

Registered No. 4959947

REPORT AND FINANCIAL STATEMENTS
BRIXTON NORTHFIELDS (WEMBLEY) LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2005



BRIXTON NORTHFIELDS (WEMBLEY) LIMITED

Registered No. 4959947

DIRECTORS

S J Owen LLB FCA MCT

T C Wheeler BSc FRICS

M L Young LLB

(resigned 31 May 2006)

S N Wilbraham BA ACIS

(appointed 31 May 2006)

SECRETARY

M L Young LLB

(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

The company was incorporated on 11 November 2003 and commenced trading on 10 December 2003. In the year ended 31 December 2005, the profit/(loss) after tax of the company was £nil (period ended 31 December 2004: profit/(loss) after tax of £2,169,221). The directors do not recommend a dividend for the year ended 31 December 2005 (period ended 31 December 2004: £nil). The retained profit/(loss) was nil (period ended 31 December 2004: £2,169,221).

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 Northfields (Wembley) Holdings Limited, a company registered in England and Wales.

DIRECTORS AND THEIR INTERESTS

The directors holding office during the period 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

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

DIRECTORS' REPORT (CONTINUED)

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.

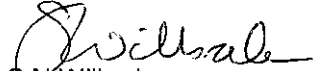
AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors to the company.

ELECTIVE RESOLUTION

On 16 December 2004 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 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 NORTHFIELDS (WEMBLEY) 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 11. 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.

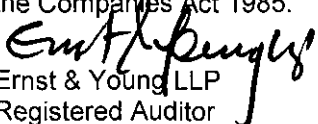
Basis of audit opinion

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 result 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

		Year ended 31 December 2005	period 11 November 2003 to 31 December 2004
	Notes	£	£
INCOME	2	-	448,297
Interest payable and similar charges	3	-	(74,297)
Dividends receivable from subsidiary undertakings		-	1,813,971
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	2,187,971
Taxation	4	-	(18,750)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		-	2,169,221
Dividends		-	-
RETAINED PROFIT/(LOSS) FOR THE YEAR/PERIOD		-	2,169,221
MOVEMENT IN RETAINED PROFIT/(LOSS)			
Opening balance		2,169,221	-
Retained profit/(loss) for the year/period		-	2,169,221
Realisation of revaluation reserve		-	-
At 31 December		2,169,221	2,169,221

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	period 11 November 2003 to 31 December 2004
	£	£
Profit/(loss) for the year/period	-	2,169,221
Unrealised surplus/(deficit) on valuation of properties	-	(740,949)
Total recognised gains and losses for the year/period	-	1,428,272

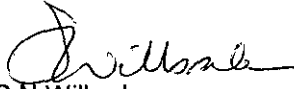
NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 December 2005

	Year ended 31 December 2005	period 11 November 2003 to 31 December 2004
	£'000	£'000
Profit on ordinary activities before taxation	-	2,187,971
Realisation of property revaluation surplus of previous years	-	(740,949)
Historical cost loss on ordinary activities before taxation	-	1,447,022
Historical cost loss for the year retained after taxation and dividends	-	1,428,272

BALANCE SHEET

at 31 December 2005

		2005	2004
	Notes	£	£
FIXED ASSETS			
Investment properties	5	-	-
Investment in subsidiary undertaking	6	1	1
		1	1
CURRENT ASSETS			
Debtors – amounts due from associated undertaking		32,403,495	34,200,531
– amounts due from parent undertaking		-	-
NET CURRENT ASSETS/(LIABILITIES)		32,403,495	34,200,531
TOTAL ASSETS LESS CURRENT LIABILITIES		32,403,496	34,200,532
CREDITORS: amounts falling due after more than one year			
Amount due to parent undertaking		-	-
Amounts due to associated group undertaking		(30,975,223)	(32,772,259)
NET ASSETS/(LIABILITIES)		1,428,273	1,428,273
CAPITAL AND RESERVES			
Called up equity share capital	7	1	1
Realised capital reserve	8	(740,949)	(740,949)
Profit and loss account		2,169,221	2,169,221
EQUITY SHAREHOLDER'S FUNDS/(DEFICIT)		1,428,273	1,428,273


 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 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 2005, 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.

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 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.

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 2005

1. ACCOUNTING POLICIES continued

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.

Accounting Standards

All applicable accounting standards have been complied with.

2. INCOME

	Year ended 31 December 2005 £	period 11 November 2003 to 31 December 2004 £
Net rental income	-	448,297

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 2005

3. NET INTEREST PAYABLE

	Year ended 31 December 2005 £	period 11 November 2003 to 31 December 2004 £
Interest charged by associated undertaking	-	(74,297)
	-	(74,297)

4. TAXATION

	Year ended 31 December 2005 £	period 11 November 2003 to 31 December 2004 £
Deferred tax	-	18,750
UK corporation tax	-	-
	-	18,750
Factors affecting the corporation tax charge for the period:		
Tax charge/(credit) on profit/(loss) on ordinary activities at	-	656,391
UK corporation tax rate of 30%		
Effect of:		
Losses surrendered to/(by) associated group companies	-	(656,391)
	-	-

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

5. INVESTMENT PROPERTIES

	2005 £	2004 £
Freehold properties		
Opening book value	-	-
Additions	-	34,340,949
Revaluation surplus/(deficit)	-	(740,949)
Disposals	-	(33,600,000)
	-	-
Book value at 31 December	-	-

6. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2005 £	2004 £
At cost		
Opening cost	1	-
Additions	-	1
	1	1
Book value at 31 December	1	1

At 31 December the company has an investment in 1 £1 ordinary share, representing a 100% holding in the ordinary share capital of Brixton Northfields (Wembley 1) Limited.

7. EQUITY SHARE CAPITAL

Ordinary shares of £1 each

	2005 £	2004 £
Authorised	100	100
	1	1
Allotted and called up	1	1

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

8. REALISED CAPITAL RESERVE

	2005 £	2004 £
Opening balance	(740,949)	-
Revaluation surplus/(deficit) in year/period recognised on disposal of property	-	(740,949)
Balance at 31 December	(740,949)	(740,949)

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

	Year ended 31 December 2005 £	period 11 November 2003 to 31 December 2004 £
Profit/(loss) for the year/period	-	2,169,221
Dividends paid	-	-
Other recognised gains and losses for the year/period	-	2,169,221 (740,949)
Net addition/(reduction) to shareholder's funds	-	1,428,272
Opening shareholder's funds	1,428,273	-
Issue of share capital	-	1
Closing shareholder's funds/(deficit)	1,428,273	1,428,273

10. ULTIMATE HOLDING COMPANY

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

11. 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.