

**Industrious IT Services Limited**

**Directors' report and financial  
statements**

Registered number 4788813

For the year ended 31 December 2004



## Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of Industrious IT Services Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

### Principal activities and business review

The company's results for the year are set out on page 4.

### Dividends

The directors do not recommend the payment of a dividend (*Period ended 31 December 2003: £Nil*).

### Post balance sheet event

On 31 January 2005, the company's immediate parent undertaking, Industrious Asset Management UK Limited, was acquired by a subsidiary company of the Brixton Plc group. From that date, Brixton Plc is considered to be the ultimate parent undertaking.

### Directors

The directors who served during the year and subsequently were:

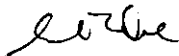
D Gatherar	(resigned 31 January 2005)
RW Carey	(resigned 31 January 2005)
JSP Keogan	(resigned 31 January 2005)
IC Melia	(resigned 31 January 2005)
SJ Owen	(appointed 31 January 2005)
TC Wheeler	(appointed 31 January 2005)
ML Young	(appointed 31 January 2005)

### Directors' interests

The notifiable interests of Messrs RW Carey, JSP Keogan and IC Melia in group undertakings have been disclosed in the directors' report and financial statements of Industrious Asset Management UK Limited, an intermediate parent company.

No other directors held any beneficial interest in group undertakings.

This report was approved by the board of directors on 26 September 2005 and signed on its behalf by:



**SJ Owen**  
Director

50 Berkeley Street  
London  
W1J 8BX

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those 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 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.

The directors are responsible for keeping proper accounting records which 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

2 Cornwall Street  
Birmingham  
B3 2DL

## **Independent auditors' report to the members of Industrious IT Services Limited**

We have audited the financial statements on pages 4 to 8.

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 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 auditors***

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

### ***Basis of audit opinion***

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

26 September 2005

**Profit and loss account**  
*for the year ended 31 December 2004*

	<i>Note</i>	<b>Year ended 31 December 2004 £</b>	<b>Period ended 31 December 2003 £</b>
<b>Turnover</b>	2	1,448	-
Cost of sales		(15,559)	-
		<hr/>	<hr/>
<b>Gross loss</b>		(14,111)	-
Administration expenses		(1,000)	-
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	4	(15,111)	-
Tax on loss on ordinary activities	5	4,533	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>	9	(10,578)	-
		<hr/> <hr/>	<hr/> <hr/>

Unless otherwise stated, the results set out above relate to continuing businesses.

There were no recognised gains or losses during the current year and prior period other than the results as set out above.

**Balance sheet**  
*at 31 December 2004*

	<i>Note</i>	<b>31 December 2004</b>	31 December 2003
		<b>£</b>	<b>£</b>
<b>Current assets</b>			
Debtors	6	6,676	100
Cash at bank and in hand		996	-
		<hr/>	<hr/>
		7,672	100
 <b>Creditors: amounts falling due within one year</b>	 7	 (18,150)	 -
		<hr/>	<hr/>
<b>Net current liabilities</b>		(10,478)	100
		<hr/>	<hr/>
 <b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss account	9	(10,578)	-
		<hr/>	<hr/>
<b>Equity shareholder's (deficit)/funds</b>		(10,478)	100
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 26 September 2005 and were signed on its behalf by:



**SJ Owen**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### *Basis of accounting*

The financial statements have been prepared in accordance with applicable Accounting Standards using the historic cost convention. The company has net liabilities of £10,478. Brixton Plc, the company's ultimate parent undertaking, has indicated that it will provide or procure such funds as necessary to enable the company to settle all liabilities as they fall due.

#### *Cash flow statement*

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of Industrious Asset Management UK Limited and its results are included in that company's consolidated financial statements.

#### *Related party disclosures*

Under FRS 8, the company is exempt from the requirement to disclose transactions with other group undertakings within the Industrious Asset Management UK Limited group on the grounds that it is a wholly owned subsidiary of that company and its results are included in that company's consolidated financial statements.

### 2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of information technology services and products. The directors are of the opinion that there is only one class of business and one market, which is the United Kingdom.

### 3 Staff numbers and costs

No persons other than the directors, were employed by the company (*period ended 31 December 2003: Nil*) and no staff costs or directors' emoluments were incurred (*period ended 31 December 2003: £Nil*).

### 4 Loss on ordinary activities before taxation

The audit fees in the year ended 31 December 2004 were paid by Industrious Asset Management Limited, a fellow group undertaking.

### 5 Tax on loss on ordinary activities

#### *(a) Credit for the year*

	Year ended 31 December 2004 £	Period ended 31 December 2003 £
<i>Current tax</i>		
UK corporation tax	4,533	-
	<hr/>	<hr/>
<b>Tax on loss on ordinary activities</b>	<b>4,533</b>	<b>-</b>
	<hr/>	<hr/>



## Notes (continued)

### 5 Tax on loss on ordinary activities (continued)

#### (b) Factors affecting the credit for the year

The tax assessed for the year is the same as the standard rate of corporation tax in the UK (30%).

	Year ended 31 December 2004 £	Period ended 31 December 2003 £
Loss on ordinary activities before taxation	15,111	-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	4,533	-

### 6 Debtors

	31 December 2004 £	31 December 2003 £
Amounts owed by group undertakings	-	100
Corporation tax recoverable	4,533	-
Other debtors	2,143	-
	6,676	100

### 7 Creditors: amounts falling due within one year

	31 December 2004 £	31 December 2003 £
Amounts owed to group undertakings	17,150	-
Accruals and deferred income	1,000	-
	18,150	-

### 8 Share capital

	31 December 2004 £	31 December 2003 £
<i>Authorised:</i>		
100 ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	100	100

## Notes (continued)

### 9 Reserves

	Profit and loss account £
At 31 December 2003	-
Retained loss for the financial year	(10,578)
	<hr/>
At 31 December 2004	(10,578)
	<hr/>

### 10 Reconciliation of movement in equity shareholder's funds

	£
Loss for the financial year	(10,578)
Equity shareholder's funds brought forward	100
	<hr/>
Equity shareholder's deficit carried forward	(10,478)
	<hr/>

### 11 Related party transactions

There have been no related party transactions during the year (*period ended 31 December 2003: £Nil*).

### 12 Ultimate parent company

As at 31 December 2004, the directors consider Morgan Stanley Real Estate Fund IV, a discretionary real estate private investment opportunity fund sponsored by a member of the Morgan Stanley Group, to be the ultimate controlling party by virtue of its shareholding in Industrious Holdings (Jersey) Limited, incorporated in Jersey, of whom Industrious Asset Management UK Limited is a wholly owned subsidiary.

The results of the company are consolidated in the UK group headed by Industrious Asset Management UK Limited. The consolidated financial statements of this company are available to the public and can be obtained from 50 Berkeley Street, London, W1J 8BX.

### 13 Post balance sheet event

On 31 January 2005, the company's immediate parent undertaking, Industrious Asset Management UK Limited, was acquired by a subsidiary company of the Brixton Plc group. From that date, Brixton Plc is considered to be the ultimate parent undertaking.