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 2010

The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2010

The trustees present their report and the accounts for the year ended 31st December 2010 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 The Hon Victoria Glendinning MBE (appointed 9 July 2010) Sir Ronald Harwood CBE FRSL Baroness Kennedy QC Alexander James Naughtie (appointed 9 July 2010) Baroness Neuberger DBE 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 The Peak, 333 Vauxhall Bridge Road Victoria, London SW1V 1EJ
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 2010

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 will not generally 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

Two new appointments took effect during the year, their selection procedures having taken place in 2009 and reported in the Trustees' Report for the year ended 31 December 2009 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 also served as a member of the Foundation's advisory committee

All trustees have strong backgrounds in governance and the majority have longstanding and varied experience of the governance of a number of charities and voluntary sector organisations Parliamentarian trustees are all active in developing legislation and regulations affecting charities and the voluntary sector In addition trustees are kept up to date in developments in legal, regulatory and policy issues through briefings and materials provided by professional advisers (eg solicitors, accountants) and other well recognised sector commentators (eg DSC, NCVO, ACEVO) and where necessary by the presentation of papers on new developments (generally in the course of board meetings) compiled and/or collated by the Company Secretary

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) the judges for the international prize In 2010 the committee members were

Ion Trewin (Chairman)	Literary Director, Man Booker Prizes
Jon Aisbitt	Chairman Man Group plc
Richard Cable	Publisher (Random House)
Mark Chilton	Company Secretary Booker plc
Basil Comely	BBC TV
Jonathan Douglas	Director of the National Literacy Trust
Maggie Fergusson (from 25 March 2010)	Author and Secretary, Royal Society of Literature
Derek Johns	Literary Agent (A P Watt Ltd)
Dominic Myers (from 25 March 2010)	Managing Director Waterstone's
Peter Kemp	Chief 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)

The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2010

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 Man Booker Prizes and is chairman of the Foundation's advisory committee Fiammetta Rocco, working in collaboration with Ion Trewin, is administrator of the international prize Ion Trewin is also a director of Booking Prize Trading Limited In 2010 he received £41,667 (£37,500 – 2009) plus £5,896 (£7,837 – 2009) reimbursement of expenses As international prize administrator, Fiammetta Rocco receives an annual fee plus reimbursement of expenses

The trustees are not remunerated (but are entitled to receive reimbursement for travelling and out of pocket 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 prizes and the awards ceremonies

Dotti Irving is a director of Booker Prize Trading Limited and is also a director of Colman Getty In 2010 Colman Getty received total fees of £143,000 (£141,254 - 2009) 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

2010 was the fourth 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

The trustees are particularly grateful both for the generosity of the funding received from Man Group plc since 2002, and its arms' length engagement with - and enthusiasm for - the Foundation's objectives

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 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

The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2010

Throughout 2010, the trustees have further consolidated the Foundation's activities to enhance the outreach of the annual prize and the important initiative (piloted in 2008 at St Andrew's) with a number of UK 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

In addition, 2010 saw a one-off award of "The Lost Man Booker Prize" The annual Booker (currently Man Booker) Prize was established in 1968 but by 1971 the 12 month period during which books must be published so as to be eligible for the prize had been changed A new prize cycle was established which remains in place today But this rule change meant that books published over a number of months in 1970 never fell within an annual prize cycle, and so were never submitted 2010 offered an appropriate opportunity to celebrate those books still in print 40 years after first publication but which had been 'lost' to the prize by reason of this administrative change A shortlist of 6 was determined by 3 judges (Rachel Cooke, Katie Derham and Tobias Hill), and the winner was then decided by public vote, with votes received from all over the world The Lost Man Booker Prize is further discussed when reviewing the Foundation's achievements and performance below

2010 also saw the beginning of the two year cycle which will culminate in the award of the fourth Man Booker International Prize in 2011 The Foundation's purpose for this prize is to bring worldwide public attention to a diverse, stimulating and eminent group of authors whose work is available in English, and in so doing to give recognition, and where appropriate reward, for translation The contending authors will be identified in the finalists' list to be announced in a special event in Sydney (to be organised in collaboration with the University of Sydney) in March 2011, and the prize will be awarded in the summer of 2011 The judges are Dr Rick Gekoski (Chair) Dr Carmen Callil and Justin Cartwright

