

Registered No 4523671

REPORT AND FINANCIAL STATEMENTS

BRIXTON NORTHFIELDS 5 LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2006

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COMPANIES HOUSE

Registered No 4523671

DIRECTORS

T C Wheeler BSc FRICS
S J Owen LLB FCA MCT
P A Dawson BSc MRICS
M J Andrews BSc MRICS
S D Lee BSc FRICS
R E Rossington MA MRICS
C M Sheedy MRICS
J J Good BSc MRICS
M F Kidd FRICS
S N Wilbraham BA ACIS
M L Young LLB

(resigned 27 April 2006)
(resigned 27 February 2007)
(appointed 31 May 2006, resigned 17 April 2007)
(resigned 31 May 2006)

SECRETARY

H F Silver
S N Wilbraham BA ACIS
M L Young LLB

(appointed 17 April 2007)
(appointed 31 May 2006, resigned 17 April 2007)
(resigned 31 May 2006)

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

REGISTERED OFFICE

50 Berkeley Street
London
W1J 8BX

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2006

RESULTS AND DIVIDENDS

In the year ended 31 December 2006, the profit/(loss) after tax of the company was £(138,486) (year ended 31 December 2005 profit/(loss) after tax of £(129,560)) The directors do not recommend a dividend for the year ended 31 December 2006 (year ended 31 December 2005 £nil)

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activities of the Company are property investment and development It is a wholly-owned subsidiary of Brixton plc, a company registered in England and Wales

The Company holds an investment in the property at North Circular Units, Northfields, Park Royal The Company is expected to own the property for the foreseeable future

Industrial property provides less volatility of returns, less obsolescence and has a constrained supply in our chosen areas of operation This particularly contrasts with Europe and the majority of the rest of the World where greater general supply leads to lower income returns witness the rental deflation in the industrial and warehouse markets in Central Europe of c 30% in the last 6 years

Downward yield shift is likely to conclude shortly ending an extraordinary period of growth in commercial property values in the UK which has generally benefited all property owners Over the last 5 years the IPD Annual All Property equivalent yield has reduced by 252bp from 7.9% to 5.4% and the Industrial equivalent yield by 246bp from 8.7% to 6.2%

The ability to continue to demonstrate rental growth out performance will be paramount The Company's business model, combining attentive and customer focused management with astute and timely investment decisions, has been to concentrate on this and we have a proven track record in this regard

The Key Performance Indicators (KPIs) specific to this Company relate to net rental income and profit before tax as disclosed in the profit & loss account Due to the nature of the Company's business all other KPIs are set and monitored on a portfolio basis at Brixton plc Group level Management monitors the UK property market through the analysis of market forecasts and the performance of the property assets are compared against the IPD Annual Index A discussion of the Brixton Group's performance against its target KPIs can be found in the Operating Review of the Brixton plc Annual Report and Accounts 2006

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the Company can be classified under the heading of credit risk Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation The Company's policies are aimed at minimising such losses, and tenants are required to pay their rent in advance

DIRECTORS AND THEIR INTERESTS

The directors holding office during the year ended 31 December 2006 and the present membership of the board is shown on page 1

Messrs Owen and Wheeler are also directors of Brixton plc, the ultimate holding company. The interests in the shares of and the options to subscribe for shares in Brixton plc, and the options granted to and exercised by these directors during the year are disclosed in the directors' report of that company.

The beneficial interests of the remaining directors in the shares of the holding company, Brixton plc, are as follows:

	1 January 2006 or date of appointment (No. of shares)	31 December 2006 or date of resignation (No. of shares)
P A Dawson BSc MRICS	25,311	18,714
M J Andrews BSc MRICS	11,831	24,037
S D Lee BSc FRICS	21,897	22,498
R E Rossington MA MRICS	1,835	3,235
C M Sheedy MRICS	4,729	13,875
J J Good BSc MRICS	2,818	5,266
M F Kidd FRICS	23,276	29,379
S N Wilbraham BA ACIS	-	-
M L Young LLB	674	674

