

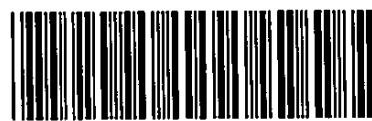
Registered Number

1681497

Bredero Properties Plc

Financial Statements for the year ended 31 December 2010

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Bredero Properties Plc
Summary of Officers and Professional Advisors

Directors	G J Osborn A S Gulliford S A Carlyon
Secretary	E A Blease
Registered Office	Cunard House 15 Regent Street London SW1Y 4LR England
Registered Number	1681497
Solicitors	Nabarro Nathanson Lacon House Theobald's Road London WC1X 8RW
Auditor	Deloitte LLP Chartered Accountants London

Bredero Properties Plc

Directors' report and accounts for the year ended 31 December 2010

Directors' report

The directors submit their annual report together with the audited financial statements for the year ended 31 December 2010 which were approved by the board on 14 April 2011

Bredero Properties plc is exempt from Corporate Governance disclosure requirements of DTR 7.1 as it is a subsidiary of SEGRO plc which complies with these rules

Business review and principal activities

The principal activity of Bredero Properties Plc (the "Company") had been property related operations. After the disposal of its shares of properties in 2004, however, the Company has not acquired any further properties. The Company has performed in line with expectations and the Directors are satisfied with the year end position.

The accounts have been prepared on the going concern basis, as the directors expect the Company to continue to maintain the level of activity in 2010 during the forthcoming year, and meet its liabilities as they fall due.

The results for the Company show a pre-tax profit of £0.7 million (2009: £8.3 million). The directors do not recommend a dividend for the year ended 31 December 2010 (year ended 31 December 2009: £nil).

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 in 2011.

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 needs

Financial risks

- Breaching of covenants leading to cancellation of credit facilities,
- Cost and availability of borrowing, and
- Tax risks and REIT compliance

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 44 to 47 of the SEGRO plc Annual Report and Accounts.

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.

Directors

The present directors of the Company, all of whom served throughout the year, unless otherwise stated, are as shown on page 2.

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.

Bredero Properties Plc
Directors' report and accounts for the year ended 31 December 2010

Charitable, political and other donations

The company made no charitable, political or other donations during the year (2009 nil)

Payment of suppliers

Payment of suppliers is the responsibility of a fellow Group company, SEGRO Administration Ltd

Auditor and disclosure of information to auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

So far as each director is aware, there is no relevant audit information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware. Each director has taken all the steps that he ought to have taken in his duty 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.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

By order of the Board



S A Carlyon
Director
14 April 2011

Bredero Properties Plc
Statement of the Directors' responsibilities

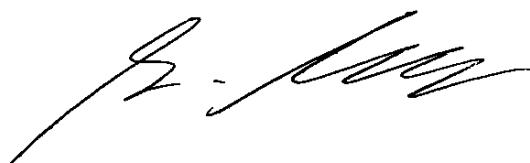
The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

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 (IFRSs) as adopted by the European Union. 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 the affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, International Accounting Standard 1 requires that directors

- * properly select and apply accounting policies,
- * present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- * provide additional disclosures when compliance with the specific requirements in IFRSs is 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 to 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.

By order of the Board



S. A. Carlyon
Director
14 April 2011

Bredero Properties Plc
Independent Auditors' Report to the Members of Bredero Properties Plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Bredero Properties PLC

We have audited the financial statements of Bredero Properties PLC for the year ended 31 December 2010 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 31st December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Mark Beddy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
14 April 2011

Bredero Properties Plc**Income statement for the year ended 31 December 2010**

	Note	2010 £000's	2009 £000's
Revenue	2	12	-
Administration expenses	3	-	(2)
Operating Profit (loss)		12	(2)
Finance income	4	646	8,284
Profit before tax		658	8,282
Tax	5	(183)	(2,319)
Profit for the year		475	5,963

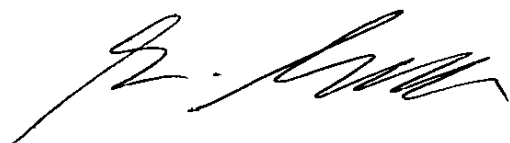
All activities during the year are derived from continuing operations

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

Bredero Properties Plc
Balance sheet as at 31 December 2010

	Note	2010 £000's	2009 £000's
Non-current assets			
Investment in subsidiaries	6	-	6
Amounts owed by SEGRO plc	12	126,352	125,869
Total non-current assets		126,352	125,875
Current assets			
Current tax assets		-	2
Trade and other receivables		-	-
Total current assets		-	2
Total assets		126,352	125,877
Non-current liabilities			
Provisions for liabilities and charges	9	1,000	1,000
Total non-current liabilities		1,000	1,000
Total liabilities		1,000	1,000
Net assets		125,352	124,877
Equity			
Share capital	10	9,177	9,177
Share premium account	11	42,396	42,396
Retained earnings		73,779	73,304
Total equity		125,352	124,877

The financial statements on pages 7 to 17 (registered number 1681497) were approved by the Board of directors and authorised for issue 14 April 2011 and signed on its behalf by



