Kingston Smith
Helping clients succeed

The Booker Prize Foundation

(A company limited by guarantee and not having a share capital)

Company Number: 4213467
Registered Charity Number: 1090049

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2009

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The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2009

The trustees present their report and the accounts for the year ended 31st December 2009 These have been prepared in accordance with the Statement of Recommended Practice (2005) "Accounting and Reporting by Charities", current legislation and the Memorandum and Articles of Association The trustees have taken advantage of the simplified disclosures available to smaller companies through Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008)

Legal and administrative information

Name	Booker Prize Foundation
Company Registration Number	4213467 (company limited by guarantee)
Registered Charity Number	1090049
Trustees	The trustees (who are the directors of the company for the purposes of company law) throughout the year and up to the date of signing this report were Jonathan Taylor CBE (Chairman) The Rt Hon the Lord Baker of Dorking CH Ronald Harwood CBE FRSL Baroness Kennedy QC Baroness Neuberger DBE Baroness Nicholson of Winterbourne (resigned on 29 May 2009) Christopher Pearce FCA (Treasurer)
Company Secretary	Evelyn Smith
Registered Office	28 St James's Walk London EC1R 0AP
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	HSBC 89 Buckingham Palace Road London SW1W 0QL
Solicitors	Bates Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH

Structure Governance and Management

Booker Prize Foundation ("the Foundation") is a private company incorporated under the Companies Act 1985 and is limited by guarantee It was registered as a company on 10 May 2001 and as a charity on 11 January 2002 The conduct of the company is governed by its memorandum and articles of association Since 2002 the Foundation has been responsible for awarding the annual Man Booker Prize, which previously had been established for over 30 years as the Booker Prize In 2005 the Foundation inaugurated the Man Booker International Prize to be awarded biennially More on the charitable objectives and activity of the Foundation appears later in this report

The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2009

Trustees

The board of trustees is responsible for overall policy, strategic guidance and the selection of a sponsor, and also for the appointment of the people and organisations that implement, administer and organise the affairs of the Foundation and its trading subsidiary, Booker Prize Trading Limited

Trustees serve for a period of 3 years but in March 2005 the board of trustees established a protocol that while any trustee may be elected for two further terms of office, the overall length of service should not normally exceed 9 years While trustees should not be directly involved in the authorship or publication of contemporary literary fiction, the composition of the board reflects a combination of governance expertise with an understanding of the book trade

No new appointments took effect during the year, although selection procedures were completed for 2 new trustees whose appointments will take effect in 2010 Their recruitment was prompted by the retirements from the board (in 2008 and 2009 respectively) of Dr Martyn Goff & Baroness Nicholson The board looked for individuals who have a significant engagement with literature, the book trade and literary prizes in ways not currently reflected in its composition The board consulted with individuals and organisations involved with the book trade (with particular assistance from the Foundation's advisory committee) to find a number of candidates The skills and experience of these candidates were diverse, and it remained for the trustees to identify which would best augment and enhance the overall mix of skills and experience of the board

In 2010 the two appointments will take effect They are, first, James Naughtie, broadcaster, best known as a presenter of BBC Radio 4's "Today" programme, and with a significant involvement in arts programmes, especially those with emphasis on literature He was the chairman of judges of the Man Booker Prize 2009 Secondly, Victoria Glendinning, author, she is particularly renowned for writing literary biography She was chairman of the judges of the Booker Prize in 1992 and chairman of the judges who selected the shortlist of The Booker 40 in 2008 She has been serving as a member of the Foundation's advisory committee and will retire from that committee to take up appointment as a trustee

Advisory Committee

In accordance with the articles of association, the Foundation established an advisory committee which reflects the various components of the book trade The committee advises on aspects of the operation of the annual and international prizes, including any changes to rules and, in particular, the selection each year of the new panel of judges and (every two years) for the international prize In 2009 the committee members were