Under the terms of the SAYE Share Option Scheme of Brixton plc, the ultimate holding company, options to subscribe for ordinary shares in that company are held beneficially by:

	1 January 2006 or date of appointment (No. of shares)	Granted during the period (No. of shares)	Exercised/ lapsed during the period (No. of shares)	31 December 2006 or date of resignation (No. of shares)
P A Dawson BSc MRICS	6,120	2,337	(6,120)	2,337
M J Andrews BSc MRICS	3,759	1,168	(3,060)	1,867
S D Lee BSc FRICS	10,637	-	-	10,637
R E Rossington MA MRICS	-	-	-	-
C M Sheedy MRICS	10,637	-	-	10,637
J J Good BSc MRICS	2,448	-	-	2,448
M F Kidd FRICS	3,274	935	(2,448)	1,761
S N Wilbraham BA ACIS	-	-	-	-
M L Young LLB	1,398	-	-	1,398

DIRECTORS' REPORT (continued)

Under the terms of the Executive Share Option Schemes of Brixton plc, the ultimate holding company, options to subscribe for ordinary shares in that company are held beneficially by

	1 January 2006 or date of appointment (No of shares)	Granted during the period (No of shares)	Exercised/ lapsed during the period (No of shares)	31 December 2006 or date of resignation (No of shares)
P A Dawson BSc MRICS	244,827	-	(63,019)	181,808
M J Andrews BSc MRICS	197,792	-	(34,500)	163,292
S D Lee BSc FRICS	247,662	-	-	247,662
R E Rossington MA MRICS	72,420	-	-	72,420
C M Sheedy MRICS	199,422	-	(59,735)	139,687
J J Good BSc MRICS	68,476	-	-	68,476
M F Kidd FRICS	91,741	-	(22,349)	69,392
S N Wilbraham BA ACIS	-	-	-	-
M L Young LLB	20,771	-	-	20,771

Under the Long Term Incentive Plan ("LTIP") of Brixton plc, the ultimate holding company, conditional shares in that company have been awarded as set out below

	1 January 2006 or date of appointment (No of shares)	Granted during the period (No of shares)	Exercised/ lapsed during the period (No of shares)	31 December 2006 or date of resignation (No of shares)
P A Dawson BSc MRICS	357,276	57,441	(141,898)	272,819
M J Andrews BSc MRICS	188,850	28,565	(178,018)	39,397
S D Lee BSc FRICS	343,963	52,784	(288,656)	108,091
R E Rossington MA MRICS	-	18,629	-	18,629
C M Sheedy MRICS	205,480	27,530	(86,687)	146,323
J J Good BSc MRICS	26,930	-	-	26,930
M F Kidd FRICS	-	18,629	-	18,629
S N Wilbraham BA ACIS	-	-	-	-
M L Young LLB	-	-	-	-

DIRECTORS' REPORT (continued)

Under the Share Matching Plan Share Option Scheme ("SMP") of Brixton plc, the ultimate holding company, conditional shares in that company have been awarded as set out below

	1 January 2006 or date of appointment (No of shares)	Granted during the period (No of shares)	Exercised/ lapsed during the period (No of shares)	31 December 2006 or date of resignation (No of shares)
P A Dawson BSc MRICS	-	37,328	-	37,328
M J Andrews BSc MRICS	-	27,728	-	27,728
S D Lee BSc FRICS	-	34,128	-	34,128
R E Rossington MA MRICS	-	3,389	-	3,389
C M Sheedy MRICS	-	26,874	-	26,874
J J Good BSc MRICS	-	-	-	-
M F Kidd FRICS	-	16,210	-	16,210
S N Wilbraham BA ACIS	-	-	-	-
M L Young LLB	-	-	-	-

The directors had no other beneficial interests in the remaining group companies

The Company's Articles of Association do not require the directors to retire by rotation

Liability insurance cover for directors and officers of the Company was maintained during the year

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquires of fellow directors and the Company's auditor, each director has taken all steps that he/she is obliged to take as a director in order to have made himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

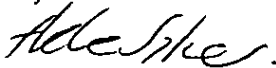
AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditor of the Company

