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 2013

The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2013

The trustees present their report and the accounts for the year ended 31st December 2013. 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.

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 should not generally be directly involved in the authorship or publication of contemporary literary fiction (and insofar as they are, while they are trustees, their work may not be submitted to the Man Booker Prize), nor have a current vested professional interest in any aspect of its production, promotion or sales. 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. Bidisha ShonarKoli Mamata,the journalist, author and critic, was appointed in March 2013.

Trustees must understand clearly the responsibilities of governance and the majority have longstanding and varied experience of the governance of a number of charities and voluntary sector organisations as well as the public and private sectors. 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 elements 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 2013 the committee members were:

Ion Trewin (Chairman)	Literary Director, Man Booker Prizes
Richard Cable	Publisher (Random House)
Mark Chilton	Company Secretary Booker 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
Emmanuel Roman (from February 2013)	CEO Man Group plc
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 2013 he received £52,750 (£49,833 -2012) plus £10,576 (£10,239 – 2012) 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 2013 Four Colman Getty/Colman Getty received total fees of £240,000 (£200,000–2012) 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

2013 was the second year of a 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 £1.5 million, for a further 10 years. In 2013 it was agreed that the mutual option to break at 4 years would be relinquished, with a corresponding one off reduction in the sponsorship fee in 2013 of £225,000 plus VAT. The current sponsorship agreement is now subject to mutual review at 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 its annual prize. After extensive research and consultation (reported both in 2011 and 2012), during 2013 the trustees decided that as from 2014 the annual prize will be awrded to the author of the best full-length novel in English published in the UK in the year, irrespective of the nationality of its author. 2013 was, therefore, the final year in which the eligibility for the annual prize was for novels written by a Commonwealth, Irish or Zimbabwean citizen. During 2013 the trustees also announced changes, applicable as from 2014, to the number of submissions which publishers may make. While every UK publisher will still be able to submit at least one novel as of right, the new system reflects past performance over the immediately preceding five year period with additional submissions being permitted according to how many of the publisher's novels reached the longlist in that period.

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.

2013 also brought the award of the fifth 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 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 were Professor Sir Christopher Ricks (Chair) Elif Batuman, Aminatta Forna, Yiyun Li and Tim Parks. This fifth prize cycle further consolidated the prize's status as a leading – perhaps the leading – award for world fiction. While she is well regarded and critically acclaimed in USA, the award to Lydia Davis is credited with ensuring the author's recognition as a major writer on the world stage.

Although Lydia Davis writes in English, the international prize also continues 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 2013, 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, Performance and Impact").

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.

The winner of the 2013 annual prize awarded at a ceremony held on Tuesday15 October 2013 in the Guildhall, City of London, was "The Luminaries" by Eleanor Catton.

In the run up to the Guildhall ceremony, some of the 2013 shortlisted authors took part in a number of events. These included the well established readings and discussion at the Cheltenham Literature Festival, but also a special evening event at the newly opened Library of Birmingham, introducing an important new regional audience to the programme of authors' appearances. Feedback from the event was very positive, and the quality of the questions from an engaged audience was excellent. On 14 October 2013, all six shortlisted authors took part in readings and a discussion chaired by Mark Lawson at a packed Queen Elizabeth Hall in London's Southbank Centre.

The BBC continued as the broadcast partner for the prize in 2013 committing to numerous programmes at key stages of the prize. As has become tradition, BBC Radio 4's *Front Row* carried the first broadcast interview post-longlist announcement, with the chair of judges Robert Macfarlane speaking on the programme that evening. This was followed by another *Front Row* interview at shortlist stage, featuring Robert Macfarlane and fellow judge Natalie Haynes. For the first time, BBC TV's *The One Show* also covered the prize following the shortlist, as part of a feature on 'classic reads'. Natalie Haynes was interviewed for the BBC News Channel and BBC Four evening news just ahead of the shortlist party,and shortlisted author Jhumpa Lahiri appeared on BBC Radio 3 *Night Waves*.

