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 2012

The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2012

The trustees present their report and the accounts for the year ended 31st December 2012 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 Sir Ronald Harwood CBE FRSL Baroness Kennedy QC Bidisha ShonarKoli Mamata (appointed 22 March 2013) Sir Andrew Peter Motion Alexander James Naughtie 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 2012

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

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 No new trustees were appointed in the year ended 2012, although Bidisha ShonarKoli Mamata,the journalist, author and critic, was appointed in March 2013

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 During 2012 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	Bookseller (Managing Director Waterstones)
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 Four Colman Getty (previously known as 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 2012 he received £49,833 (£47,833 -2011) plus £10,239 (£7,299 – 2011) 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 travel 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 Four Colman Getty In March 2012 Colman Getty became part of the Four Communications group, and changed its name to Four Colman Getty In 2012 Four Colman Getty/Colman Getty received total fees of £200,000 (£195,000– 2011) 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

2012 was the first full year of a new 10 year sponsorship agreement with Man Group plc which began in October 2011 immediately after the award of the 2011 Man Booker Prize 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)

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

2012 also saw the beginning of the two year cycle which culminates in the award of the fifth Man Booker International Prize in 2013 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 finalists' list of contending authors was announced in a special event at the Jaipur Literature Festival in January 2013 and the prize was awarded to the US author Lydia Davis at a special event in the Victoria and Albert Museum in London on 22nd May 2013 For the 2013 prize, there were five judges (for previous prize cycles there have been three), they are Professor Sir Christopher Ricks (Chair) Elif Batuman, Aminatta Forna, Yiyun Li and Tim Parks

The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2012

Throughout 2012, 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, Performance and Impact

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

On 15 October 2012, all the 2012 shortlisted authors took part at a special event chaired by James Naughtie at the Royal Festival Hall in London's Southbank Centre Each author discussed and read from his/her shortlisted novel, and answered audience questions The event was simultaneously broadcast to 34 cinemas across the UK, increasing its reach beyond its 1,400-strong Southbank audience New audiences were also reached through another first – a winner event with Apple, which took place on 18 October in their Regent Street store

The winner of the 2012 annual prize awarded at a ceremony held on Tuesday 16 October 2012 in the Guildhall, City of London, was "Bring Up The Bodies" by Hilary Mantel

The BBC continued as the broadcast partner for the prize in 2012 committing to numerous programmes at key stages of the prize

BBC Radio 4's Front Row revealed and discussed the longlist on 25 July, and went on to interview judges Sir Peter Stothard and Dan Stevens to mark the shortlist announcement on 11 September

Radio 4 carried on its tradition of interviewing the shortlisted authors in the run up to the winner ceremony, with six days of dedicated interviews by Rebecca Jones on the Today Programme The Culture Show on BBC 2 ran a feature around bookmaking and the prize on 3 October, interviewing Graham Sharpe from William Hill and Alex Donohue from Ladbrokes The Review Show on BBC 4 followed with a discussion on the shortlisted titles on 12 October, with a panel including Rosie Boycott, AL Kennedy and Professor John Mullan

The winner announcement on 16 October was covered extensively by the BBC, with interviews and reportage live from the Guildhall on the BBC News Channel in the run up to the announcement, followed by interviews on BBC World, the 10 O'clock News, Radio 4's World Tonight and Radio 5 Live For the first time this year, viewers internationally were able to watch the BBC coverage online

Channel 4 also continued to support the prize, with an extensive report on Channel 4 News at shortlist stage, featuring Ion Trewin, Sir Peter Stothard and shortlisted author Will Self A winner interview with Hilary Mantel followed on 17 October

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 In the week following the 2012 winner announcement, sales of Bring Up the Bodies increased by 474%, whilst sales of Wolf Hall (which won the prize in 2009) increased by 707% The mass market edition of Bring Up the Bodies achieved sales of 20,493 copies in its opening week in UK shops and secured Hilary Mantel her first ever Official UK Top 50 number one