ELECTIVE RESOLUTION

On 09 October 2002 the Company passed an elective resolution in accordance with s379 of the Companies Act 1985. In accordance with this resolution the Company is not required to lay reports and financial statements before the shareholders in general meeting, to hold an Annual General Meeting or to appoint auditors annually

By order of the board



H F Silver
Secretary

31 May 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the Independent Auditors' Report set out on page 7, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to the financial statements

The Directors are required by company law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the results of the Company for the year

In preparing the financial statements the Directors have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and have followed all applicable accounting standards. The financial statements have been prepared on a going concern basis

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BRIXTON NORTHFIELDS 5 LIMITED

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profit and Losses, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
London

31 MAY 2007

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2006

		2006	2005
	Notes	£	£
NET RENTAL INCOME	2	190,847	185,816
Administrative expenses		(50,000)	-
Net interest payable and similar charges	3	(279,333)	(315,376)
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS		(138,486)	(129,560)
EXCEPTIONAL PROFIT/(LOSS) ON DISPOSAL OF PROPERTIES		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(138,486)	(129,560)
Taxation	4	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(138,486)	(129,560)
Dividends		-	-
RETAINED PROFIT/(LOSS) FOR THE YEAR		(138,486)	(129,560)
MOVEMENT IN RETAINED PROFIT/(LOSS)			
Opening balance		(256,487)	(126,927)
Retained profit/(loss) for the year		(138,486)	(129,560)
Realisation of revaluation reserve		-	-
At 31 December		(394,973)	(256,487)

The results in the profit and loss account relate to continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2006

	2006	2005
	£	£
Profit/(loss) for the year	(138,486)	(129,560)
Unrealised surplus/(deficit) on valuation of properties	582,000	371,000
Total recognised gains and losses for the year	443,514	241,440

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 December 2006

	2006	2005
	£	£
Profit/(loss) on ordinary activities before taxation	(138,486)	(129,560)
Realisation of property revaluation surplus/(deficit) of previous years	-	-
Historical cost profit/(loss) on ordinary activities before taxation	(138,486)	(129,560)
Historical cost profit/(loss) for the year retained after taxation and dividends	(138,486)	(129,560)

BALANCE SHEET

at 31 December 2006

		2006	2005
	Notes	£	£
FIXED ASSETS			
Investment properties	5	5,646,000	5,064,000
Investment in subsidiary undertaking	6	-	-
		5,646,000	5,064,000
CURRENT ASSETS			
DEBTORS	7	12,682	28,601
CREDITORS amounts falling due within one year	8	(55,781)	(49,800)
NET CURRENT ASSETS/(LIABILITIES)		(43,099)	(21,199)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,602,901	5,042,801
CREDITORS , amounts falling due after more than one year			
Amount due to parent undertaking		(309,078)	(193,030)
Amounts due to associated group undertaking		(4,505,913)	(4,505,375)
Provision for liabilities and charges	9	-	-
NET ASSETS/(LIABILITIES)		787,910	344,396
CAPITAL AND RESERVES			
Called up equity share capital	10	1	1
Revaluation reserve	12	1,182,882	600,882
Profit and loss account		(394,973)	(256,487)
EQUITY SHAREHOLDER'S FUNDS/(DEFICIT)		787,910	344,396

The financial statements were approved for issue by the Board of Directors on 31 May 2007


S J Owen
Director

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention modified by the revaluation of properties and in accordance with applicable accounting standards. Compliance with SSAP19 "Accounting for Investment Properties" requires a departure from the requirements of the Companies Act 1985 relating to depreciation and amortisation and an explanation of this departure is given in the depreciation note.

Fundamental accounting concept

These financial statements have been prepared under the going concern basis as Brixton plc, the Company's parent undertaking has agreed to provide continuing support to the Company, at least twelve months after the date of approval by the Directors of the financial statements for the year ended 31 December 2006 subject to the Company remaining 100% owned by Brixton plc, to enable the Company to meet its liabilities as they fall due.

