Kingston Smith
Chartered Accountants

BOOKER PRIZE TRADING LIMITED

Company No. 4394720

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31st DECEMBER 2005

Booker Prize Trading Ltd
Report of the Directors
For the year ended 31st December 2005

The directors submit their annual report and audited financial statements for the year ended 31st December 2005.

Activities
The company carries out the commercial activities of the Booker Prize Foundation, the company's parent company, a registered charity. These activities include the promotion of the Man Booker Prizes and the running of the award ceremonies.

Donations
The company makes a payment under gift aid and equal to the taxable surplus for the year, as a donation to The Booker Prize Foundation. The payment for 2005 is £303,824 (2004: £169,429)

Directors
The directors of the company throughout the year were as follows:

Martyn Goff CBE
Dotti Irving
Andrew Nairn
Christopher Pearce (Chairman)
Sally Unwin

Auditors
Kingston Smith have indicated their willingness to continue in office.

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 then apply them consistently; make judgements and estimates that are reasonable and prudent and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

Small company provisions
These financial statements have been prepared in accordance with the provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

On behalf of the Board

Christopher Pearce
Director

Registered office:
Middlesex House
34-42 Cleveland Street
London
W1T 4JE

14th April 2006

Independent Auditors' Report to the Shareholders of Booker Prize Trading Ltd

We have audited the financial statements of Booker Prize Trading Limited for the year ended 31st December 2005 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and 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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and 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
As described in the Statement of Directors' Responsibilities, 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 International Standards on Auditing (UK & 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 & 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 of the state of the company's affairs as at 31st December 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 .

Kingston Smith
Chartered Accountants
and Registered Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 25th April 2006

Booker Prize Trading Ltd
Profit and Loss Account
For the year ending 31st December 2005

	Note	2005 £	2004 £
Turnover	2	802,046	634,754
Direct costs		(450,508)	(430,761)
Gross Profit		351,538	203,993
Administration costs		(54,923)	(41,113)
Operating profit	3	296,615	162,880
Interest received		12,209	6,549
Gift Aid payment to parent	4	(303,824)	(169,429)
Profit on ordinary activities before taxation		5,000	-
Taxation		-	-
Profit on ordinary activites after taxation carried forward		5,000	-

Booker Prize Trading Ltd
Balance Sheet at 31st December 2005

	Note	2005	2004
		£	£
Current assets			
Debtors	5	22,710	1,800
Cash at bank and in hand		193,313	306,687
		216,023	308,487
Creditors: amounts falling due within one year	6	(211,022)	(308,486)
Net current assets		5,001	1
Financed by:			
Share capital	7	1	1
Profit and loss account		5,000	-
Shareholders' funds		5,001	1

The accounts have been prepared in accordance with the provisions of Part VII of the Companies Act 1985 applicable to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Approved by the board of directors on 16th March 2006
and signed on their behalf on 19th April 2006 by:

Christopher Pearce **Director**

Booker Prize Trading Ltd
Notes to the Financial Statements
For the year ended 31st December 2005

1 **Accounting policies**

Basis of accounting
The financial statements have been prepared under the historical cost convention

Income and expenditure
Income and expenditure are generally accounted for on an accruals basis.

2 **Turnover**

Turnover, which excludes VAT, represents the value of sponsorship and other services provided.

3 **Operating profit**

	2005	2004
	£	£
Operating profit is stated after charging:		
Audit fees	2,200	2,100

4 **Charitable payment**

The company has agreed to make a payment each year equivalent to the excess of taxable income over expenditure for each year to The Booker Prize Foundation, a registered charity.

5 **Debtors**

	2005	2004
	£	£
Other debtors	18,618	1,800
VAT recoverable	4,092	-
	22,710	1,800

6 **Creditors: amount falling due within one year**

	2005	2004
	£	£
Amount owed to parent undertaking	193,080	167,174
VAT payable	-	12,597
Deferred income	-	104,046
Other creditors and accruals	17,942	24,669
	211,022	308,486

Booker Prize Trading Ltd
Notes to the Financial Statements
For the year ended 31st December 2005 (Continued)

7 Share capital

	2005	2004
	£	£
Authorised: 100 ordinary shares of £1 each	100	100
Called up and fully paid: 1 ordinary share of £1	1	1

8 Controlling party

The holding body is The Booker Prize Foundation a registered charity and registered company. Copies of the group accounts may be obtained from the registered office.

9 Related parties

Dotti Irving, a director of the company, is Chief Executive of Colman Getty which provides the company with PR Services. The fee paid to Colman Getty during the year was £ 107,000 (2004: £95,000), further payments were made as direct reimbursement of costs incurred on behalf of Booker Prize Trading Ltd.