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 2011

The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2011

The trustees present their report and the accounts for the year ended 31st December 2011 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

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 2011

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

The composition of the board reflects a combination of governance expertise with an understanding of the literary world However, trustees will not generally be directly involved in the authorship or publication of contemporary literary fiction, nor have a current vested professional interest in any aspect its production, promotion, critical review or retail When making appointments to their number, the board of trustees looks for individuals who have an engagement with literature and the wider cultural environment, and who understand the voluntary sector The board consults with individuals and organisations involved with literary matters to identify a potential trustee (or trustees) who will best augment and enhance the overall mix of skills and experience of the board

2011 saw the retirement of Baroness Neuberger from the board of trustees after serving three terms of office, and the Foundation is grateful for her significant contribution throughout this time She has become a Vice President of the Foundation, an honorary appointment which has no governance remit One new trustee was appointed during the year, Sir Andrew Motion He is professor of Creative Writing at Royal Holloway College, London and former Poet Laureate, and was the chairman of judges of the Man Booker Prize 2010

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 2011 the committee members were

Ion Trewin (Chairman)	Literary Director, Man Booker Prizes
Richard Cable	Publisher (Random House)
Mark Chilton	Company Secretary Booker plc
Peter Clarke	CEO Man Group plc
Basil Comely	BBC TV
James Daunt (from 7 July 2011)	Managing Director Waterstone's (replacing Dominic Myers)
Jonathan Douglas	Director of the National Literacy Trust
Maggie Fergusson	Author and Secretary, Royal Society of Literature
Derek Johns	Literary Agent (A P Watt Ltd)
Peter Kemp	Chief Fiction Reviewer, 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 the literary director of the Booker Prize Foundation 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 2011 he received £47,833 (£41,667 -2010) plus £7,299 (£5,896 – 2010) 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 2011 Colman Getty received total fees of £195,000(£143,000 – 2010) 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

2011 was the final 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

Negotiations took place during 2011 as to a further period of sponsorship by Man Group and on 3 October 2011 a new sponsorship agreement was completed This is for an annual index-linked fee of £1 5million, for a further 10 years (subject to mutual review at 4,6 and 8 years and to renewal by Booker plc of various longstanding name and trademark licensing arrangements after 5 years) and began in October 2011 immediately after the award of the 2011 Man Booker Prize

The trustees are delighted that the Man Group's generous sponsorship will continue and with it Man Group's 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 Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2011

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

In 2011 the Foundation made a one-off special award "The Man Booker Best of Beryl" to celebrate the association of the author, Dame Beryl Bainbridge (who died in 2010), with the annual prize No author has ever been shortlisted as many times for the prize The shortlisted novels are _The Dressmaker_ (1973), _The Bottle Factory Outing_ (1974), _An Awfully Big Adventure_ (1990), _Every Man for Himself_ (1996) and _Master Georgie_ (1998) The award identified, by public vote, the 'best' of these five Members of Dame Beryl's family were presented with a hand-bound special edition of the winner, *Master Georgie*, at a literary gathering in London in April 2011

2011 also brought the award of the fourth 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 University of Sydney in March 2011 In May 2011 the announcement of the winner, the US author Philip Roth, was made at the Sydney Opera House as part of the Sydney Writers' Festival by the chair of judges Dr Rick Gekoski Later in the summer a gala dinner celebrating Philip Roth's award was held at the Banqueting House in London This fourth prize cycle further consolidated the prize's status as a leading – perhaps the leading – award for world fiction The events in Sydney attracted a new audience (both in Australia and worldwide) to the finalists' list The Foundation is particularly grateful to our partner for these events, the University of Sydney, for its generous hospitality and wholehearted enthusiasm for the international profile of the prize While he is well known and critically acclaimed in USA, the award to Philip Roth is credited with ensuring the author's recognition as a major writer on the world stage

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

Throughout 2011, the Foundation has again undertaken a number of activities in addition to, and by way of enhancement of, the awarding of the annual and international prizes In so doing, the Foundation seeks to support projects which foster and promote high quality contemporary literary fiction to diverse audiences These activities are reviewed below (under "Achievements and Performance")

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 2011 annual prize awarded at a ceremony held on Tuesday 18 October 2011 in the Guildhall, City of London, was "The Sense of an Ending" by Julian Barnes