In the run up to the winner announcement, there were three *Today Programme* interviews (the authors paired by theme) with Rebecca Jones, and the annual *Review Show* special, dedicated to the shortlisted books.

Coverage on the night of the winner announcement included news packages across the BBC News Channel, BBC World News and BBC TV's *News at Ten*, interviews with Eleanor Catton on BBC Radio 4 *The World Tonight*, BBC Radio 5 *Up All Night* and BBC2 TV *Newsnight*. She was also interviewed on BBC Radio 4 *Today* and BBC *World News Today* the following day.

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. A particular aspect of the 2013 coverage was the focus on the fact that Eleanor Catton is the youngest author to win the prize. Sales of *The Luminaries* rose by more than fifteen times week on week following its win. Shortly after the winner announcement, its publisher, Granta, rushed out two reprints. *The Luminaries* also completely sold out in New Zealand bookstores and at 42,000 copies sold, it was the highest selling title in New Zealand in 2013; By the end of the year, Granta had reprinted the book seven times. It had sold 200,000 copies internationally, with around 60,000 copies in the UK, 56,000 in the US and 38,000 in Australia.

The Foundation remains committed to its libraries and schools programme, which has been developed over a number of years. The Foundation assists libraries in promoting the annual prize, in particular the shortlist, to library users. Six schools from across the country and three public library reading groups shadowed the prize in 2013. They read each of the shortlisted titles and contributed to an online forum. Over 120 members attended the shortlist event at the Library of Birmingham and their positive feedback has contributed to the Foundation's decision to hold another shortlist event there in October 2014.

In addition to the libraries and schools programme and, as indicated in last year's report, 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.

In the UK academic year 2012 - 13 the Foundation co-funded Sharlene Teo from Singapore as its fourth 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 2013-14.

In its fifth year in 2013, the Foundation's universities initiative introduced more universities to its readership programme for all new undergraduates. Sheffield and Brighton Universities were new participants, both holding their events connected with the initiative in November 2013. In the academic year commencing in autumn 2013, the other universities running events in the first term were Birkbeck College (London), East Anglia, Hull, Newcastle, St Andrews, and Stirling. 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, there continues to be an enthusiastic response from all those involved. The programme creates a sense of common experience and endeavour across disciplines and also goes some way to bridge the gap between science and the humanities. It also encourages a more culturally inquisitive and literate student community.

The Foundation continued its important activities linking the promotion of the art of literature and improvement in literacy skills. The Foundation continues to collaborate with the National Literacy Trust (NLT) into a second year on the two major projects which have been established, funded by the Foundation and administered by the NLT.

The first (with Foundation funding of £25,000 in 2013) involved reading in prisons. It expanded the reading programmes (in conjunction with the prison libraries) established in 2012, focussing on three novels from the 2011 Man Booker Prize shortlist : "*The Sisters Brothers*" by Patrick deWitt, "*Pigeon English*" by Stephen Kelman and "*Snowdrops*" by AD Miller. There were visits by AD Miller in November 2013 to HMP Brixton and HMP Wandsworth, and as part of the 2013 programme funding, by the Canadian author Patrick deWitt in April 2014 to HMP Holloway (the first women's prison to participate) and HMP

Swaleside. 2013 also saw participation by a Young Offenders Institute (HMYOI Brinsford, drawing in a reading cohort of 70 young men aged 18 to 21), which selected Pigeon English as its text. A new and important development of the project by HMYOI Brinsford was to co-ordinate a programme of reading with one of its local schools.

As part of its reporting obligations to the Foundation, NLT carries out a detailed evaluation of these prison programmes and, in 2013, again identified (from a wealth of qualitative and quantitative data) that two of the key outcomes are (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 continued its 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.

The second NLT project (with Foundation funding of £50,000 for its second year in 2013) is the continuation and expansion 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 over 310,000 people in Middlesbrough.