Ion Trewin (Chairman)	Literary Director, Man Booker Prizes
Richard Cable	Publisher (Random House)
Mark Chilton	Company Secretary Booker Limited
Peter Clarke	CEO Man Group plc
Basil Comely	BBC TV
Jonathan Douglas	Director of the National Literacy Trust
Victoria Glendinning	Author
Derek Johns	Literary Agent (A P Watt Ltd)
Gerry Johnson	Managing Director Waterstone's
Peter Kemp (from July 2009)	Fiction Editor, The Sunday Times
Nigel Newton	Publisher (Bloomsbury)
Fiammetta Rocco	Literary Editor, The Economist & Man Booker International Prize administrator
Evelyn Smith	Company Secretary Booker Prize Foundation
Robert Topping	Bookseller (Topping & Company)

Administration

The day to day activities of the Foundation and Booker Prize Trading Limited, including in particular the organisation of the awards ceremonies and promotion of the prizes, are undertaken with the assistance of Colman Getty Evelyn Smith continues as Company Secretary for an annual fee, with responsibilities for maintaining the administration, books and records of both the Foundation and Booker Prize Trading Limited (of which she is also Company Secretary)

Ion Trewin is appointed as literary director of the annual prize and is chairman of the Foundation's advisory committee Fiammetta Rocco, working in collaboration with Ion Trewin, is administrator of the international prize

The trustees are not remunerated (but are entitled to receive reimbursement for travelling and out of pocket expenses)

As international prize administrator, Fiammetta Rocco receives an annual fee plus reimbursement of expenses

The Foundation has one wholly owned subsidiary, Booker Prize Trading Limited (company registration number 4394720, a private company limited by shares), which undertakes the commercial activities connected with the prizes under licence from the Foundation These commercial activities comprise, in particular, the promotion of the awarding of the prizes and the awards ceremonies

Ion Trewin is also a director of Booking Prize Trading Limited In 2009 he received £37,500 (£40,500 – 2008) plus £7,837 (£5,231 – 2008) reimbursement of expenses

Dotti Irving is a director of Booker Prize Trading Limited and is also a director of Colman Getty In 2009 Colman Getty received total fees of £141,254 (£166,000 - 2008) plus reimbursement of expenses for its marketing, event management, organisational and administration services

The other directors of Booker Prize Trading Limited are not remunerated (but are entitled to be reimbursed expenses)

Sponsorship

2009 was the third year of a second 5 year period (2007 to 2011) of sponsorship by Man Group plc for an annual fee of £1,000,000 This sponsorship is paid to Booker Prize Trading Limited which passes any surplus to the Foundation by Gift Aid

Risk Analysis

The trustees have reviewed the risks to which the Foundation and its trading subsidiary are exposed, assessed their likely impact and where appropriate have established systems, procedures or insurance to mitigate these risks

Object, Objectives and Activities

The Foundation is established under its memorandum to promote the art of literature for the public benefit In particular it fosters and promotes contemporary fiction of literary merit by awarding the annual prize to the author of the best full-length novel in English published in the UK in the year and written by a Commonwealth, Irish or Zimbabwean citizen The Foundation's international prize is awarded biennially, to a living author, in recognition of an outstanding contribution to literary fiction on the world stage in a body of work which is either originally written in English or generally available in English translation

The Foundation's main activities comprise the solely charitable activities of organising, judging and awarding the prizes

In any year, the primary objective of the Foundation is to ensure that the prizes are awarded after an independent, professional, robust and impartial judging process so as to promote high quality fiction to the widest audience These processes are year round, with preparation for, and judging of, the international prize taking place over a two year cycle

Throughout 2009, the trustees have further consolidated the Foundation's activities to enhance the outreach of the annual prize and have undertaken an important new initiative with universities Activities which have been continued and developed include the libraries project which assists public libraries in promoting the prize to their users and has established a link to reading groups to shadow the annual prize An innovation in the 2009 project was the facilitation by the Foundation of improved access for libraries to supplies of shortlisted books

In addition to its main activities directly associated with the awarding of the annual and international prizes, the Foundation also seeks to support projects which foster and promote high quality contemporary literary fiction to diverse audiences, and these (including our initiative with universities) are reviewed below

Achievements and Performance

The trustees are conscious of the need to assess the success of the Foundation in meeting its objectives They aim to ensure that, with the guidance of the literary director, the administrator of the international prize and the advisory committee, considerable care and judgment goes into the choice of judges for both prizes The trustees also assess, both quantitatively and qualitatively, the media, critical and academic coverage of the books and authors selected, the coverage of the awards, and the public response in terms of the sales of the selected books