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 are also reviewed below

<u>Achievements and Performance</u>

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 public's choice for the award of the Lost Man Booker was 'Troubles' by J G O'Farrell who died in 1976 A presentation of a designer bound copy of the book was made to the author's brother at a ceremony in London in May 2010 Acclaim for this recognition of 'Troubles' has been international and readership (reflected in sales and more general indicators of public profile such as the adaptation of the book for broadcast by BBC Radio 4's 'Book at Bedtime') has extended to a new generation both in UK and across the world

The winner of the 2010 annual prize awarded at a ceremony held on Tuesday 12 October 2010 in the Guildhall, City of London, was "The Finkler Question" by Howard Jacobson

The BBC continued as the broadcast partner of the annual prize In carrying on its high level of engagement of recent years, the BBC's programming of both the build up to, and the announcement of, the 2010 prize has been diverse and spread across its national and international TV and radio schedules, both analogue and digital The BBC's ongoing involvement remains a significant indicator of the pre-eminent status of the annual prize in both UK and international cultural life and viewing and listening figures are continuing testament to this As in 2009 the coverage in the build up to prize was strong For the fourth year, 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 and all six authors were also interviewed for the BBC World Service which broadcast globally from 8-12 October

On 12 October the comprehensive coverage began with an interview with Salman Rushdie on *The One Show*, BBC1 (4 4 million viewers) and there was a special half hour programme broadcast before the 10 o'clock news on BBC News Channel entirely dedicated to the Man Booker Prize (The News Channel's weekly reach is in excess of 7 million) The announcement of the 2010 winner, which was broadcast on national television on BBC1's 10 o'clock news, continues to reach an audience of some 4 5 million people In 2010 this key coverage was enhanced by forming part of a longer broadcast feature on the prize by the BBC Arts Editor After the announcement, interviews with the winning author were broadcast on BBC2's Newsnight (an audience of over three quarters of a million viewers) and on the BBC World Service "World Tonight" which reaches over 2 billion listeners worldwide There were also news features on BBC Radio 5 Live and BBC Radio 3 Nightwaves 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 For the first time in 2010, every UK broadsheet newspaper carried an interview with the winning author as well as reporting the prize in its news coverage Sales figures reveal that in the 2 week period after the award of the 2010 prize hardback sales worldwide outstripped the 2009 winner in the comparable period

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 the academic year 2009 - 10 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, David Wilson, and its success has prompted the University and the Foundation to make an award to another student in the academic year 2010-11

Reference was made in the 2009 report to the initiative to ensure that shortlisted and winning books do not remain solely the province of literature departments in universities with the pioneering readership programme for all freshmen at St Andrews This was extended to more Universities in 2010 – Newcastle, Imperial College, UEA, Liverpool – and again in St Andrews, with the Foundation involved in facilitating and co-funding each initiative The model for the programme is that each university selects a book which has been on a recent Man Booker Prize shortlist Freshmen, irrespective of their field of study, are given a copy (free of charge) of that book and asked to read it prior to a visit by the author to the university During that visit, the freshmen are invited to an event where the author discusses the book Each university refines the model but the overriding principle is that all freshmen are given the opportunity to meet the author and discuss the book In 2010 the programme reached some 18,000 students Notwithstanding differences in choice of books by participating universities and the varied demography of the student populations, the response by those involved was again enthusiastic The programme continues to create a sense of common experience and endeavour across disciplines and also goes some way to bridge the gap between science and the humanities It also encourages a more culturally inquisitive and literate student community

The Foundation's involvement in the freshmen's readership scheme at Georgetown University, Washington DC (on which the UK universities programme is based) continued in 2010 The trustees are delighted that in 2011, at the suggestion of the Foundation and to complement the activities which will take place in Sydney connected with the 2011 Man Booker International Prize, the University of Sydney will take up the programme having chosen a book by an Australian novelist which was shortlisted for the 2004 Man Booker Prize, the Secret River by Kate Grenville Again the Foundation will be facilitating and providing some funding for the University of Sydney programme

Turning to other achievements in 2010, 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 The Foundation also made a special donation to ensure that the winner of the Lost Man Booker Prize is also available in these 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 2010 The value of the decision in 2009 to widen its scope to include the recording of some interviews with key figures connected with the prize from earlier years was demonstrated when the British Library was able to use this funding to record an interview with Beryl Bainbridge before her death