Investment properties

All investment properties are valued annually. The valuations are adopted in the financial statements and the surpluses and deficits are taken to revaluation reserve, except for those deficits expected to be permanent which are included in the profit and loss account. All long leasehold properties with terms over 150 years are treated as freehold properties.

Finance costs associated with direct expenditure on investment properties under development or undergoing major refurbishment are capitalised from the commencement of the development work until the date when the property is physically complete and becomes available for occupation. The capitalisation of finance cost is suspended if there are prolonged periods when development activity is interrupted.

Depreciation

In accordance with SSAP19, no depreciation is provided in respect of investment properties. This is a departure from the requirements of the Companies Act 1985 which require all fixed assets to be depreciated. The Directors consider that this departure is necessary in order for the financial statements to give a true and fair view as the properties are held for investment and not for consumption.

Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Auditors' remuneration

Auditors' remuneration has been borne by Brixton plc. The fee attributable to the Company for the year ended 31 December 2006 was £2,000 (2005: £2,000). The Company is exempt from disclosing the auditors' fee for non-audit services since the ultimate parent company, Brixton plc, is required to make these disclosures in its consolidated financial statements.

Liability for taxation on investment properties

As all the Company's investment properties are held as long term investments, no provision is made for the tax which would arise if they were sold at their book values at the balance sheet date.

Statement of cash flows

The Company has taken advantage of the exemption given in FRS1 (revised 1996) 'Cash Flow Statements', from preparing a cash flow statement on the basis that it is a wholly owned subsidiary of Brixton plc. The consolidated financial statements of Brixton plc are publicly available.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006**1. ACCOUNTING POLICIES continued*****Net rental income***

Income, which is stated net of value added tax, represents amounts invoiced to third parties for rental income receivable in relation to the leasing of investment properties, net of associated property costs

Rental income is recognised on a straight-line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review

Financial Instruments

The Company has taken advantage of the exemption given in FRS 26 'Financial Instruments Disclosure & Presentation' with respect to disclosures as the group controls at least 90% of the Company's voting share capital, and the consolidated financial statements of Brixton plc, the ultimate parent undertaking are publicly available

Related party transactions

The Company has taken advantage of the exception given in FRS 8, 'Related Party Disclosures' with respect to inter-group disclosures as the group controls at least 90% of the Company's voting share capital and that of associated group undertakings, and the consolidated financial statements of Brixton plc, the ultimate parent undertaking are publicly available

Deferred tax

In accordance with FRS 19, deferred tax is provided in respect of all timing differences that have originated, but not reversed at the balance sheet date that may give rise to an obligation to pay more or less tax in the future. As all of the Group's investment properties are held as long-term investments, deferred tax is not provided on timing differences arising from the revaluation of those assets. Following the sale of a property any deferred tax provision not required will be released to the profit and loss account. Deferred tax is measured on a non-discounted basis

Investments

Investments are stated at the lower of cost or net realisable value

Group financial statements

The Company is exempt under s228 of the Companies Act 1985 from preparing group financial statements because it has been included in the consolidated financial statements of Brixton plc. The information presented in these financial statements refers to the results of the Company only

Accounting standards

All applicable accounting standards have been complied with

2. NET RENTAL INCOME

	2006	2005
	£	£
Net rental income	190,847	185,816

The source and destination of income is the United Kingdom. The Company has one class of business

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006**

3. NET INTEREST PAYABLE

	2006	2005
	£	£
Third party interest receivable	-	-
Third party interest payable	-	-
Interest charged by parent undertaking	-	-
Interest charged by associated undertaking	279,333	315,376 00
	279,333	315,376

Net interest payable is stated after deducting capitalised interest of £nil (2005 £nil)

4. TAXATION

	2006	2005
	£	£
Deferred tax		
Release of deferred tax in respect of conversion to REIT	-	-
Deferred tax in respect of capital allowances	-	-
Deferred tax in respect of capitalised interest	-	-
Total deferred tax	-	-
UK corporation tax	-	-
	-	-
Factors affecting the corporation tax charge for the year		
Tax charge/(credit) on profit/(loss) on ordinary activities at UK corporation tax rate of 30%	(41,546)	(38,868)
Effect of		
Losses surrendered to/(by) associated group undertakings	41,546	38,868
	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

