trade and other receivables, which will continue to be measured at amortised cost. The following changes have been identified.

a) The Company adopted the expected credit loss model when calculating impairment losses on its financial assets measured at amortised costs (such as trade and other receivables (both current and non-current)). This resulted in greater judgement due to the need to factor in forward looking information when estimating the appropriate amount of provisions. To measure expected credit losses the Company considered the probability of a default occurring over the contractual life of its trade receivables. Historically the Company has not had to provide or write off any debt from tenants. The specific situation of each tenant has been evaluated using a provision matrix as allowed under IFRS 9. Based on this assessment the impact is not material.

1.4 Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less any provision for impairment.

1.5 Financial assets

The Company classifies its financial assets depending on the purpose for which the asset was acquired. The Company's accounting policy for those assets classified as amortised cost is as follows:

1.5a Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost being the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Tritax REIT Acquisition 16 Limited
Notes to the Financial Statements
for the year ended 31 December 2018

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. Twelve month expected credit losses along with gross interest income are recognised where there has not been a significant increase in credit risk. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

1.6 Financial liabilities

The Company classifies its financial liabilities depending on the purpose for which the liability was acquired. The Company's accounting policy for those liabilities is as follows:

1.6a Other financial liabilities

Trade and other payables are initially recognised at their fair value; being at their invoiced value inclusive of any VAT that may be applicable. Payables are subsequently measured at cost.

1.7 Dividends payable to Shareholders

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at an Annual General Meeting.

1.8 Taxation

Taxation on the profit or loss for the period not exempt under UK REIT regulations comprises current and deferred tax. Current tax is expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the period end date, and any adjustment to tax payable in respect of previous years.

1.9 Presentational currency

These financial statements have been prepared in Sterling.

2 Administrative and other expenses

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Other expense	30	30
	<u>30</u>	<u>30</u>

The fee payable to the auditor in respect of the financial statements is borne by the ultimate parent undertaking. Fees payable to the Company's auditor for services other than statutory audit of the company are not disclosed in the Company's financial statements since the consolidated accounts of Tritax Big Box REIT plc are required to disclose non-audit fees on a consolidated basis.

Tritax REIT Acquisition 16 Limited
Notes to the Financial Statements
for the year ended 31 December 2018

3 Taxation

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Analysis of charge in year		
Tax on profit on ordinary activities	-	-
	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Profit on ordinary activities before tax	4,796,347	4,832,707
Standard rate of corporation tax in the UK	19.00%	19.25%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	911,306	930,296
Effects of: Non taxable income	(911,306)	(930,296)
Total tax expense	-	-

4 Investments in subsidiaries

	31 December 2018 £	31 December 2017 £
Cost		
At 1 January	55,500,002	55,500,002
At 31 December	55,500,002	55,500,002

The following subsidiary undertaking is held directly by the Company:

Name of company	Place of Incorporation	Holding	Proportion of voting rights %	Nature of Business
Tritax Acquisition 16 Limited	Jersey	Ordinary shares	100	Investment in UK big box assets

The registered address for the subsidiary is consistent based on their country of incorporation and is as follows: PO Box 207, 13-14 Esplanade, St Hellier, Jersey JE1 1BD.

Tritax REIT Acquisition 16 Limited
Notes to the Financial Statements
for the year ended 31 December 2018

5	Trade and other receivables	31 December 2018 £	31 December 2017 £
	Amounts owed by group undertakings	<u>55,386,511</u>	<u>52,209,945</u>
		<u>55,386,511</u>	<u>52,209,945</u>

6	Cash held at bank	31 December 2018 £	31 December 2017 £
	Cash and cash equivalents	<u>70</u>	<u>100</u>
		<u>70</u>	<u>100</u>

7	Trade and other payables	31 December 2018 £	31 December 2017 £
	Amounts owed to group undertakings	<u>55,366,482</u>	<u>52,190,046</u>
		<u>55,366,482</u>	<u>52,190,046</u>

8 Share capital and reserves

Share capital represents the nominal value of share capital subscribed for.

Retained earnings represents the net of all profits and losses, gains and losses generated which have not been distributed to shareholders.

9	Share capital	31 December 2018 Number	31 December 2017 Number	31 December 2018 £	31 December 2017 £
	Allotted, called up and fully paid:				
	£1 Ordinary shares	<u>55,520,001</u>	<u>55,520,001</u>	<u>55,520,001</u>	<u>55,520,001</u>

Tritax REIT Acquisition 16 Limited
Notes to the Financial Statements
for the year ended 31 December 2018

10	Retained earnings	31 December 2018 £	31 December 2017 £
	At 1 January	-	100
	Profit for the financial year	4,796,347	4,832,707
	Dividends	(4,796,247)	(4,832,807)
	At 31 December	<u>100</u>	<u>-</u>

11	Dividends	Year ended 31 December 2018 p per share	Year ended 31 December 2017 p per share	Year ended 31 December 2018 £	Year ended 31 December 2017 £
	Paid during the year:				
	Equity dividends	<u>8.64</u>	<u>8.71</u>	<u>4,796,247</u>	<u>4,832,807</u>

12 Controlling party

The Company is wholly owned by Tritax Big Box REIT plc a company incorporated in the UK. Tritax Big Box REIT plc is the ultimate holding company. This is the next and most senior parent that produces consolidated financial statements. There is no ultimate controlling party.