The winner of the 2009 annual prize awarded at a ceremony held on Tuesday 6 October 2009 in the Guildhall, City of London, was "Wolf Hall" by Hilary Mantel

The BBC is the broadcast partner of the annual prize Following the success of the format in the 3 previous years, the announcement of the 2009 award was again broadcast on national terrestrial television on BBC1's 10 o'clock news, reaching an audience of 4 5 million people (22% of the viewing audience at that time) This year, and for the first time, there was a special half hour programme broadcast before the 10 o'clock news on BBC News Channel which was entirely dedicated to the Man Booker Prize (The News Channel's weekly reach is 7 1 million) After the announcement, there were interviews with the winning author broadcast on BBC2's Newsnight, reaching an audience of over three quarters of a million viewers, and on World News Coverage of the build up to the prize by the BBC was particularly strong Excerpts of all the shortlisted novels were broadcast and discussed on BBC Radio 4's Today programme which has 6 5 million listeners per week Discussion of the shortlisted novels featured in BBC Radio 4's Woman's Hour On the morning after the award ceremony, the winning author was also interviewed on the 'Today' programme

Analysis of cuttings and of website activity demonstrates the ongoing UK and worldwide interest in the prize and its place as an international benchmark for other prizes Sales figures reveal that by the end of December 2009 the winning novel was the highest selling of all previous Man Booker and Booker Prize winners over a comparable period

2009 also brought the award of the third Man Booker International Prize This prize brings worldwide public attention to a diverse, stimulating, and eminent group of authors from across the world whose work is available in English The contending authors in the finalists' list were announced at a special event at the New York Public Library in March 2009 Later in the summer, the prize was awarded to the Canadian author, Alice Munro Despite frail health, Ms Munro was able to travel to Dublin in June 2009 for events at Trinity College celebrating her work, and culminating in the award of the prize to her The award to Ms Munro was met with international acclaim In addition to widespread media coverage, the international prize has been credited with drawing new readers to Ms Munro's writing Her publisher has also identified the prize as a significant factor in ensuring that her most recent book, launched later in 2009, had a more widespread profile and greater sales than anticipated

Although Ms Munro writes in English, the international prize will also continue to promote, recognise and reward high quality translation, when appropriate, so that important contemporary literary fiction from throughout the world will be better represented in English

The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2009

The effect of the 40th anniversary celebrations for the annual prize in 2008 continued to be reflected in 2009 with more international media attention directed to the history of the annual prize and its importance in the development of contemporary literary fiction The Foundation's archive (which is available for public access at Oxford Brookes University) is added to regularly with material generated by each new annual prize, but also with contributions from those involved in earlier years and with materials relating to the international prizes

The trustees are aware of the influence the annual prize has in the study of literature, in schools, universities and adult education programmes This was an important consideration in the registration of the Foundation as a charity back in 2002 Both in UK and overseas, curricula and teaching are structured around novels connected to the annual prize Post graduate studies (particularly in USA) analyse the impact and importance of the annual prize In 2009 the Foundation co-funded a one year post graduate scholarship with the University of East Anglia at its School of Literature and Creative Writing The scholarship was awarded to a student from Canada

While trustees recognise the value of the annual prize's influence on academic study, in 2009 the Foundation has been involved in an initiative to ensure that shortlisted and winning books do not remain solely the province of literature departments In October 2009 the Foundation pioneered a programme at St Andrews University (co-funded by the Foundation and the university) whereby all freshmen, irrespective of their field of study, were sent a copy (free of charge) of "The Reluctant Fundamentalist" by Mohsin Hamid (2007 shortlist) which they were asked to read prior to arrival The author was invited to the university for 2 days shortly after the beginning of term, and the freshmen were asked to a talk by him, and also to participate in discussion groups The response from the 1500 freshmen was enthusiastic The programme created a sense of common experience and endeavour across all disciplines The programme also goes some way to bridge the gap between science and the humanities and to address concerns about literacy standards among UK students It also encourages a more culturally inquisitive and literate student community

