

Registered No. 4788813

REPORT AND FINANCIAL STATEMENTS

BRIXTON IT SERVICES LIMITED formerly INDUSTRIOUS IT SERVICES LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2005



Registered No. 4788813

DIRECTORS

S J Owen LLB FCA MCT	(appointed 31 January 2005)
T C Wheeler BSc FRICS	(appointed 31 January 2005)
IC Melia	(resigned 1 February 2005)
D Gatherar	(resigned 31 January 2005)
R W Carey	(resigned 1 February 2005)
JSP Keogan	(resigned 31 January 2005)
M L Young LLB	(appointed 31 January 2005, resigned 31 May 2006)
S N Wilbraham BA ACIS	(appointed 31 May 2006)

SECRETARY

IC Melia	(resigned 31 January 2005)
M L Young LLB	(appointed 31 January 2005, resigned 31 May 2006)
S N Wilbraham BA ACIS	(appointed 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 2005.

RESULTS AND DIVIDENDS

In the year ended 31 December 2005, the profit/(loss) after tax of the company was £(5,127) (year ended 31 December 2004: profit/(loss) after tax of £(10,578)). The directors do not recommend a dividend for the year ended 31 December 2005 (year ended 31 December 2004: £nil). The retained profit/(loss) was £(5,127) (year ended 31 December 2004: £(10,578)).

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company was provision of information technology services and products. It is a wholly-owned subsidiary of Brixton Asset Management Limited, a company registered in England and Wales.

DIRECTORS AND THEIR INTERESTS

The directors holding office during the year ended 31 December 2005 are shown on page 2.

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 period 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 2005 or date of appointment (No. of shares)	31 December 2005 (No. of shares)
M L Young LLB	-	674
D Gatherar	-	-

Under the terms of the Executive Share Option Schemes, and 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 2005 or date of appointment (No. of shares)	Granted during the period (No. of shares)	Exercised/ lapsed during the period (No. of shares)	31 December 2005 (No. of shares)
M L Young LLB	-	22,169	-	22,169
D Gatherar	-	-	-	-

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 2005 or date of appointment (No. of shares)	Granted during the period (No. of shares)	Exercised/ lapsed during the period (No. of shares)	31 December 2005 (No. of shares)
D Gatherar	-	-	-	-

DIRECTORS' REPORT (CONTINUED)

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.

AUDITORS

Ernst & Young LLP were appointed as auditors to the company and in accordance with section 385 of the Companies Act 1985 will continue in office as auditors.

ELECTIVE RESOLUTION

The Company has 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 report 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



S N Wilbraham

Secretary

25 October 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the Independent Auditors' Report set out on page 6, 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 period, which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the results of the Company for the period.

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 AUDITORS' REPORT TO THE MEMBER OF BRIXTON IT SERVICES LIMITED
formerly INDUSTRIOUS IT SERVICES LIMITED**

We have audited the company's financial statements for the year ended 31 December 2005, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Balance Sheet and the related notes 1 to 10. These financial statements have been prepared on the basis of 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as 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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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.

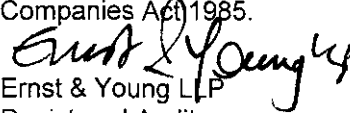
Basis of audit opinion

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 judgements 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 affairs of the company as at 31 December 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
London

31 OCT 2006

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2005

	Notes	Year ended 31 December 2005 £	Year ended 31 December 2004 £
NET INCOME/(EXPENSE)	2	(594)	(14,111)
Administrative expenses		-	(1,000)
OPERATING PROFIT/(LOSS)		(594)	(15,111)
Distributions from subsidiary undertakings		-	-
PROFIT/(LOSS) BEFORE INTEREST		(594)	(15,111)
Net interest payable and similar charges	3	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(594)	(15,111)
Taxation	4	(4,533)	4,533
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(5,127)	(10,578)
Dividends		-	-
RETAINED PROFIT/(LOSS) FOR THE YEAR		(5,127)	(10,578)
MOVEMENT IN RETAINED PROFIT/(LOSS)			
Opening balance		(10,578)	-
Retained profit/(loss) for the year		(5,127)	(10,578)
Realisation of revaluation reserve		-	-
At 31 December		(15,705)	(10,578)

