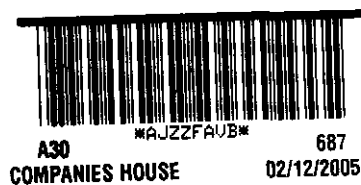


**PRINCE'S TRUST TRADING LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2005**

Registered No: 3161821



**Registered Office:**  
**18 Park Square East**  
**London NW1 4LH**

# PRINCE'S TRUST TRADING LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

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The directors present their report and the audited financial statements of the company for the year ended 31 March 2005.

### Principal activities

The principal activity of the company is the raising of funds, through the holding of events and concerts and the sale of royalties and sponsorships, for The Prince's Trust, a registered charity.

### Review of business and future developments

During the year the company generated an operating profit of £2,840,000 (2004: £3,434,000). The main activities included Capital 95.8FM's Party in the Park for The Prince's Trust, the Urban Music Festival and a series of film premieres.

The directors expect turnover and operating profit to reflect the number of events and activities organised in a financial year. Even though this may fluctuate year on year, they expect the number of activities and the profitability of the company to remain relatively consistent in the medium term.

The Capital 95.8FM's Party in the Park for The Prince's Trust concert scheduled to take place in July 2005 in Hyde Park has been cancelled to allow 'Live 8' to take place. Prince's Trust Trading Ltd has reached agreement with Live 8 Ltd to receive £1,600,000 in consideration for forgoing the right to hold the concert.

### Results and dividends

The result for the year was £Nil (2004: £Nil) after payments of £2,427,315 (2004: £3,203,000) under Deed of Covenant to The Prince's Trust and donations of £312,713 to Help A London Child (2004: £226,000), £150,000 to The Royal Parks Foundation (2004: £nil), £47,000 to The Prince's Scottish Youth Business Trust (2004: £nil) and £18,332 to North West Cancer Research (2004: £nil).

The directors do not recommend the payment of a dividend.

### Directors and their interests

The directors who held office during the year are given below:

Charles Dunstone (Chairman)	
Thomas Shebbeare	(resigned 1 June 2004)
Martina Millburn	
Michael Potter	
Deborah Higgins	(resigned 15 March 2005)
Rona Martin	
Martina King	
Andrew Tilley	
Georgina Summerhayes	
Michael Mercieca	
Carol Homden	
Ellie Gray	
Nicholas Coleridge	
Russell Chambers	

No director has an interest in the share capital of the company.

### Company Secretary

Sarah Eaton	(resigned 26 October 2004)
Carol Homden	(from 14 December 2004)

### Charitable donations

No other charitable donations other than those disclosed above have been made in the year.

# PRINCE'S TRUST TRADING LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005 (Continued)

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### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 these financial statements, the directors are required to:

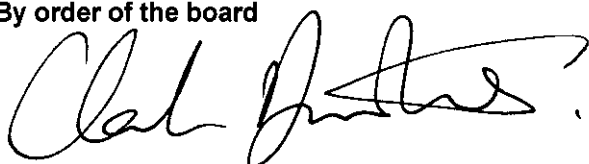
- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

### Honorary Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board



**C Dunstone**  
Director

# PRINCE'S TRUST TRADING LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRINCE'S TRUST TRADING LIMITED

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We have audited the financial statements, which comprise the profit and loss account, the balance sheet, and the related notes.

### 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 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' Report.

### 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 at 31 March 2005 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

28 July 2005

# PRINCE'S TRUST TRADING LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £'000	2004 £'000
<b>Turnover</b>	2	12,331	10,665
Cost of sales		<u>(8,766)</u>	<u>(6,488)</u>
<b>Gross profit</b>		3,565	4,177
Administration costs		<u>(725)</u>	<u>(743)</u>
<b>Operating profit</b>		2,840	3,434
Interest receivable		<u>115</u>	<u>34</u>
		2,955	3,468
Payments under Deed of Covenant & Gift Aid	8	<u>(2,955)</u>	<u>(3,468)</u>
<b>Profit on ordinary activities before taxation</b>	6	-	-
Taxation	7	<u>-</u>	<u>-</u>
<b>Profit on ordinary activities after taxation and retained profit for the year</b>	13	<u>-</u>	<u>-</u>

All the operations of the company are continuing.

The company has no recognised gains and losses other than the profits shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

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

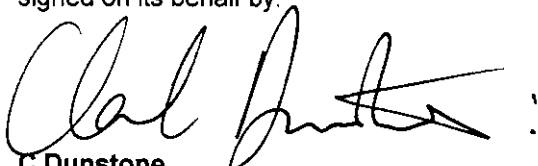
# PRINCE'S TRUST TRADING LIMITED

## BALANCE SHEET AT 31 MARCH 2005

	Notes	2005 £'000	2004 £'000
<b>Current assets</b>			
Stock	9	18	4
Debtors	10	772	1,040
Cash at bank and in hand		2,837	775
		<u>3,627</u>	<u>1,819</u>
<b>Creditors:</b> amount falling due within one year	11	<u>(3,627)</u>	<u>(1,819)</u>
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	13	<u>-</u>	<u>-</u>
<b>Shareholder's funds</b>	14	<u>-</u>	<u>-</u>

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

The financial statements on pages 4 to 8 were approved by the board of directors on 21 June 2005 and were signed on its behalf by:

  
C Dunstone  
Director

# PRINCE'S TRUST TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

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### 1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

#### Income recognition

Royalty income is accounted for when receivable. Trading income and investment income are accounted for on an accruals basis.