The success of the St Andrews programme has led several other UK universities to make plans for similar initiatives in 2010 The Foundation is involved in facilitating and co-funding these initiatives

The St Andrews programme was based on a similar scheme established by Georgetown University in Washington DC, USA Since the start of the 2009/10 academic year, the programme at Georgetown has been run in collaboration with the Foundation so that, for the foreseeable future, the book chosen by the university for its freshmen will be taken from a recent Man Booker annual prize shortlist The Foundation assists in arranging the visit of the author of the chosen book in September each year, and, where necessary, in organising supplies of the book The selected novel in 2009 was "The Secret Scripture" by Sebastian Barry (2008 shortlist)

Turning to other achievements in 2009, the Foundation has continued funding the RNIB to ensure novels shortlisted for the annual prize are available to visually impaired people in a range of formats

Work funded by the Foundation for the National Life Stories project at the British Library to record in depth archive interviews with a number of shortlisted authors continued in 2009 Its scope was widened to include the recording of some interviews with winners of the prize from earlier years

As in previous years, a charitable donation to the Cheltenham Literature Festival was made The festival, which took place in October immediately after the award of the 2009 annual prize, provided the first opportunity for a literary festival audience to hear Hilary Mantel talk about "Wolf Hall" in the context of winning the prize Links to other leading UK literary festivals were maintained throughout the year
In seeking further to foster, promote and recognise contemporary literary fiction of merit worldwide, the Foundation continues to offer support to other prizes In 2009 a donation was made to the Asham Award, given annually for a short story by a woman writer and presented in September during the 'Small Wonder' short story festival at Charleston, East Sussex Throughout 2009, key Foundation personnel have continued to offer guidance and acted as mentors to those involved in the International Prize for Arabic Fiction ("IPAF") This prize was awarded for the second time in Abu Dhabi in March 2009, and again drew international recognition and acclaim While IPAF is established to foster and promote fiction in Arabic, it offers the winner an opportunity for translation and publication in English so that the quality and diversity of modern Arabic fiction can be shared with an international audience In addition to the winner, it has led to

opportunities for translation and publication worldwide for all of the other novels shortlisted for both the inaugural and the second prize

The Foundation had, late in 2008 (and reported last year), donated £10,000 to the Caine Prize for African Writing which celebrated its 10th anniversary in 2009 This funding provided additional support for writers' workshops taking place during 2009 The Foundation maintains an ongoing dialogue with the Russian Booker Prize Originally established with the support of the annual (as it then was) Booker Prize, the Russian prize is now constituted and separately administered in Russia and is acknowledged as a prestigious, independent platform for contemporary Russian fiction

The trustees are pleased at the continuing growth and success of the website (www themanbookerprize com) Its newsletter is sent to over 26,000 people, and included in the top ten countries from which visitors are drawn are USA, Germany, the Netherlands and France, although authors from these countries are not eligible for the annual prize It enhances the outreach of both the annual and international prizes, and the promotion of high quality contemporary literary fiction to a worldwide audience, and is now established as one of the leading literature websites

Plans for Future Periods

As in previous years the trustees will continue to direct the activities of the charity by

(1) ensuring the prizes (annual and international) are awarded after an independent, robust and impartial judging process so as to promote high quality literary fiction to the widest audience and in particular to a new generation of readers in English,
(2) maintaining the reputation of the annual prize as an internationally recognised benchmark of literary prizes, and where possible further extending its outreach and appeal, and
(3) further establishing the reputation of the international prize as a prestigious international recognition of the work of the winning author and bringing worldwide public attention to a diverse, stimulating and eminent range of contemporary literary fiction available in English

Public Benefit

We have referred to the Charity Commission's guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities In particular, the Trustees consider how these activities will contribute to the aims and objectives they have set

Many aspects of how the Foundation provides public benefit have already emerged earlier in this report in the review of the Foundation's activities, in the "achievements and performance" section and also in explaining our plans for future periods

The charity's beneficiaries are the general public, both in UK and worldwide It is perhaps a paradox that although only novels by authors from the Commonwealth, Ireland and Zimbabwe are eligible for the annual prize, the prize's prestige also strongly influences readership more widely, particularly in the USA and Europe