Although subject to annual review prior to authorisation of any further funding, it remains 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.

We turn now to other 2013 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 2013 the Foundation continued its annual contribution of £20,000 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.

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 2013 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 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) which focussed on longlisted writers participating in the festival programme.

As reported in 2012, the Foundation supported 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 was made in the first year of the cycle (2012) and culminated in the award being made at the 2013 Small Wonder Festival. The Foundation also carried on into a second three year period (commencing 2013) its support for the work of the Asham Atelier, a short story writing programme run during the same festival. The second three year cycle runs from 2013 to 2015.

In seeking further to foster, promote and recognise contemporary literary fiction of merit worldwide, throughout 2013 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 sixth time in Abu Dhabi in April 2013 and has subsequently completed its seventh cycle in April 2014. 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, a donation was made in March 2013 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 2013 activities, particularly its annual workshop. A further donation of £15,000 was made in December 2013 to support its 2014 activities.

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, in particular by the introduction in 2014 of the new rules on eligibility and submission quotas,
(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 2013, 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, Performance and Impact" 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 throughout its history to date 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. The decision taken in 2013 to extend the eligibility for the annual prize as from 2014 to all novels originally wtitten in English and published in the UK is intended to ensure that there is increased public benefit from the association of all high quality contemporary literary fiction written in English and published in UK with the annual prize.

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, the universities initiative and the projects administered by the NLT all 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 2013

Total consolidated income in the year was £1,367,928 (£1,546,940 in 2012) comprising the sponsorship (but taking into account the one off reduction of £225,000 to reflect the removal of the mutual break clause at 4 years), credits towards costs of £35,000 from the publishers of annual prize short-listed authors, £8,438 from the BBC and interest of £1,590.

The award of the main annual prize was £65,000 including the shortlist awards. Judges' fees and expenses incurred for the annual prize were £47,155 (£68,123 in 2012 when the judges incurred high travel costs) and for the international prize £72,874 (£22,590 in 2012 as this was the first year of the biennial cycle). Other charitable donations and activities of the Foundation and Trading Company totalled £216,810 (£225,575 in 2012).

The cost of generating funds and governance, including the award ceremonies, were £684,901 (2012 - £ 565,318) to leave a surplus for the year of £66,090(2012–£405,674). The consolidated cash position of £1,335,579 (2012 £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 £1,329,610 (2012 - £1,263,520) remain below the level of one year's income as determined under 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

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Jonathan Taylor CBE, Chairman

Date: 19 August 2014

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 2013 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 and in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with regulations made under Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditors' 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 and the charity's trustees 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, 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.

We have been appointed auditors under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditor (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and the parent charitable company's affairs as at 31 December 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- 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 and the Charities Act 2011.

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 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Kingston Smith Ltd

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

20/8/14

Devonshire House
60 Goswell Road
London EC1M 7AD
Date:

The Booker Prize Foundation
Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31st December 2013

	Note	Total 2013 £	Total 2012 £
Incoming resources			
Incoming resources from generated funds			
Activities for generating funds:			
Trading income from Booker Prize Trading Limited	4	1,366,338	1,541,359
Interest received		1,590	5,581
Total incoming resources		1,367,928	1,546,940
Resources expended			
Costs of generating funds			
Costs of trading activities		684,901	565,318
Charitable expenditure			
Cost of activities in furtherance of the charity's objects			
Man Booker Prize			
Prizes		65,000	65,000
Judges' fees and expenses		47,155	68,123
Administrator's fees and expenses		62,992	56,248
Man Booker International Prize			
Prizes		60,000	-
Judges' fees and expenses		72,874	22,500
Administrator's fees		18,308	17,437
International travel and expenses		11,752	28,751
Other charitable expenditure		12,263	54,841
Donations	5	216,810	225,575
Governance	2	49,783	37,473
Total resources expended		1,301,838	1,141,266
Net incomi8ng resources for the year		66,090	405,674
Fund balance brought forward at 1st January 2013		1,263,520	857,846
Fund balance carried forward at 31st December 2013		1,329,610	1,263,520

