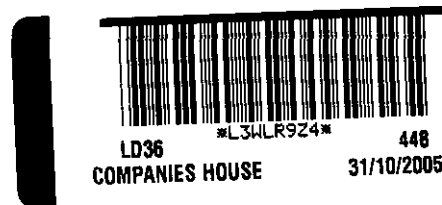


Company no: 04483781

16 Hoxton Square Limited

Report and Financial Statements

Year Ended 31 December 2004



16 Hoxton Square Limited

Annual report and financial statements for the Year Ended 31 December 2004

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16 Hoxton Square Limited

Report of the directors for the Year Ended 31 December 2004

The directors present their report together with the audited financial statements for the year ended 31 December 2004

Results and dividends

The profit and loss account is set out on page 4 and shows the result for the year.

The directors do not recommend payment of a dividend.

Principal activities, trading review and future developments

Located in area of significant social and economic disadvantage, 16 Hoxton Square is the first of a network of Prospect Centres - offering an integrated approach to social and urban regeneration. It was established as a partnership between Training for Life, Shoreditch Our Way (now the Shoreditch Trust) and the Corporation of London.

The year to 31 December 2004 was the period in which the building that hosts the Prospect Centre was refurbished ready for the successful launch of the centre in May 2004.

Directors

The directors who served in the year, and their interest in the capital of the company during the year, were:

	Ordinary shares of £1 each	
	2004	2003
G D'Silva	-	-
C Clark	-	-
J. S. Morris	-	-
P. M. Leith	-	-
J. A. Pulford	-	-
S. Ward	-	-
J. Gardner	-	-

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 of the company for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and apply them consistently;

make judgements and estimates that are reasonable and prudent; 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 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

16 Hoxton Square Limited

Report of the directors for the Year Ended 31 December 2004 (Continued)

Auditors

The auditors during the period were Goldwins Ltd, Chartered Accountants.

This report of the directors has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

✓ **By order of the Board**

A handwritten signature in black ink, appearing to read 'J Gardner', is written over the printed name.

J Gardner

Director

Date: 31/10/2005

16 Hoxton Square Limited

Independent Auditors' Report to the shareholders of 16 Hoxton Square Limited

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 the 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 opinion

We conducted our audit in accordance with United Kingdom 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 the significant estimates and judgements made by the director in 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, irregularity or error. In forming our opinion we also evaluated the overall accuracy of presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Goldwins Ltd

Goldwins Limited
Chartered Accountants
and Registered Auditors
75 Maygrove Road
West Hampstead
London NW6 2EG

Date:

31 October 2005

16 Hoxton Square Limited

Profit and loss account for the Year Ended 31 December 2004

	Note	2004 £	2003 £
Turnover	1.1	143,518	-
Grants receivable	1.2	93,641	632
Sundry income		2,534	-
Administrative expenses		(246,205)	(632)
Loss for the period	2	(6,512)	-
Accumulated profit brought forward		-	-
Accumulated loss carried forward		(6,512)	-

All amounts relate to continuing activities.
There were no other recognised gains and losses.

The notes on pages 6 to 8 form part of these financial statements.

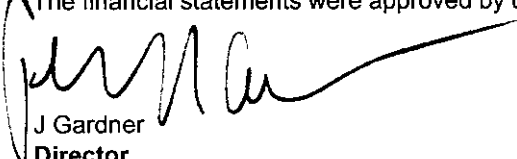
16 Hoxton Square Limited

Balance Sheet at 31 December 2004

	Notes	2004		2003	
		£	£	£	£
Fixed Assets					
Tangible assets	5		2,724,933		947,699
Current Assets					
Cash at bank			300		-
Debtors	6		117,672		204,134
			<u>117,972</u>		<u>204,134</u>
Creditors: amounts falling due within one year	7	(227,622)		(1,151,831)	
Net current liabilities	8		<u>(109,650)</u>		<u>(947,697)</u>
Total assets less current liabilities			2,615,283		2
Creditors: amount falling due after one year	9	(2,611,795)			-
Net assets			<u>3,488</u>		<u>2</u>
Capital and reserves					
Called up share capital	10		10,000		2
Profit and loss account			<u>(6,512)</u>		<u>-</u>
Shareholders' Funds			<u>3,488</u>		<u>2</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 31/12/05


J Gardner
Director

The notes on pages 6 to 8 form part of these financial statements.