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 2012 a new initiative was successfully launched to encourage secondary schools and sixth form colleges to promote the prize Along with promotional material being sent to a wide range of schools, seven schools from across the UK involved their book groups in shadowing the prize We will in future refer to this activity as "the libraries and schools programme")

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 Last year the Foundation reported on its research within the USA to understand more clearly the US booktrade and the profile and importance of the annual prize in the USA Throughout 2012 this work continued with the Foundation considering the significance of this research and how it might be relevant in developing a model which includes US authors for an annual prize for the best novel of the year

As reported last year, in the UK academic year 2011 - 12 the Foundation co-funded Eliza Robertson from Canada as its third one year post graduate scholar with the University of East Anglia at its School of Literature and Creative Writing The scholarship has now been awarded for a fourth time in the academic year 2012-13 to Sharlene Teo, from Singapore

In its fourth year in 2012, the Foundation's universities initiative introduced more universities to its readership programme for all new undergraduates Mansfield College Oxford was a new participant, holding its events connected with the initiative in February 2012 Then in the academic year commencing in autumn 2012, the universities running events in the first term were Birkbeck College (London), Liverpool University, St Andrews, Stirling, and the University of East Anglia, with Newcastle having to postpone its planned event in November, which was rescheduled in February 2013 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 The freshmen are invited to an event during that visit 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 major new area of activity which the Foundation undertook in 2012 seeks to explore the linkage between the promotion of the art of literature and improvement in literacy skills We were grateful for the advice of the Man Charitable Trust (which has a particular interest in funding programmes to improve literacy) in this new aspect of our charitable work The Foundation also collaborated with the National Literacy Trust (NLT) to devise two major projects, funded by the Foundation and administered by the NLT

The first NLT project (with Foundation funding of £25,000) involved reading in prisons It devised and established reading programmes (in conjunction with the prison libraries) in HMP The Mount, HMP Lewes and HMP Swaleside focussing on Stephen Kelman's 2011 shortlisted novel, "Pigeon English" At HMP Lewes, the author visited the prison to discuss the novel with participants NLT has carried out a detailed evaluation of these prisons programmes as part of its reporting to the Foundation, identifying (from a wealth of qualitative and quantitative data) that two of the key outcomes were (1) for many of the prisoners taking part this was their first exposure to high-quality literature and (2) for a significant minority, this was the first book that they had read from start to finish

This prisons programme also formed a unique relationship with National Prison Radio (NPR), a free radio service broadcasting directly into prison cells across England and Wales, reaching a potential 50,000 prisoners During October/November 2012, NPR featured "Pigeon English" on its 'Book at Bedtime' slot The broadcast reached prisoners with low levels of literacy who would be unable to access the text in its written form 50 individual prisoners, who wrote to NPR having listened to the Book at Bedtime serialisation, each received a copy of *Pigeon English* Stephen Kelman also visited the headquarters of NPR at HMP Brixton for a broadcast interview and discussion about the novel There was significant national press coverage of the prisons programme, in particular a major feature piece about Stephen Kelman's visit to HMP Brixton in The Times

The second NLT project (with Foundation funding of £50,000) is the creation of the first NLT "Literacy Action Hubs" in Middlesbrough

Middlesbrough is an area where literacy levels and the demand for literacy skills are amongst the lowest in the country The aim of the project is to promote reading and increase access to books across

Middlesbrough through by bringing together "Hub" partners at strategic, operational and community levels The activities include involving authors associated with the Man Booker Prize in community reading events The project has also forged links with the public library service in Middlesbrough to plan how local volunteers can be used to deliver library reading activities in community locations, thereby increasing the library service's capacity to become a local leader in community literacy linked literature activities Since the inauguration of activities with the Foundation's funding in June 2012, the Hub has created a network of organisations (private, public and voluntary sector) committed to working together over a number of years to realise sustainable improvement in literacy skills to promote reading, one aspect of which will be community based activities which promote the reading of quality literature The Foundation's funding has acted as a catalyst for access to other funding streams, and in its initial report, the NLT has identified that since June 2012, Booker Prize Foundation funding has helped NLT's Hub project to reach approximately 311,630 people in Middlesbrough