S A Carlyon
 Director

Bredero Properties Plc
Statement of changes in equity for the year ended 31 December 2010

	Balance 1 January £000's	Profit/(loss) £000's	Balance 31 December £000's
2010			
Ordinary share capital	9,177	-	9,177
Share premium	42,396	-	42,396
Retained earnings	73,304	475	73,779
Total equity	124,877	475	125,352
2009			
Ordinary share capital	9,177	-	9,177
Share premium	42,396	-	42,396
Retained earnings	67,341	5,963	73,304
Total equity	118,914	5,963	124,877

Bredero Properties Plc

Cash flow statement for the year ended 31 December 2010

	Note	2010 £000's	2009 £000's
Cash outflow used in operations	13	-	(2)
Interest received		646	8,284
Tax paid		(183)	
Net cash received from / (used in) operating activities		463	8,282
Cash flows from investing activities			
Intercompany dividends received		12	-
Repayment of investment in subsidiary undertaking		-	-
Increase investment in subsidiary undertaking		-	-
Net loan payments		(475)	(8,282)
Net cash used in investing activities		(463)	(8,282)
Cash flows from financing activities			
Repayment of loans		-	-
Net cash used in financing activities		-	-
Net increase 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		-	-

Bredero Properties Plc
Notes to the financial statements

1. General

Bredero Properties Plc (the "Company") is a limited company incorporated in Great Britain. The Company's ultimate holding company is SEGRO plc, 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 Group's transactions are denominated.

The financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards (IFRS), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS and therefore the Company's financial statements comply with Article 4 of the EU IAS Regulations.

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

Following the liquidation of its subsidiary, as explained in note 6, the Company is no longer required to prepare consolidated accounts.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of properties, available-for-sale investments and financial assets and liabilities held for trading.

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 reporting 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 provisions.

Summary of significant accounting policies

Borrowing

Borrowings 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 redemption value being recognised in the income statement over the period of the borrowings, using the effective interest method.

Borrowing costs are recognised in the Company's income statement in the period in which they are incurred.

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 be able to collect all amounts due in full. Trade and other payables are stated at cost since cost is a reasonable approximation of fair value.

Provisions

A provision is recognised in the balance sheet 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.

Pensions - defined contribution schemes

Contributions to defined contribution schemes are expensed as incurred.

Tax

i) Current tax

The current tax charged 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.

Bredero Properties Plc**Notes to the financial statements (continued)****1. Summary of significant accounting policies (continued)****Tax (continued)****ii) 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:

- IFRS 1 (amended)/IAS 27 (amended), Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate,
- IFRS 2 (amended), Share-based Payment – Vesting Conditions and Cancellations,
- IFRS 2, Share-based Payment – Group Cash-settled Share-based Payment Transactions,
- IFRS 3 (revised 2008), Business Combinations,
- IAS 27 (revised 2008), Consolidated and Separate Financial Statements,
- IAS 28 (revised 2008), Investments in Associates,
- IAS 39 (amended), Financial Instruments – Recognition and Measurement – Eligible Hedged Items,
- IFRIC 12, Service Concession Arrangements,
- IFRIC 17, Distributions of Non-cash Assets to Owners,
- IFRIC 18, Transfer of Assets from Customers, and
- Improvements to IFRSs (April 2009)

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 9, Financial Instruments,
- IAS 24 (amended), Related Party Disclosures,
- IAS 32 (amended), Classification of Rights Issues,
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments,
- IFRIC 14 (amended), Repayments of a Minimum Funding Requirement, and
- Improvements to IFRSs (May 2010)

The adoption of IFRS 9, which the Company expects will be applicable for the year beginning on 1 January 2013, will impact both the measurement and disclosure of Financial Instruments. 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 Revenue

	2010 £000's	2009 £000's
Dividends received from subsidiary undertakings	12	-

3 Administration expenses

	2010 £000's	2009 £000's
Employee expenses	-	2
Other administration costs	-	-
	-	2

A notional charge of £1,500 (2009: £3,000) 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.

Bredero Properties Plc**Notes to the financial statements (continued)****3. Administration expenses (continued)**

	Total 2010 £000's	Total 2009 £000's
Employees' staff costs were		
Wages and salaries	-	28
Social security costs	-	3
Pension costs - defined contribution scheme	-	22
Recovered under an insurance scheme	-	(51)
Total	-	2

Average number of employees of the Company - 1

Directors' remuneration

G J Osborn, A S Gulliford and S A Carlyon received no remuneration in respect of their services to the Company during the year (2009 £nil)

4. Finance income

	2010 £000's	2009 £000's
Interest received from SEGRO plc	646	8,284

5 Tax charge

	2010 £000's	2009 £000's
Current tax		
Provision for UK Corporation taxation based on profits for the year		
Corporation tax at 28 per cent (2009 28 per cent)	181	2,319
Adjustment in respect of prior years	2	-
Total current tax charge	183	2,319

Factors affecting tax charge for year:

The tax charge for the year is lower (2009 equal) than the standard rate of corporation tax in the UK. The differences are explained below

	2010 £000's	2009 £000's
Profit on ordinary activities before tax	658	8,282
Profit on ordinary activities multiplied by the standard rate of UK corporation 28 per cent (2009 28 per cent)	184	2,319
Effects of		
Permanent differences	(3)	-
Adjustment in respect of prior years	2	-
	183	2,319

Bredero Properties Plc
Notes to the financial statements (continued)

6. Investment in subsidiaries

	2010 £000's	2009 £000's
Cost at 1 January	6	6
Liquidations	(6)	-
Cost at 31 December	-	6

During the year the Company's subsidiary Bredero Projects Limited was liquidated. All investments in subsidiaries were in the form of share capital.