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 2010 annual prize, again provided the first opportunity for a literary festival audience to hear the winning author talk about the winning novel The Foundation's support for the festival in 2010 also secured the attendance of Ismail Kadare, the first winner of the Man Booker International Prize in 2005, in a rare public event in the UK as part of the festival programme

In seeking further to foster, promote and recognise contemporary literary fiction of merit worldwide in 2010

- A further donation was made to the Caine Prize for African Writing, which is awarded annually for a short story by an African writer published in English, whether in Africa or elsewhere
- Throughout 2010, 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 third time in Abu Dhabi in March 2010, 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
- A donation was made to the Bougainville Library Trust which was established by the writer, Lloyd Jones, with the aim of building a library to promote literacy and story in a population that has had virtually no investment in its cultural infrastructure since the end of the civil war there in the 1990s Lloyd Jones's novel *Mister Pip* was set on Bougainville during that war and was shortlisted for the 2008 Man Booker Prize

The Foundation also committed financial support for the work of the Asham Atelier, a short story writing programme run during the 'Small Wonder' short story festival held each September at Charleston, East Sussex, for three years from 2010 to 2012

The trustees remain pleased at the continuing growth and success of the website (www themanbookerprize com) As reported in 2009, included in the top ten countries from which website 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 2010 also saw further outreach of the annual prize via the fast developing world of digital technology This was in the form of the free to download 'app' which was developed and ready for launch at the time of the announcement of the 2010 Man Booker Prize shortlist

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,
(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, and
(4) in view of the expiry of the second 5 year period of sponsorship by Man Group immediately after the 2011 annual prize, ensuring that funding is available to safeguard and sustain the activities of the Foundation

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 In reporting on the public benefit achieved in 2010, the evidence and indicators which the trustees have considered follow the pattern identified in our 2009 report and are set out again this year

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

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 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 award, 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 2010

Total consolidated income in the year was £1,049,447(£1,053,502 in 2009) comprising £1,000,000 sponsorship, credits towards costs of £35,000 from the publishers of annual prize short-listed authors, £7,900 from the BBC and interest of £6,547

The award of the main annual prize was £65,000 including the shortlist awards Judges' fees and expenses incurred for the annual prize were £44,866and for the international prize £32,716 (total judges fees paid for prizes in 2009 were £93,216) Other charitable donations and activities of the Foundation and Trading Company totalled £117,358 (£67,198 in 2009)

The cost of generating funds and governance, including the award ceremonies, were £450,236 (2009 - £537,505) to leave a surplus for the year of £219,851 (2009 - £121,529) the increase reflecting lower costs as the international prize was not awarded in the year The consolidated cash position of £1,079,135 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, with the current reserves of £1,015,797 (2009- £795,946) representing approximately one year's income

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 27 May 2011

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

We have audited the financial statements of The Booker Prize Foundation for the year ended 31 December 2010 which comprise the Statement of Financial Affairs, the Summary Income and Expenditure Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable 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 any party other than the charitable company and charitable 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

As explained more fully in the Trustees' Responsibilities Statement set out on pages 1 to 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Kingston Smith Ltd

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

Devonshire House
60 Goswell Road
London EC1M 7AD
Date

31/5/11

The Booker Prize Foundation
Consolidated Statement of Financial Affairs
(Incorporating an Income and Expenditure Account)
For the year ended 31st December 2010

	Note	Total 2010 £	Total 2009 £
Incoming resources			
Incoming resources from generated funds			
Activities for generating funds			
Licence fees from Booker Prize Trading Limited	4	1,042,900	1,042,593
Interest received		6,547	10,909
Total incoming resources		1,049,447	1,053,502
Resources expended			
Costs of generating funds			
Costs of trading activities		450,236	537,505
Charitable expenditure			
Cost of activities in furtherance of the charity's objects			
Man Booker Prize			
Prizes		69,750	65,000
Judges' fees and expenses		44,866	43,216
Administrator's fees and expenses		47,563	44,210
Man Booker International Prize			
Prizes		-	60,000
Judges' fees and expenses		32,716	50,000
Administrator's fees		12,677	13,039
International travel and expenses		23,905	25,460
Donations	5	117,358	67,198
Governance	2	30,525	26,345
Total resources expended		829,596	931,973
Net income for the year		219,851	121,529
Fund balance brought forward at 1st January 2010		795,946	674,417
Fund balance carried forward at 31st December 2010		1,015,797	795,946