Although subject to annual review prior to authorisation of any further funding, it is the hope and expectation of both the Foundation and NLT that the Foundation will be able to continue support for both NLT projects (in prisons and the Literacy Action Hub) over a number of years This will enable both projects to develop and increase participation, and thereby extend the public benefit derived from them

Another significant donation (£30,000) made by the Foundation in 2012 in pursuance of its aim to bridge the links between literature and literacy was to the Poetry Archive, particularly to support the work of its education officer

We turn now to other 2012 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 In 2012 the Foundation increased its annual contribution to £20,000 (from £12,000 in 2011) so that braille editions, as well as talking books and giant print formats, are produced by the RNIB within a timescale which enables the visually impaired fully to participate in the discussions and debate which are a feature of each year's annual prize cycle

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 2012

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 2012 annual prize, and the Foundation's support provided both the opportunity for 4 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 also gave a donation to the Edinburgh International Book Festival to generate discussion and debate about the annual prize longlist (announced in the week preceding the festival) focussed on longlisted writers participating in the festival programme

The Foundation has given support for a third prize cycle of the biennial Asham Award for women's short story writing made at the Small Wonder Festival at Charleston, East Sussex This donation has been made in the first year of the cycle which will culminate in the award being made at the 2013 Small Wonder Festival The Foundation also carried on into its third year support for the work of the Asham Atelier, a short story writing programme run during the same festival (this is the last donation of a commitment over three years, from 2010 to 2012, as reported in both 2010 and 2011)

In seeking further to foster, promote and recognise contemporary literary fiction of merit worldwide, throughout 2012, 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 fifth time in Abu Dhabi in March 2012 (and subsequently completed its sixth cycle in April 2013) It continues to draw international recognition and acclaim, with interest again heightened by 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 Also, as was reported last year, a further donation was made in December 2011 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) This donation was to support the Caine Prize 2012 activities, particularly its annual workshop

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 changes in the publishing industry worldwide

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 2012, the evidence and indicators which the trustees have considered follow the pattern first identified in our 2009 report, and then followed in subsequent years

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 by 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 As 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, the funding of the adaptation of books into formats for the visually impaired and, most recently, the funding of its literacy linked literature projects, 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 2012

Total consolidated income in the year was £ 1,546,940 (£1,052,771 in 2011) comprising the increased £1,500,000 sponsorship (up from £1,000,000 in 2011), credits towards costs of £35,000 from the publishers of annual prize short-listed authors,£6,359 from the BBC and interest of £5,581

The award of the main annual prize was £65,000 including the shortlist awards Judges' fees and expenses incurred for the annual prize were £68,123 and for the international prize £22,500 (total judges fees paid for prizes and judges' expenses in 2011 were £74,953) Other charitable donations and activities of the Foundation and Trading Company totalled £225,575 (£117,590 in 2011)

The cost of generating funds and governance, including the award ceremonies, were £565,318 (2011 - £643,149) to leave a surplus for the year of £405,674 (2011 – deficit £157, 951) The consolidated cash position of £1,248,095 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 reserves of £1,263,520 (2011 - £857,846) are somewhat below the level of one year's income given the new sponsorship agreement

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 11 JULY 2013

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 2012 which comprise the Consolidated Statement of Financial Activities, 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 8 to 9, 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 2012 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

Devonshire House
60 Goswell Road
London EC1M 7AD

Date 12/8/13

The Booker Prize Foundation
Consolidated Statement of Financial Affairs
(Incorporating an Income and Expenditure Account)
For the year ended 31st December 2012