Both the annual and international prizes are important signposts to the public identifying excellence in contemporary literary fiction They provoke fierce debate, some controversy, and great acclaim

Discussions as to what has been included and what has been excluded from longlists, shortlists and in selecting a winner are an important stimulus to foster a literate social and cultural environment Reference was made last year's to a report published by McKinsey & Company in USA which examined the potential of philanthropic prizes to achieve societal benefit, and identified the annual prize as a benchmark

In addition, the trustees believe that the prizes provide a cultural focus – a sense of common engagement with the cultural life of society This is demonstrated in any public response to the prizes, whether measured by media, critical and academic comment or by sales of books Also, given that reading is an essentially private activity, the prizes prompt a personal, more reflective and intellectual cultural engagement

The worldwide prestige and reputation of the prizes is underpinned by the independence and integrity of the prize processes which the Foundation safeguards In maintaining this prestige and reputation, and seeking to find new ways to extend its influence, the trustees direct the activities of the Foundation to ensure that they are not focussed solely on the book-buying public In the UK, the libraries project and the funding of the adaptation of books into formats for the visually impaired are examples of how the trustees seek to ensure, at no cost to those involved, the widest access to, and engagement with, the best contemporary fiction The partnership with the BBC and the universities initiative both disseminate awareness of the prizes and of the novels associated with them to an audience beyond those who already read contemporary literary fiction

While the individual winners of the prizes (and authors shortlisted for the annual prize) receive personal financial reward from the Foundation in the form of prize money, the scope and value of the wider public benefit of the prizes far exceeds any private benefit bestowed With the emergence of the international prize as an internationally acclaimed institution, the trustees are dedicated to safeguarding the status of the annual and international prizes In doing so they provide a stimulus for readership, and a public focus on the place of contemporary literary fiction of the highest quality in the cultural life of society In this way, public benefit is derived from all the activities undertaken to support the Foundation's objectives

Financial Review

Financial results for 2009

Total consolidated income in the year was £1,053,502 (£1,078,282 in 2008) comprising £1,000,000 sponsorship, redits towards costs of £35,000 from the publishers of annual prize short-listed authors, £7,593 from the BBC and interest of £10,909

2009 saw the award of the main annual prize (£65,000 including the shortlist awards) and of the international prize (£60,000 to the winner) Judges' fees and expenses incurred for the annual prize were £43,216 and for the international prize £50,000 (total judges fees paid for prizes in 2008 were £66,251) Other charitable donations and activities of the Foundation and Trading Company totalled £67,198 (£88,125 in 2008) including £12,000 to the RNIB, £5,000 to the Cheltenham Literature Festival, and £5,000 to the Asham Award, and we spent £24,634 (paid by Booker Prize Trading Limited in 2009) on our annual prize programme with national libraries and reading groups (in 2008 £48,557 including an extra programme structured around The Booker 40)

The cost of generating funds and governance, including the award ceremonies, were £563,850 (2008 - £665,880) to leave a surplus for the year of £121,529 (2008 - £133,400) The consolidated cash position of £781,020 at the end of the year reflects the accumulated surplus and some working capital items The funds are invested in cash deposits for the time being

Reserves and Investment Policy

The policy of the trustees is to accumulate any surpluses for the time being so as to provide for any discontinuity in sponsorship of both prizes, taking into account the two year cycle of the international prize

The current sponsorship by Man Group plc is contracted to continue until the end of the 2011 prize year so the trustees are seeking to reach reserves of approximately one year's sponsorship (ie £1 million) by then,

reserves currently stand at £795,946 (2008 £674,417), of which £5,000 is retained in the trading company The build up of the reserves and investment income provides a prudent fund against unexpected problems in future years and some separate income, additional to the sponsorship, for other charitable activities

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Booker Prize Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's Website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors
The company's auditors, Kingston Smith LLP, have indicated their willingness to continue in office and offer themselves for reappointment at the next Annual General Meeting