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

The notes on pages 13 to 15 form part of these financial statements

The Booker Prize Foundation
Balance Sheet as at 31st December 2010

	Note	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Fixed assets					
Investments	7	-	-	1	1
Current Assets					
Debtors	8	13,103	57,631	541,341	418,737
Cash at bank and in hand		1,079,135	781,020	520,911	399,817
		1,092,238	838,651	1,062,252	818,554
Creditors amounts falling due within one year	9	(76,441)	(42,705)	(51,456)	(27,609)
Net Current Assets		1,015,797	795,946	1,010,796	790,945
Total Net Assets		1,015,797	795,946	1,010,797	790,946
Funds					
Unrestricted funds		1,010,797	790,946	1,010,797	790,946
Non Charitable - trading funds		5,000	5,000	-	-
		1,015,797	795,946	1,010,797	790,946

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 27 May 2011
and signed on their behalf by

Jonathan Taylor CBE
Trustee

The notes on pages 13 to 15 form part of these financial statements

Company number: 4213467

The Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2010

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

	2010	2009
	£	£
Legal expenses	10,134	5,402
Audit fees* - current year	5,193	4,994
- prior year under provision	-	8
Company secretarial fees	13,743	13,670
Meetings & administration	1,238	1,957
Bank charges	217	314
	30,525	26,345

* Audit fees of a further £3,640 (2009 audit fees of £3,500) relating to the subsidiary, are included in costs of generating funds

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3 Trustees

No remuneration was paid to any trustee for services as a trustee, this year or last £4,910 was paid to three Trustees as reimbursement of expenses (2009 1,289)

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

In addition to this a more detailed Profit and Loss is shown on page 16

	2010	2009
	£	£
Turnover	1,042,900	1,042,593
Direct costs	(438,109)	(521,789)
Gross profit	604,791	520,804
Administration costs	(112,060)	(87,060)
Interest received	1,288	454
Gift aid payment to Booker Prize Foundation	(494,019)	(434,198)
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

	2010	2009
Assets	567,121	437,399
Liabilities	(562,120)	(432,398)
Capital and reserves	5,001	5,001

5 Donations

	2010	2009
	£	£
Royal National Institute of Blind People	14,000	12,000
Designer Bookbinders	8,675	8,625
Cheltenham Literature Festival	5,000	5,000
The Bougainville Library	5,000	-
Asham Atelier Literary Fund, Charleston	2,500	5,000
University of East Anglia	4,306	6,340
Caine Prize for African Writing	10,000	-
Universities Programme	39,022	3,606
Libraries Project	28,855	24,634
Other (less than £5,000)	-	1,993
	117,358	67,198

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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	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	-	52,695	-	-
Amount due from subsidiary undertaking	-	-	537,135	417,302
Recoverable VAT	-	3,501	-	-
Other Debtors	13,103	1,435	4,206	1,435
	13,103	57,631	541,341	418,737

9 Creditors amounts falling due within one year

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Other creditors and accruals	76,441	30,705	51,456	15,609
Donations awarded for a future period	-	12,000	-	12,000
	76,441	42,705	51,456	27,609

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 £98,000 (£97,000 - 2009) for the Man Booker Prize, £30,000 (£44,000 - 2009) for the International Prize, £8,000 (£nil - 2009) for the Lost Man Booker Prize, £nil (£254 - 2009) for the Booker Prize 40th Anniversary work and £7,000 for the Library project Colman Getty also received £329,701 (£300,686 - 2009) from Booker Prize Trading Limited and £7,443 (£21,608 - 2009) 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 £70,000 (2009 - £35,000)

The aggregate of balances in respect of recharges to and from Colman Getty at the year end amounted to £nil (2009 £35,000) being owed by Colman Getty and £49,486 (2009 £44,544) being owed to Colman Getty These are reflected in the Balance Sheets

received fees of £41,667 (£37,500 - 2009) during the year plus £5,896 (£7,837 - 2009) for reimbursement of expenses

The Booker Prize Foundation was due £494,019 (2009 £434,198) as a gift aid donation from Booker Prize Trading, its subsidiary, to be paid in 2011 This amount is still owing to the Booker Prize Foundation at the year end