

PRINCE'S TRUST TRADING LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE PERIOD TO 31 MARCH 1998

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 1998

The directors present their report and the audited financial statements for the year 1 April 1997 to 31 March 1998.

Directors

The directors holding office during the year to 31 March 1998 were:

Tom Shebbeare
John Jarvis (Chairman)
Harvey Goldsmith

Objective of the Company

The principal objective 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.

Developments, Activities and Achievements

During the year the Company generated an operating profit of £1,102,000 (1997: £1,316,000). The main activities included the Royal Film Premieres of Man in the Iron Mask and Spice World: The Movie, a Royal Gala held in Manchester and a Royal Banquet held at Highgrove. Other events, royalties and trading activities also contributed to the operating profit.

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 increase in the medium term.

Results for the Year

The loss for the year was £4,000 (1997: profit £4,000) after payments of £940,000 (1997: £1,318,000) under Deed of Covenant to The Prince's Trust and Gift Aided donations of £97,000 (1997: nil) to The Prince's Youth Business Trust and £79,000 (1997: nil) to The Prince's Trust - Action. The directors do not recommend the payment of a dividend.

Insurance of directors and officers

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

Year 2000 Programme

Information technology support for Prince's Trust Trading Ltd is provided by the central IT department of The Prince's Trust. Prince's Trust Trading Ltd has no material direct relationship with IT hardware or software suppliers other than through The Prince's Trust, its ultimate holding company, which has conducted a full review of the risks. No costs are expected to be charged to this company.

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 1998 (Continued)

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.

The Directors are required to select suitable accounting policies and ensure they have been applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1998. The Directors also confirm that applicable accounting standards have been followed and that 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 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

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

By order of the board

Director

19. 11. 1998



PRINCE'S TRUST TRADING LIMITED

REPORT OF THE HONORARY AUDITORS TO THE MEMBERS OF PRINCE'S TRUST TRADING 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 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

London

19 . 11 . 1998

PRINCE'S TRUST TRADING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998

	Notes	Year Ended 31 March 1998 £'000	Period to 31 March 1997 £'000
Turnover	2	1,753	1,956
Cost of sales		(573)	(556)
Gross profit		1,180	1,400
Administration costs		(78)	(84)
Operating profit		1,102	1,316
Interest receivable		10	6
Payment under Deed of Covenant & Gift Aid	7	(1,116)	(1,318)
(Loss)/Profit on ordinary activities before taxation	3	(4)	4
Taxation	6	-	-
Retained (loss)/profit for the period		(4)	4

All the operations of the company were continuing.

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

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

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

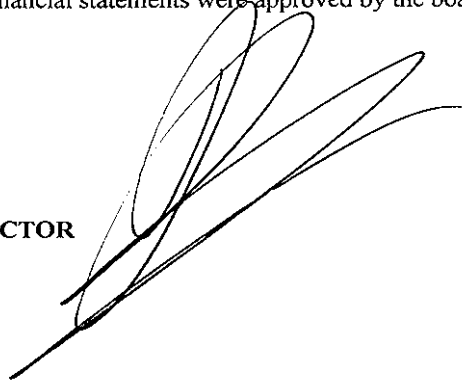
PRINCE'S TRUST TRADING LIMITED

BALANCE SHEET AT 31 MARCH 1998

	Notes	1998 £'000	1997 £'000
Current assets			
Stock	8	9	22
Debtors	9	185	283
Cash		34	-
		<u>228</u>	<u>305</u>
Current liabilities			
Creditors: amount falling due within one year	10	(228)	(301)
		<u>-</u>	<u>4</u>
Net assets			
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	0	4
		<u>-</u>	<u>4</u>
Equity Shareholders' funds	13	<u>-</u>	<u>4</u>

The financial statements were approved by the board of directors and were signed on its behalf on 19.11.1998 by:

DIRECTOR



PRINCE'S TRUST TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 1998

1. Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. 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 received.

Trading income and investment income are accounted for on an accruals basis.

Stocks

Stocks are stated 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 stocks.

Cash flow statement

The Company is a wholly owned subsidiary of The Prince's Trust and 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 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.

3. Loss on ordinary activities before taxation

The honorary auditors made no charge (1997 - nil) for the annual audit of the financial statements. No charges were made for other services.

4. Employee Information

Prince's Trust Trading Ltd has no employees. £44,000 (1997: £41,000) was recharged from The Prince's Trust to cover the cost of The Prince's Trust employees utilised by Prince's Trust Trading Ltd.

5. Directors' emoluments

Tom Shebbeare is remunerated by The Prince's Trust; no remuneration is received by him from the Company. No other director received remuneration during the year (1997: same).

6. Taxation

For the year ended 31 March 1998 and the period to 31 March 1997 no liability to Corporation Tax has arisen.

PRINCE'S TRUST TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 1998

7. Payment under Deed of Covenant and Gift Aid

The taxable profit for the year to 31 March 1998 is payable to The Prince's Trust under Deed of Covenant. Payments totalling £940,000 (1997 - £1,318,000) were made in the year to 31 March 1998. In addition, Gift Aided donations were made to The Prince's Youth Business Trust of £97,000 (1997: nil) and to The Prince's Trust - Action of £79,000 (1997: nil).

8. Stock

	1998 £'000	1997 £'000
Finished goods and goods for resale	9	22

9. Debtors

	1998 £'000	1997 £'000
Trade debtors	124	217
Amounts due from group companies	9	49
Prepayments and accrued income	4	17
Other debtors	48	-
	<u>185</u>	<u>283</u>

10. Creditors: amounts falling due within one year

	1998 £'000	1997 £'000
Bank Loans and Overdrafts	-	1
Other taxation and social security	162	122
Amounts owed to group companies	4	-
Accruals and deferred income	62	178
	<u>228</u>	<u>301</u>

11. Called up share capital

	1998 £	1997 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

PRINCE'S TRUST TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998 (Continued)

12. Profit and loss account

	Year Ended 31 March 1998 £'000	Period to 31 March 1997 £'000
Balance at 1 April	4	0
Retained (loss) / profit for the year / period	(4)	4
Balance at 31 March	0	4

13. Reconciliation of movements in shareholders' funds

	1998 £'000	1997 £'000
Opening shareholders' funds	4	0
Called up Share Capital	-	-
Retained (loss) / profit for the year / period	(4)	4
Closing shareholders' funds	-	4

14. Ultimate parent Company

The company is beneficially controlled by The Prince's Trust, a company limited by guarantee registered in England (no. 3127222) and registered charity (no. 1053579). Its registered office is 18 Park Square East, London NW1 4LH.

Copies of the parent Company's consolidated financial statements may be obtained from the Company Secretary at the address above.

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.

During the year the company was involved in a number of transactions with organisations associated with people who are directors of the company or trustees of its connected charities. These were as follows:

Organisation	Connected Person	Description	1998 Amount £	1997 Amount £
Income Received:				
Thorntons plc	Michael Thornton	Royalty	1,000	30,000
Expenses Paid:				
Jarvis Hotels plc	John Jarvis	Hotel Accommodation	1,952	1,695
Harvey Goldsmith Entertainments Ltd	Harvey Goldsmith	Concert Promotion	-	152,763