The BBC continued as the broadcast partner for the prize in 2011 committing to numerous programmes at key stages of the prize

The shortlist announcement on 6 September saw back-to-back news reports across the BBC radio stations There were also interviews with judges on BBC Radio 4's Front Row and, on television, the BBC News Channel

The weeks leading up to the winner ceremony saw a number of prize- related broadcasts across several BBC programmes including the traditional series of interviews with each of the shortlisted authors on BBC Radio 4's *Today Programme* which alone reached an audience of over 10 million listeners each day

There was also an interview with the Foundation's Literary Director on BBC Radio 4's *Broadcasting House* On television, BBC 2's The Review Show and The Culture Show each dedicated a 30 minute programme to the prize

The winner announcement on 18 October was broadcast live on television on the BBC News Channel, and was followed by a considerable BBC1 (television) 10 O'Clock News package, which attracted viewing figures of around 5 million There were a variety of other interviews with prize- linked personnel across BBC News and World and the BBC News Channel Interviews with the winner, Julian Barnes, ran across BBC radio output on *The World Tonight*, *Newsnight* and Radio 5 Live There were post winner announcement discussion programmes on BBC Radio Scotland, BBC Radio 3 *Night Waves* and the BBC London local radio channel

Analysis of cuttings and of website activity demonstrates the ongoing UK and worldwide interest in the annual prize and its place as an international benchmark for other prizes Sales figures for the 2011 winner in the period immediately after the announcement on 18 October not only kept apace with the outstanding success of both the 2009 and 2010 winners over a comparable period, but have continued at an unprecedented level internationally to the end of the calendar year, and on into 2012

Reference has already been made (in the previous section "Object, Objectives and Activities") to the increasing reach and profile of the Man Booker International Prize 2011

It is also important to note that the Man Booker Best of Beryl brought a widely acclaimed, and perhaps unique, retrospective public engagement with the work of one of the UK's most distinguished contemporary novelists

The Foundation remains committed to its work with public libraries, which has been developed over a number of years The libraries project assists libraries in promoting the annual prize, in particular the shortlist, to library users, and has established a link to reading groups to shadow the annual prize In 2011 we augmented this project with a libraries initiative shadowing the Man Booker Best of Beryl

On 11 October 2011, 3 of the 2011 shortlisted authors took part on the panel at a special event supported by the Foundation at the British Library to celebrate libraries and in particular their importance to local communities

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

But apart from awareness of the academic and educational reach of the annual prize in US, the Foundation recognises that its understanding of the significance of the annual prize in USA is anecdotal and incomplete In the latter part of 2011 the Foundation has undertaken in-depth market research within the USA to understand more clearly the drivers behind the US booktrade (including publishers, literary agents and retailers) and the profile and importance of the annual prize in the USA

In the UK academic year 2010 - 11 the Foundation co-funded its second one year post graduate scholarship with the University of East Anglia at its School of Literature and Creative Writing This was awarded to Antony Good The inaugural (2009-10) scholar, David Wilson, has gone on to success as a published author, including winning the 2011 BBC national short story prize The scholarship has been awarded for a third time in the academic year 2011-12 to Eliza Robertson, from Canada ,

In its third year in 2011, the Foundation's universities initiative expanded and introduced more universities to its readership programme for all new undergraduates The 2011 universities who ran events in the first term of the 2011- 12 were Birkbeck College (London), Hull (with a second event at its Scarborough campus), Newcastle, St Andrews, and Stirling, with Mansfield College Oxford set to participate in February 2012 As before, the Foundation was 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 freshmen of all disciplines are given the opportunity to meet the author and discuss the book 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 trustees were delighted that in 2011, at the suggestion of the Foundation and to complement the activities which took place in Sydney connected with the 2011 Man Booker International Prize, the University of Sydney took up the universities programme In April 2011 the Australian novelist Kate Grenville, attended the university to talk about her 2004 Man Booker Prize shortlisted novel, the Secret River As in the UK counterparts, the Foundation facilitated and provided some funding for the University of Sydney programme

We turn now to other 2011 activities which enhance and extend the outreach of the Man Booker prizes and further the Foundation's objective to promote the art of literature for the public benefit

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 2011 The British Library launched a CD celebrating and promoting this work at a special event in March 2011