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 2013

	Note	Group 2013 £	Group 2012 £	Charity 2013 £	Charity 2012 £
Fixed assets					
Investments	7	-	-	1	1
Current Assets					
Debtors	8	72,859	55,566	671,927	950,957
Cash at bank and in hand		1,335,579	1,248,095	688,989	337,803
		1,408,438	1,303,661	1,360,916	1,288,760
Creditors: amounts falling due within one year	9	(78,828)	(40,141)	(36,307)	(30,241)
Net Current Assets		1,329,610	1,263,520	1,324,609	1,258,519
Total Net Assets		1,329,610	1,263,520	1,324,610	1,258,520
Funds					
Unrestricted funds		1,324,610	1,258,520	1,324,610	1,258,520
Non Charitable - trading funds		5,000	5,000	-	-
		1,329,610	1,263,520	1,324,610	1,258,520

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 19 August 2014 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 2013

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

	2013	2012
	£	£
Legal expenses	14,796	2,117
Audit fees* - current year	5,766	5,598
- prior year under provision	161	(160)
Company secretarial fees	25,047	19,949
Meetings & administration	1,860	1,067
Insurance	1,638	8,215
Bank charges	515	687
	49,783	37,473

* Audit fees of a further £3,960 (2012: £3,845) 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. £4,780 was paid to 2 (2012: 2) Trustees as reimbursement of expenses (2012: £3,883)

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:

	2013 £	2012 £
Turnover	1,366,338	1,541,359
Direct costs	(601,006)	(578,857)
Gross profit	765,332	962,502
Administration costs	(164,947)	(75,062)
Interest received	1,295	463
Gift aid payment to Booker Prize Foundation	(601,680)	(887,903)
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:

	2013 £	2012 £
Assets	717,910	965,858
Liabilities	(712,909)	(960,857)
Capital and reserves	5,001	5,001

5 Donations

	2013 £	2012 £
Royal National Institute of Blind People	20,000	20,000
Designer Bookbinders	10,725	8,675
Cheltenham Literature Festival	5,000	5,000
First Story	-	10,000
Asham Atelier Literary Fund, Charleston	-	5,000
University of East Anglia	11,907	-
Caine Prize for African Writing	30,000	-
Poetry Archive	-	30,000
National Literature Trust	75,000	75,500
National Life Stories	-	12,000
Universities Programme	34,318	19,905
Libraries Project	19,398	23,717
Other (less than £5,000)	10,462	15,778
	216,810	225,575

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	
	2013	2012	2013	2012
	£	£	£	£
Amount due from subsidiary undertaking	-	-	670,388	950,957
VAT receivable	3,709	-	-	-
Other debtors	69,150	55,566	1,539	-
	72,859	55,566	671,927	950,957

9 Creditors: amounts falling due within one year

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Other creditors and accruals	78,828	38,673	36,307	30,241
VAT payable	-	1,468	-	-
	78,828	40,141	36,307	30,241

10 Related parties

D Irving, a director of Booker Prize Trading Limited, is also a director of Colman Getty which received PR and consultancy fees of £145,000 (2012: £140,000) for the Man Booker Prize and £50,000 (2012: £60,000) for the International Prize. Colman Getty also received £433,517 (2012: £326,525) from Booker Prize Trading Limited and £46,009 (2012: £4,983) 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 (2012: £35,000).

The aggregate of balances in respect of recharges to and from Colman Getty at the year end amounted to £35,000 (2012: £36,853) being owed by Colman Getty and £37,748 (2012: £nil) 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 £52,750 (2012: £49,833) during the year plus £10,576 (2012: £10,239) for reimbursement of expenses.

The Booker Prize Foundation was due £601,820 (2012: £887,903) as a gift aid donation from Booker Prize Trading, its subsidiary, to be paid in 2014. 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.