	Note	Total 2012 £	Total 2011 £
Incoming resources			
Incoming resources from generated funds			
Activities for generating funds			
Licence fees from Booker Prize Trading Limited	4	1,541,359	1,043,000
Interest received		5,581	9,771
Total incoming resources		1,546,940	1,052,771
Resources expended			
Costs of generating funds			
Costs of trading activities		565,318	643,149
Charitable expenditure			
Cost of activities in furtherance of the charity's objects			
Man Booker Prize			
Prizes		65,000	65,000
Judges' fees and expenses		68,123	46,419
Administrator's fees and expenses		56,248	55,132
Man Booker International Prize			
Prizes		-	60,000
Judges' fees and expenses		22,500	28,534
Administrator's fees		17,437	19,132
International travel and expenses		28,751	10,316
Other charitable expenditure		54,841	128,936
Donations	5	225,575	117,590
Governance	2	37,473	36,514
Total resources expended		1,141,266	1,210,722
Net income/(expenditure) for the year		405,674	(157,951)
Fund balance brought forward at 1st January 2011		857,846	1,015,797
Fund balance carried forward at 31st December 2011		1,263,520	857,846

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 2012

	Note	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Fixed assets					
Investments	7	-	-	1	1
Current Assets					
Debtors	8	55,566	62,584	950,957	346,992
Cash at bank and in hand		1,248,095	981,431	337,803	622,394
		1,303,661	1,044,015	1,288,760	969,386
Creditors amounts falling due within one year	9	(40,141)	(186,169)	(30,241)	(116,541)
Net Current Assets		1,263,520	857,846	1,258,519	852,845
Total Net Assets		1,263,520	857,846	1,258,520	852,846
Funds					
Unrestricted funds		1,258,520	852,846	1,258,520	852,846
Non Charitable - trading funds		5,000	5,000	-	-
		1,263,520	857,846	1,258,520	852,846

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 11 JULY 2013 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 2012

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

	2012	2011
	£	£
Legal expenses	2,117	8,532
Audit fees* - current year	5,598	5,436
- prior year under provision	(160)	114
Company secretarial fees	19,949	21,635
Meetings & administration	1,067	444
Insurance	8,215	-
Bank charges	687	353
	37,473	36,514

* Audit fees of a further £3,845 (2011 audit fees of £3,730) 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 £3,883 was paid to 2 (2011 2) Trustees as reimbursement of expenses (2011 £519)

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

	2012 £	2011 £
Turnover	1,541,359	1,043,000
Direct costs	(578,857)	(596,902)
Gross profit	962,502	446,098
Administration costs	(75,062)	(148,959)
Interest received	463	1,049
Gift aid payment to Booker Prize Foundation	(887,903)	(298,188)
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

	2012 £	2011 £
Assets	965,858	415,937
Liabilities	(960,857)	(410,936)
Capital and reserves	5,001	5,001

5 Donations

	2012 £	2011 £
Royal National Institute of Blind People	20,000	12,000
Designer Bookbinders	8,675	10,175
Cheltenham Literature Festival	5,000	5,000
First Story	10,000	-
Asham Atelier Literary Fund, Charleston	5,000	5,000
University of East Anglia	-	11,034
Caine Prize for African Writing	-	15,000
Royal Society of Literature	-	5,625
Edinburgh Book Festival	-	5,200
Poetry Archive	30,000	-
National Literature Trust	75,500	-
National Life Stories	12,000	-
Universities Programme	19,905	20,821
Libraries Project	23,717	23,235
Other (less than £5,000)	15,778	4,500
	225,575	117,590

The Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2012

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 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Amount due from subsidiary undertaking	-	-	950,957	341,308
Other debtors	55,566	62,584	-	5,684
	55,566	62,584	950,957	346,992

9 Creditors amounts falling due within one year

	Group 2012 £	Group 2011 £	Charity 2012 £	Charity 2011 £
Other creditors and accruals	38,673	149,646	30,241	116,541
VAT payable	1,468	36,523	-	-
	40,141	186,169	30,241	116,541