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 2005

	Year ended 31 December 2005	Year ended 31 December 2004
	£	£
Profit/(loss) for the year	(5,127)	(10,578)
Total recognised gains and losses for the year	(5,127)	(10,578)

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 December 2005

	Year ended 31 December 2005	Year ended 31 December 2004
	£	£
Profit on ordinary activities before taxation	(594)	(15,111)
Historical cost profit/(loss) on ordinary activities before taxation	(594)	(15,111)
Historical cost profit/(loss) for the year retained after taxation and dividends	(5,127)	(10,578)

BALANCE SHEET

at 31 December 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Investment in subsidiary undertaking	5	-	-
		-	-
CURRENT ASSETS			
Debtors – tenant debtors		-	-
– taxation recoverable		-	4,533
– other taxes		-	-
– other debtors		-	2,143
– amounts due from parent undertaking		2,387	-
Cash at bank and in hand		-	996
		2,387	7,672
CREDITORS: amounts falling due within one year	6	-	(18,150)
NET CURRENT ASSETS/(LIABILITIES)		2,387	(10,478)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,387	(10,478)
CREDITORS: amounts falling due after more than one year			
Amount due to parent undertaking		-	-
Amounts due to associated group undertaking		(17,992)	-
NET ASSETS/(LIABILITIES)		(15,605)	(10,478)
CAPITAL AND RESERVES			
Called up equity share capital	7	100	100
Profit and loss account		(15,705)	(10,578)
EQUITY SHAREHOLDER'S FUNDS/(DEFICIT)		(15,605)	(10,478)


S N Wilbraham
Director

25 October 2006

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Fundamental Accounting Concept

These financial statements have been prepared under the going concern basis as Brixton plc, the company's ultimate 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 2005, subject to the company remaining 100% owned by Brixton plc, to enable the company to meet its liabilities as they fall due.

Auditors' remuneration

Auditors' remuneration is disclosed in the financial statements of Brixton plc. The directors do not believe it is practicable to apportion the remuneration between the ultimate parent undertaking, the company and its fellow subsidiaries.

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.

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.

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.

Income

Income, which is stated net of value added tax, represents amounts invoiced to third parties for services provided in relation to the leasing of investment properties, net of associated costs.

Accounting standards

All applicable accounting standards have been complied with.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005**

2. INCOME

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Net income from the provision of IT services	(594)	(14,111)

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

3. NET INTEREST PAYABLE

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Interest charged by associated group undertakings	-	-
Third party interest payable	-	-
Less amount charged to investment properties under development	-	-
	-	-
Interest receivable	-	-
	-	-

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005**

4. TAXATION

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Current tax		
UK corporation tax	-	(4,533)
Adjustments in respect of prior years	4,533	-
Total taxation	4,533	(4,533)
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%	(178)	(4,533)
Effect of:		
Capital allowances in excess of depreciation	-	-
Other	-	-
Adjustments re previous periods	4,533	-
Losses surrendered to/(by) associated group companies	178	-
Current tax charge/(credit) for the year	4,533	(4,533)

5. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2005 £	2004 £
As at 1 January	-	-
Balance at 31 December	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

6. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Trade creditors	-	-
Mainstream corporation tax	-	-
Other taxes and social security	-	-
Accruals and deferred income	-	1,000
Other creditors	-	-
Amounts due to associated group undertakings	-	17,150
	-	18,150

7. EQUITY SHARE CAPITAL

Ordinary shares of £1 each

	2005	2004
	£	£
Authorised	100	100
Allotted, called up and fully paid	100	100

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005

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

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Profit/(loss) for the year	(5,127)	(10,578)
Dividends paid	-	-
	(5,127)	(10,578)
Other recognised gains and losses for the year	-	-
	(5,127)	(10,578)
Net addition/(reduction) to shareholder's funds/(deficit)	(5,127)	(10,578)
Opening shareholder's funds/(deficit)	(10,478)	100
	(15,605)	(10,478)
Closing shareholder's funds/(deficit)	(15,605)	(10,478)

9. ULTIMATE HOLDING COMPANY

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

10. 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.