7. Amounts payable by SEGRO plc

Intercompany loans have no fixed repayment terms and are interest bearing amounting to 0.5% (2009: 6.75%). The Company will not seek repayment of loans made to SEGRO plc within the next twelve months.

8. Financial instruments and fair value

Financial assets and liabilities

Financial assets in the Company comprise amounts owed by SEGRO plc and trade and other receivables, both of which are categorised as loans and receivables, and tax balances, which are categorised as other financial assets. Financial liabilities comprise inter-company debt which is categorised as financial liabilities and measured at amortised cost, and trade and other payables and provisions, both of which are categorised as other financial liabilities. The carrying value of these financial assets and liabilities approximate their fair values.

Capital risk management

The capital structure of the Company is managed by SEGRO plc's Treasury function as part of the overall SEGRO plc position, which is monitored on an ongoing basis by the Treasury Risk Committee and reported quarterly to the SEGRO plc Board. SEGRO plc manages its capital to ensure that subsidiaries 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 Company is considered appropriate.

The Company does not have a net debt position and therefore has no gearing. The Company is not subject to externally imposed capital requirements.

Financial risk management objectives

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

Bredero Properties Plc**Notes to the financial statements (continued)****8. Financial instruments and fair value (continued)****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 Company's aggregate interest rate risk is managed by SEGRO plc's Treasury function. The Company is charged interest at 0.5% above SEGRO plc's weighted average cost of sterling, most of which is held at long term fixed interest, as the Company'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 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. 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.

At SEGRO plc group level, there is no concentration of credit risk within the lease portfolio as there is a well spread diverse customer base. The directors are of the opinion that the quantum of outstanding debtors compared to the net assets and operating profit of SEGRO plc is small and hence credit risk associated with unpaid rent is low. Generally 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 operations by SEGRO plc's Treasury function. The Company relies on the provision of credit through inter-company funding from its parent, SEGRO plc.

Liquidity and interest risk tables

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

	Under 1 year £000's	Between 1-2 years £000's	Between 2-5 years £000's	Over 5 years £000's	Total £000's
2010					
Provisions for liabilities and charges (non-interest bearing)		1,000			1,000
Total	-	1,000	-	-	1,000
2009					
Provisions for liabilities and charges (non-interest bearing)	-	1,000	-	-	1,000
Total	-	1,000	-	-	1,000

Derivative financial instruments

The Company is not party to any derivative financial instruments.

Bredero Properties Plc
Notes to the financial statements (continued)

9 Provisions for liabilities and charges

	Property sales £000's
Balance at 31 December 2010 and 31 December 2009	1,000

The provision relates to possible claims against the company in respect of a property disposed of in earlier years. The provision has been retained as timing of the claim is unspecified and the company retains certain contractual obligations.

10 Share capital

	Authorised		Issued and fully paid	
	Shares 000's	£000's	Shares 000's	£000's
Ordinary shares of 25p each At 31 December 2010 and 31 December 2009	48,000	12,000	36,709	9,177

11 Share premium account

	2010 £000's	2009 £000's
Balance at 1 January and 31 December	42,396	42,396

12 Related party transactions

During the year, Company entered into the following transactions with related parties

Related party		2010 £000's	2009 £000's
SEGRO plc	Interest received	646	8,284
SEGRO plc	(Increase)/repay amounts owed by SEGRO plc	477	(5,963)

Company

The transactions between the Company and its ultimate parent are shown below

Related party		2010 £000's	2009 £000's
SEGRO plc	Interest received	646	8,284

Significant balances outstanding between the Company and related parties are shown below

Related party		Amounts owed by	
		2010 £000's	2009 £000's
SEGRO plc	Loans	126,352	125,869

None of the above Company balances is secured. All of the above transactions are made on terms equivalent to those that prevail in arms length transactions.

The ultimate parent company and controlling party is SEGRO plc. Copies of the consolidated accounts of SEGRO plc can be obtained from Cunard House, 15 Regent Street, London, SW1Y 4LR, England.

Bredero Properties Plc**Notes to the financial statements (continued)****13. Notes to cash flow statements**

	2010 £000's	2009 £000's
Reconciliation of cash generated from operations		
Net operating expenses	-	(2)
Adjustments for		
Provisions (released)/created	-	-
	-	(2)
Changes in working capital.		
Decrease in debtors	-	-
Net cash outflow used in operations	-	(2)