#### Expenditure

All expenditure is accounted for on an accruals basis.

#### Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stock.

#### Cash flow statement

The company is a wholly owned subsidiary of The Prince's Trust. The cash flows of the company are included in the consolidated group cash flow statement of The Prince's Trust. Consequently, the company is exempt under the terms of Financial Reporting Standard No. 1 (revised) from publishing a cash flow statement.

### 2. Turnover

Turnover comprises income from events, royalties and sponsorship earned in the UK. Income such as royalties may be received for several years after the event. Income is recorded net of VAT.

### 3. Directors' emoluments

Tom Shebbeare, Carol Homden, Ellie Gray, Michael Mercieca and Rona Martin are remunerated by The Prince's Trust. The Prince's Trust charged the company £154,000 for the services of Carol Homden, Ellie Gray, Michael Mercieca and Rona Martin (2004: £99,000). No remuneration is received by them from the company. No other director received remuneration from the company during the year (2004: £Nil).

### 4. Insurance of directors and officers

The Prince's Trust, in its capacity as the ultimate parent undertaking, maintains insurance for the company's directors in respect of their duties as directors.

### 5. Employee Information

Prince's Trust Trading Ltd has no employees. The Prince's Trust charged the company £723,000 (2004: £702,000) to cover the cost of The Prince's Trust employees utilised by Prince's Trust Trading Ltd.

# PRINCE'S TRUST TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005 (Continued)

### 6. Profit on ordinary activities before taxation

The auditors made no charge for the annual audit of the financial statements (2004: £Nil). Charges of £6,000 were made for other services in the year (2004: £Nil).

### 7. Taxation

For the years ended 31 March 2005 and 31 March 2004 no liability to Corporation Tax has arisen.

### 8. Payments under Deed of Covenant and Gift Aid

The taxable profit for the year to 31 March 2005 is payable to The Prince's Trust Group under Deed of Covenant. Payments totalling £2,427,315 (2004: £3,203,000) are due the year to 31 March 2005. In addition, donations were made to Help A London Child of £312,713 (2004: £226,000), £150,000 to The Royal Parks Foundation (2004: £nil), The Princes Scottish Youth Trust of £47,000 (2004: £nil) and North West Cancer Research of £18,332 (2004: £nil).

### 9. Stock

	2005 £'000	2004 £'000
Goods for resale	18	4

### 10. Debtors

	2005 £'000	2004 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	326	963
Prepayments	407	70
Accrued income	39	7
	772	1,040

### 11. Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Trade creditors	40	22
Amounts owed to group companies	2,389	830
Taxation and social security	35	133
Accruals	158	157
Deferred income	1,004	450
Other creditors	1	227
	3,627	1,819



# PRINCE'S TRUST TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005 (Continued)

### 12. Called up share capital

	2005 £	2004 £
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 13. Profit and loss account

	2005 £'000	2004 £'000
At 1 April 2004	-	-
Retained profit/(loss) for the year	<u>-</u>	<u>-</u>
<b>At 31 March 2005</b>	<u>-</u>	<u>-</u>

### 14. Reconciliation of movements in shareholder's funds

	2005 £'000	2004 £'000
Opening shareholder's funds	-	-
Profit/(loss) for the financial year	<u>-</u>	<u>-</u>
<b>Closing shareholder's funds</b>	<u>-</u>	<u>-</u>

### 15. Related Party Transactions

The company has taken advantage of the exemption provided by Financial Reporting Standard No. 8 on Related Party Transactions from disclosing transactions with entities, 90% or more of whose voting rights are controlled within the group, and where consolidated financial statements are publicly available.

### 16. Ultimate parent undertaking

The company is beneficially controlled by The Prince's Trust, a company incorporated by Royal Charter and registered charity (no. 1079675). Its registered office is 18 Park Square East, London NW1 4LH.

Copies of the ultimate parent company's consolidated financial statements may be obtained from the Company Secretary, 18 Park Square East, London NW1 4LH which incorporates the results and assets of this company.

### 17. Post Balance Sheet Event

The Capital 95.8FM's Party in the Park for The Prince's Trust concert scheduled to take place in July 2005 in Hyde Park has been cancelled to allow 'Live 8' to take place. Prince's Trust Trading Ltd has reached agreement with Live 8 Ltd to receive £1,600,000 in consideration for forgoing the right to hold the concert.