Small Company Rules
These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

On behalf of the Board

Jonathan Taylor CBE, Chairman

Date 25/3/10

Independent Auditors' Report to the Members of The Booker Prize Foundation

We have audited the consolidated and parent charitable company's financial statements of Booker Prize Foundation for the year ended 31 December 2009 which comprise the Consolidated Statement of Financial Activities [Incorporating the Consolidated Summary Income and Expenditure Account], the Consolidated and Charity Balance Sheets and the related notes These financial statements have been prepared in accordance with the accounting policies set out therein and in accordance with the Financial Reporting Standard for Smaller Entiteis (effective April 2008)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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 Trustees and Auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Trustees' Annual Report for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006 We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the chartable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made

We read the Trustees' Annual Report and consider the implication 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable 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 group's and parent charitable company's affairs as at 31 December 2009 and of the group's incoming resources and application of resources, including the income and expenditure for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information provided in the Trustees' Annual Report is consistent with the financial statements

Kingston Smith LLP

Nicholas Brooks, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD
Date 30/4/10

The Booker Prize Foundation
Consolidated Statement of Financial Affairs
(Incorporating an Income and Expenditure Account)
For the year ended 31st December 2009

	Note	Total 2009 £	Total 2008 £
Incoming resources			
Incoming resources from generated funds			
Activities for generating funds			
Trading activity	4	1,042,593	1,052,301
Interest received		10,909	25,981
Total incoming resources		1,053,502	1,078,282
Resources expended			
Costs of generating funds			
Costs of trading activities		537,505	617,465
Charitable expenditure			
Cost of activities in furtherance of the charity's objects			
Booker Prize			
Prizes		65,000	65,000
Judges' fees and expenses		43,216	46,147
Administrator's fees and expenses		44,210	45,731
International Prize			
Prizes		60,000	-
Judges' fees and expenses		50,000	20,104
Administrator's fees		13,039	10,000
International travel and expenses		25,460	3,895
Donations	5	67,198	88,125
Governance	2	26,345	48,415
Total resources expended		931,973	944,882
Net income for the year		121,529	133,400
Fund balance brought forward at 1st January 2009		674,417	541,017
Fund balance carried forward at 31st December 2009		795,946	674,417

All gains and losses arising are included in the statement of financial activities and arise from continuing activities

The notes on pages 12 to 14 form part of these financial statements

The Booker Prize Foundation
Balance Sheet as at 31st December 2009

	Note	Group 2009 £	Group 2008 £	Charity 2009 £	Charity 2008 £
Fixed assets					
Investments	7	-	-	1	1
Current Assets					
Debtors	8	57,631	82,068	418,737	346,941
Cash at bank and in hand		781,020	641,955	399,817	364,009
		838,651	724,023	818,554	710,950
Creditors amounts falling due within one year	9	(42,705)	(49,606)	(27,609)	(41,534)
Net Current Assets		795,946	674,417	790,945	669,416
Total Net Assets		795,946	674,417	790,946	669,417
Funds					
Unrestricted funds		790,946	669,417	790,946	669,417
Non Charitable - trading funds		5,000	5,000	-	-
		795,946	674,417	790,946	669,417

These accounts have been prepared in accordance with the provisions of the Companies Act 2006, Part 15, relating to small companies and the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the trustees, and authorised for distribution, on 25/3/2010
and signed on their behalf by

Jonathan Taylor CBE
Trustee

The notes on pages 12 to 14 form part of these financial statements

Company number: 4213467

The Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2009

1 Accounting Policies

Basis of preparation
The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (2005) (SORP) "Accounting and Reporting by Charities", the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008)

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking The results of the subsidiary are consolidated on a line by line basis

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 304 of the SORP

Company status
The charity is a company limited by guarantee In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member

Fund accounting
All funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objects of the charity

Incoming resources
All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Resources expended
All expenditure is accounted for on an accruals basis Costs of generating funds are those costs directly related to the activities for the generation of funds Governance costs are those costs incurred in compliance with constitutional and statutory obligations

In accordance with the SORP donations are recognised in the accounting period in which the decision to make an award is made and communicated to the intended recipient Amounts outstanding at the period end are included in creditors

Fixed asset investments
The only investment held by the charity is that in its trading subsidiary and is included at cost This is a deviation from the treatment prescribed by the SORP but is considered appropriate because market value is unlikely to be materially different