1 Accounting Policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied consistently during the year:

1.1 Turnover

Turnover represents amounts receivable for rents and service charges.

1.2 Grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.3 Tangible fixed assets and depreciation

Depreciation is calculated to write off the costs, less estimated residual values, of all fixed assets, evenly throughout their expected useful lives as follows:

Leasehold property:	over lease term
Equipment:	33.3% per annum
Furniture & Fittings:	25% per annum

2 Operating Profit

	2004	2003
	£	£

The profit on ordinary activities before taxation is stated after charging the following:

Audit fees	1,175	500
Depreciation	79,806	-

3 Taxation

There is no corporation tax charge for the year as the company will pass all profits to its parent companies which are charities registered in England and Wales.

16 Hoxton Square Limited

Notes forming part of the financial statements for the year Ended 31 December 2004 (Continued)

4 Employees	2004 £	2003 £
Staff costs consist of:		
Wages and Salaries	39,231	-
Social security costs	4,512	-

There was no directors' remuneration during the year (2003 - £Nil)

5 Fixed Assets

	Leasehold Buildings £	Fixtures and fittings £	Computer Equipment £	Total £
Cost				
As at 1 January 2004	947,699	-	-	947,699
Additions	1,649,178	123,055	84,807	1,857,040
As at 31 December 2004	<u>2,596,877</u>	<u>123,055</u>	<u>84,807</u>	<u>2,804,739</u>
Depreciation				
As at 1 January 2004	-	-	-	-
Charge for the year	20,774	30,763	28,269	79,806
As at 31 December 2004	<u>20,774</u>	<u>30,763</u>	<u>28,269</u>	<u>79,806</u>
Net book value				
As at 31 December 2004	<u>2,576,103</u>	<u>92,292</u>	<u>56,538</u>	<u>2,724,933</u>
As at 1 January 2004	<u>947,699</u>	<u>-</u>	<u>-</u>	<u>947,699</u>

6 Debtors

	2004 £	2003 £
Due within one year		
Amount due from associated companies	96,295	1
VAT recoverable	5,756	4,132
Other debtors	1	1
Prepayments	3,543	200,000
Accrued income	12,077	-
	<u>117,672</u>	<u>204,134</u>

16 Hoxton Square Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

7 Creditors: amounts falling due within one year

	2004	2003
	£	£
Trade Creditors	50,513	250
Accruals & deferred income	85,533	1,103,918
Bank overdraft (secured)	14,925	-
Bank loan (secured)	76,402	-
Other creditors	249	-
Amount owed to associated company	-	47,663
	<u>227,622</u>	<u>1,151,831</u>

8 Net current liabilities

The deficit arises because the accounts recognise bank loan repayments due in 2005 while rents receivable which fund these repayments during the same period are excluded.

9 Creditors: amounts falling due after one year

	2004	2003
	£	£
Accruals & deferred income	1,564,120	-
Bank loan (secured)	1,047,675	-
	<u>2,611,795</u>	<u>-</u>

10 Share Capital

	2004	2003
	£	£
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>100</u>
Allotted		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>2</u>

During the year 9,998 ordinary shares of £1 each were issued and the authorised share capital increased from 100 to 10,000 ordinary shares.

11 Control

The company is controlled by the shareholders. The holdings in the interest of the company are as follows:

Shoreditch Our Way	42.42%
Training for Life Ltd	42.43%
Corporation of London	15.15%