10 Related parties

D Irving, a director of Booker Prize Trading Limited, is also a director of Four Colman Getty which received PR and consultancy fees of £140,000 (2011 - £135,000) for the Man Booker Prize and £60,000 (2011 - £60,000) for the International Prize Four Colman Getty also received £326,525 (2011 - £423,316) from Booker Prize Trading Limited and £4,983 (2011 - £38,446) from the Booker Prize Foundation for re-imbursement of third party costs incurred Income collected by Four Colman Getty and then credited to Booker Prize Trading Limited amounted to £35,000 (2011 - £35,000)

The aggregate of balances in respect of recharges to and from Four Colman Getty at the year end amounted to £36,853 (2011 £26,042) being owed by Four 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 £49,833 (2011 - £47,833) during the year plus £10,239 (2011 - £11,719) for reimbursement of expenses

The Booker Prize Foundation was due £887,903 (2011 £298,188) as a gift aid donation from Booker Prize Trading, its subsidiary, to be paid in 2013 This amount is still owing to the Booker Prize Foundation at the year end

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclosure transactions with group companies on the grounds that consolidated accounts are prepared by the ultimate parent company

The Booker Prize Foundation
Charity Statement of Financial Affairs
For the year ended 31st December 2012

	Total 2012 £	Total 2011 £
Incoming resources		
Incoming resources from generated funds		
Activities for generating funds		
Trading activity	62,654	42,720
Gift aid donation from subsidiary	887,903	298,188
Interest received	5,118	8,722
Total incoming resources	955,675	349,630
Resources expended		
Charitable expenditure		
Cost of activities in furtherance of the charity's objects		
Man Booker Prize		
Prizes	65,000	65,000
Judges' fees and expenses	68,123	46,419
Administrator's fees and expenses	56,248	55,132
Man Booker International Prize		
Prizes	-	60,000
Judges' fees and expenses	22,500	28,534
Administrator's fees	17,437	19,132
International travel and expenses	28,751	10,316
Other charitable expenditure	54,841	96,774
Donations	199,628	89,760
Governance	37,473	36,514
Total resources expended	550,001	507,581
Net income/(expenditure) for the year	405,674	(157,951)
Fund balance brought forward at 1st January 2012	852,846	1,010,797
Fund balance carried forward at 31st December 2012	1,258,520	852,846

Trustees use only - not for publication

Booker Prize Trading Limited
Detailed Profit and Loss Account
For the year ended 31st December 2012

	2012 £	2012 £	2011 £	2011 £
Turnover		1,541,359		1,043,000
Direct costs				
License fees	62,654		42,720	
J Barnes charity event	-		1,000	
Lost Man Booker	-		-	
Beryl Bainbridge	-		8,940	
Man Booker Prize				
PR fee	140,000		135,000	
Meeting expenses	5,119		6,331	
Award dinner and other events	133,343		122,742	
Display, design and production	23,633		33,060	
Shortlist	16,751		18,087	
Web site costs	76,999		39,193	
Book binding	850		1,200	
Photography	2,630		-	
Man Booker International Prize				
PR fee	60,000		60,000	
Meeting expenses	53,453		28,507	
Award event	-		79,734	
Website costs	1,650		6,236	
Display, design and production	-		14,152	
Administrative expenses	1,775		0	
		(578,857)		(596,902)
Gross profit		962,502		446,098
Administration costs				
Bank charges	423		1,098	
Auditors' remuneration current year	5,474		3,730	
Auditors' remuneration in respect of prior year	-		850	
Administration costs	30,185		31,775	
Legal fees	-		23,179	
Consultancy fees	(6,282)		32,162	
Company secretarial fees	19,315		20,120	
Charitable activities Libraries	23,947		23,005	
Charitable activities Universities	2,000		4,825	
Insurance	-		8,215	
		(75,062)		(148,959)
Operating profit		887,440		297,139
Interest received		463		1,049
Profit on ordinary activities before charitable payment		887,903		298,188

This page is for management information only and does not form part of the statutory financial statements