2 Governance

	2009	2008
	£	£
Legal expenses	5,402	23,797
Audit fees* - current year	4,994	4,144
- prior year under provision	8	20
Company secretarial fees	13,670	14,934
Meetings & administration	1,957	5,361
Bank charges	314	159
	26,345	48,415

* Audit fees of a further £3,500 (2008 audit fees of £2,800) relating to the subsidiary, are included in costs of generating funds

3 Trustees

No remuneration was paid to any trustee for services as a trustee, this year or last £1,289 was paid to three Trustees as reimbursement of expenses (2008 nil)

4 Trading subsidiary

The charity owns the entire issued share capital of Booker Prize Trading Limited, a company registered in England The subsidiary carries out commercial activities which support the main function of the Foundation including the promotion of the Man Booker Prizes and the organisation of the award ceremonies The subsidiary has undertaken to gift aid substantially all of its taxable profits to the charitable foundation A summary of the results of the subsidiary is shown below

	2009	2008
	£	£
Turnover	1,042,593	1,052,301
Direct costs	(521,789)	(593,607)
Gross profit	520,804	458,694
Administration costs	(87,060)	(66,950)
Interest received	454	10,447
Gift aid payment to Booker Prize Foundation	(434,198)	(402,191)
Profit on ordinary activities for the year	-	-
Retained profit brought forward	5,000	5,000
Retained profit carried forward	5,000	5,000

The assets, liabilities and funds of the subsidiary were

Assets	437,399	345,213
Liabilities	(432,398)	(340,212)
Capital and reserves	5,001	5,001

5 Donations

	2009	2008
	£	£
Royal National Institute of Blind People	12,000	12,810
Designer bookbinders	8,625	8,600
Cheltenham Literature Festival	5,000	2,500
Libraries Project	24,634	48,557
Archive	-	1,658
University of London	-	4,000
University of East Anglia	6,340	-
Asham Literary Fund	5,000	-
Caine Prize for African Writing	-	10,000
Universities Programme	3,606	-
Other (less than £5,000)	1,993	-
	67,198	88,125

6 Taxation

All of the activities undertaken by the charity fall within the exemptions granted to charities by legislation

7 Investments

The investments represent a £1 investment in the subsidiary company (note 4) which was acquired in 2002 and is shown at cost

8 Debtors

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	52,695	63,932	-	-
Amount due from subsidiary undertaking	-	-	417,302	332,140
Recoverable VAT	3,501	3,335	-	-
Other Debtors	1,435	14,801	1,435	14,801
	57,631	82,068	418,737	346,941

9 Creditors amounts falling due within one year

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
Other creditors and accruals	30,705	23,806	15,609	15,734
Donations awarded for a future period	12,000	25,800	12,000	25,800
	42,705	49,606	27,609	41,534

10 Related parties

D Irving, a director of Booker Prize Trading Limited, is also a director of Colman Getty which received PR and consultancy fees of £97,000 (£90,000 - 2008) for the Man Booker Prize, £44,000 (£36,000 - 2008) for the International Prize, and £254 (£40,000 - 2008) for the Booker Prize 40th Anniversary work Colman Getty also received £300,686 (£419,960 - 2008) from Booker Prize Trading Limited and £21,608 (£76,014 - 2008) from the Booker Prize Foundation for re-imbursement of third party costs incurred Income collected by Colman Getty and then credited to Booker Prize Trading Limited amounted to £35,000 (2008 - £45,000)

The aggregate of balances in respect of recharges to and from Colman Getty at the year end amounted to £35,000 (2008 £35,000) being owed by Colman Getty and £44,544 (2008 £32,542) being owed to Colman Getty These are reflected in the Balance Sheets

I Trewin, a director of Booker Prize Trading Limited, in his role as literary editor of the Booker Prize Foundation, received fees of £37,500 (£40,500 - 2008) during the year plus £7,837 (£5,231 - 2008) for reimbursement of expenses

The Booker Prize Foundation received £434,198 (2008 £402,191) as a gift aid donation from Booker Prize Trading, it's subsidiary, in the year This amount is still owing to the Booker Prize Foundation at the year end