The Foundation is determined to ensure the international prize is at the forefront of the promotion and discussion of the very best literature from all over the world, This underpinned the Foundation's charitable donation to the 2011 Edinburgh International Book Festival (which runs for two weeks in August) to support an event to discuss the 2011 Man Booker International Prize with its chair of judges, Dr Rick Gekoski, the Administrator of the Prize, Fiammetta Rocco, and the Foundation's Literary Director, Ion Trewin The event was very well attended and widely reported

As in previous years, a charitable donation to the Cheltenham Literature Festival was made This year's festival took place in October immediately before the award of the 2011 annual prize, and the Foundation's support provided both the opportunity for 5 of the 6 shortlisted authors to share a stage to discuss their contending novels and also funded the ever popular 'Cheltenham Booker' event

The Foundation repeated its support (originally given in 2009) of the biennial Asham Award for women's short story writing made at the Small Wonder Festival at Charleston, East Sussex in September 2011, and also carried on into a second year its support for the work of the Asham Atelier, a short story writing programme run during the same festival (this latter is a three year commitment from 2010 to 2012 as reported in 2010)

In seeking further to foster, promote and recognise contemporary literary fiction of merit worldwide in 2011

- 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, and
- Throughout 2011, 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 fourth time in Abu Dhabi in March 2011, and again drew international recognition and acclaim, with interest particularly heightened in view of the social and political events taking place in many Arab countries 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

The trustees remain pleased at the continuing success of the website (www themanbookerprize com) As reported in 2009 and 2010, significant numbers of website visitors are drawn from USA, Germany, the Netherlands and France, although authors from these countries are not eligible for the annual prize The website 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 a leading literature website 2011 also saw further outreach for the prizes through social media including Facebook and Twitter, and the continuation of the free to download 'app' (developed in 2010) providing details of key stages of the annual prize and related archive material Trustees are aware that the world of digital and social media evolves rapidly and the positioning and profile of the prizes in these media require constant review and updating

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 excellence, 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) ensuring the prizes are well placed to reflect and promote excellence in literary fiction with particular reference to the impact of digital technology and in particular the electronic book

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 2011, the evidence and indicators which the trustees have considered follow the pattern first identified in our 2009 report, and then followed in our 2010 report, and 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 consolidation 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 2011

Total consolidated income in the year was £1,052,771 (£1,049,447 in 2010) comprising £1,000,000 sponsorship, credits towards costs of £35,000 from the publishers of annual prize short-listed authors, £7,545, from the BBC and interest of £9,771

The award of the main annual prize was £65,000 including the shortlist awards Judges' fees and expenses incurred for the annual prize were £46,419 and for the international prize £28,534 (total judges fees paid for prizes and judges'expenses in 2010 were £77582) Other charitable donations and activities of the Foundation and Trading Company totalled £117,590 (£117,358 in 2010)

The cost of generating funds and governance, including the award ceremonies, were £643,149 (2010 - £450,236) to leave a deficit for the year of £157, 951 (2010 – surplus £219,851) The consolidated cash position of £857,846 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 £857,846 (2010 - £1,1015,797) 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 30/07/12

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 2011 which comprise the Consolidated Statement of Financial Activities [the Consolidated Summary Income and Expenditure Account], the Consolidated and Charity Balance Sheets 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 charity'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 In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2011 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 LLP

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

30/7/2012
Devonshire House
60 Goswell Road
London EC1M 7AD
Date

The Booker Prize Foundation
Consolidated Statement of Financial Affairs
(Incorporating an Income and Expenditure Account)
For the year ended 31st December 2011

	Note	Total 2011 £	Total 2010 £
Incoming resources			
Incoming resources from generated funds			
Activities for generating funds			
Licence fees from Booker Prize Trading Limited	4	1,043,000	1,042,900
Interest received		9,771	6,547
Total incoming resources		1,052,771	1,049,447
Resources expended			
Costs of generating funds			
Costs of trading activities		643,149	450,236
Charitable expenditure			
Cost of activities in furtherance of the charity's objects			
Man Booker Prize			
Prizes		65,000	69,750
Judges' fees and expenses		46,419	44,866
Administrator's fees and expenses		55,132	47,563
Man Booker International Prize			
Prizes		60,000	-
Judges' fees and expenses		28,534	32,716
Administrator's fees		19,132	12,677
International travel and expenses		10,316	23,905
Other charitable expenditure		128,936	-
Donations	5	117,590	117,358
Governance	2	36,514	30,525
Total resources expended		1,210,722	829,596
Net income/(expenditure) for the year		(157,951)	219,851
Fund balance brought forward at 1st January 2011		1,015,797	795,946
Fund balance carried forward at 31st December 2011		857,846	1,015,797