4 TAXATION (continued)

If the Company's properties were sold for their book value at the balance sheet date, it is estimated that the resultant tax liability would not exceed £nil (2005 £70,200)

The Brixton plc Group converted to a REIT (Real Estate Investment Trust) on 1 January 2007. Consequently, the Company is not expected to pay corporation tax in the future. Similarly, as the Company's expected effective future tax is 0% no provision for deferred tax has been made as at 31 December 2006, and any previously recognised deferred tax balances have been written back through the profit and loss account in the current year.

No provision has been made in these accounts for the REIT entry charge, calculated as 2% of the market value of the Company's property assets as at 1 January 2007, as an undertaking has been received from its ultimate holding company, Brixton plc, that the latter will assume all liabilities for this charge.

5. INVESTMENT PROPERTIES

	2006 £	2005 £
Freehold properties		
Opening book value	5,064,000	4,689,000
Additions	-	4,000
Disposals	-	-
Revaluation surplus/(deficit)	582,000	371,000
Book value at 31 December	5,646,000	5,064,000

The Company's property was externally valued as at 31 December 2006 by King Sturge in accordance with the Appraisal and Valuation Standards of RICS which became effective on 1 May 2003, on the basis of market value. Market value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller. Market value is estimated without regard to costs of sale.

The historical cost of investment properties as at 31 December 2006 was £4,463,118 (2005 £4,463,118)

6. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2006 £	2005 £
Book value at 1 January and 31 December	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006

7. DEBTORS

	2006 £	2005 £
Amounts falling due within one year		
– tenant debtors	3,316	-
– prepayments and accrued income	1,669	-
– other debtors	7,697	28,601
	12,682	28,601
Amounts falling due in more than one year		
– amounts due from parent undertaking	-	-
– amounts due from associated group undertaking	-	-
	12,682	28,601

8. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade creditors	-	-
Accruals and deferred income	52,960	49,800
Corporation tax creditor	-	-
Other creditors	2,821	-
	55,781	49,800

9. PROVISION FOR LIABILITIES AND CHARGES

	2006 £	2005 £
Deferred tax		
Opening balance	-	-
Charge for the year	-	-
	-	-
Balance at 31 December	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2006**10. EQUITY SHARE CAPITAL**

Ordinary shares of £1 each

	2006	2005
	£	£
Authorised	1,000	1,000
Allotted, called up and fully paid	1	1

11 PREFERENCE SHARE CAPITAL

Preference shares of £1 each

	2006	2005
	£	£
Authorised	4,999,000	-
Allotted, called up and fully paid	-	-

On 6 December 2006 the authorised share capital of the Company was increased by the creation of 4,999,000 £1 preference shares

12 REVALUATION RESERVE

	2006	2005
	£	£
Opening balance	600,882	229,882
Revaluation surplus/(deficit) in year	582,000	371,000
Transfer to profit and loss account	-	-
Balance at 31 December	1,182,882	600,882

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS/(DEFICIT)

	2006 £	2005 £
Profit/(loss) for the year	(138,486)	(129,560)
Dividends paid	-	-
	(138,486)	(129,560)
Other recognised gains and losses for the year	582,000	371,000
	443,514	241,440
Net addition/(reduction) to shareholder's funds	344,396	102,956
Opening shareholder's funds		
	787,910	344,396
Closing shareholder's funds/(deficit)		

14. CAPITAL COMMITMENTS

The directors have authorised future capital expenditure which amounts to

	2006 £	2005 £
Contracted for	-	73,000
Not contracted for	-	-
	-	73,000

15. ULTIMATE HOLDING COMPANY

The ultimate holding company is Brixton plc, a company registered in England and Wales

16. GROUP FINANCIAL STATEMENTS

The parent undertaking of the company for which group financial statements are drawn up and of which the Company is a member is Brixton plc. Copies of Brixton plc's financial statements can be obtained from 50 Berkeley Street, London W1J 8BX