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 2011

	Note	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Fixed assets					
Investments	7	-	-	1	1
Current Assets					
Debtors	8	62,584	13,103	346,992	541,341
Cash at bank and in hand		981,431	1,079,135	622,394	520,911
		1,044,015	1,092,238	969,386	1,062,252
Creditors amounts falling due within one year	9	(186,169)	(76,441)	(116,541)	(51,456)
Net Current Assets		857,846	1,015,797	852,845	1,010,796
Total Net Assets		857,846	1,015,797	852,846	1,010,797
Funds					
Unrestricted funds		852,846	1,010,797	852,846	1,010,797
Non Charitable - trading funds		5,000	5,000	-	-
		857,846	1,015,797	852,846	1,010,797

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 30/07/12 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 2011

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

	2011	2010
	£	£
Legal expenses	8,532	10,134
Audit fees* - current year	5,436	5,193
- prior year under provision	114	-
Company secretarial fees	21,635	13,743
Meetings & administration	444	1,238
Bank charges	353	217
	36,514	30,525

* Audit fees of a further £3,730 (2010 audit fees of £3,640) 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 £519 was paid to 2 Trustees as reimbursement of expenses (2010 £4,910)

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

	2011	2010
	£	£
Turnover	1,043,000	1,042,900
Direct costs	(596,902)	(438,109)
Gross profit	446,098	604,791
Administration costs	(148,959)	(112,060)
Interest received	1,049	1,288
Gift aid payment to Booker Prize Foundation	(298,188)	(494,019)
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

	2011	2010
Assets	415,937	567,121
Liabilities	(410,936)	(562,120)
Capital and reserves	5,001	5,001

5 Donations

	2011	2010
	£	£
Royal National Institute of Blind People	12,000	14,000
Designer Bookbinders	10,175	8,675
Cheltenham Literature Festival	5,000	5,000
The Bougainville Library	-	5,000
Asham Atelier Literary Fund, Charleston	5,000	2,500
University of East Anglia	11,034	4,306
Caine Prize for African Writing	15,000	10,000
Royal Society of Literature	5,625	-
Edinburgh Book Festival	5,200	-
Universities Programme	20,821	39,022
Libraries Project	23,235	28,855
Other (less than £5,000)	4,500	-
	117,590	117,358

The Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2011

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	
	2011	2010	2011	2010
	£	£	£	£
Amount due from subsidiary undertaking	-	-	341,308	537,135
Other Debtors	62,584	13,103	5,684	4,206
	62,584	13,103	346,992	541,341

9 Creditors: amounts falling due within one year

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Other creditors and accruals	149,646	76,441	116,541	51,456
VAT payable	36,523	-	-	-
	186,169	76,441	116,541	51,456

10 Related parties

D Irving, a director of Booker Prize Trading Limited, is also a director of Colman Getty which received administration, event management and fees of £135,000 (£98,000 - 2010) for the Man Booker Prize, £60,000 (£30,000 - 2010) for the International Prize, £nil (£8,000 - 2010) for the Lost Man Booker Prize, and £Nil (£7,000 - 2010) for the Libraries project Colman Getty also received £423,316 (£329,701 - 2010) from Booker Prize Trading Limited and £38,446 (£7,443 - 2010) 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 (2010 - £70,000)

The aggregate of balances in respect of recharges to and from Colman Getty at the year end amounted to £26,042 (2010 £nil) being owed by Colman Getty and £nil (2010 £49,486) being owed to Colman Getty These are reflected in the Balance Sheets of the Consolidated Accounts

I Trewin, a director of Booker Prize Trading Limited, in his role as literary director of the Man Booker Prizes, received fees of £47,833 (£41,667 - 2010) during the year plus £11,719 (£5,896 - 2010) for reimbursement of expenses

The Booker Prize Foundation was due £298,188 (2010 £494,019) 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