The Booker Prize Foundation

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

Company Number: 04213467
Registered Charity Number: 1090049

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2016

The Booker Prize Foundation
Trustees' Report
For the year ended 31 December 2016

The trustees present their report and the accounts for the year ended 31st December 2016. These have been prepared in accordance with the Charities Statement of Recommended Practice (FRS 102) issued on 22 May 2014, 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 including exemption from preparing a Strategic Report.

Legal and administrative information

Name	Booker Prize Foundation
Company Registration Number	04213467 (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: Baroness Kennedy QC (Chair) The Rt Hon the Lord Baker of Dorking CH The Hon Victoria Glendinning MBE Bidisha ShonarKoli Mamata Alexander James Naughtie Ben Golden Emuobowho Okri Christopher Pearce FCA (Treasurer) Professor Louise Richardson
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 10 Queen Street Place London EC4R 1BE

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 articles and memorandum of association. Since 2002 the Foundation has been responsible for awarding the annual Man Booker Prize for Fiction, which previously had been established for over 30 years as the Booker Prize. In 2005 the Foundation inaugurated the Man Booker International Prize. 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.

Trustees must understand clearly the responsibilities of governance and the majority have longstanding and varied experience of the governance of charities, voluntary sector and other not for profit 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 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 of the new panels of judges; it is chaired by Gaby Wood, the Foundation's Literary Director.

During 2016 the committee members were:

Gaby Wood	Literary Director of the Foundation
Richard Cable	Publisher, Penguin Random House (retired April 2016)
Jonty Claypole	BBC Head of Arts (joined April 2016)
Mark Chilton	Company Secretary & General Counsel of Booker Group plc
Basil Comely	BBC TV (retired April 2016)
James Daunt	Bookseller (Managing Director Waterstones)
Jonathan Douglas	Director of the National Literacy Trust
Maggie Fergusson	Author and Secretary, Royal Society of Literature
Adam Freudenheim	Publisher, Pushkin Press (joined April 2016)
Derek Johns	Author & Literary Agent (consultant, A P Watt Ltd)
Peter Kemp	Chief Fiction Reviewer, The Sunday Times
Rosanna Konarzewski	Man Group
Nigel Newton	Publisher, CEO Bloomsbury
Fiammetta Rocco	Culture Editor, The Economist & 1843, Man Booker International Prize Administrator
Michal Shavit	Publisher, Jonathan Cape (Penguin Random House) (joined April 2016)
Evelyn Smith	Secretary Booker Prize Foundation
Boyd Tonkin	Writer & critic (joined June 2016)
Robert Topping	Bookseller (Topping & Company) (retired October 2016)

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.

Evelyn Smith continues as Secretary with responsibility for managing the activities and maintaining the administration of the Foundation and its subsidiary Booker Prize Trading Limited (which includes, as company secretary of both, overseeing regulatory compliance and maintenance of books and records). She received a fee divided equally between the Foundation and Booker Prize Trading Limited plus reimbursement of expenses.

Gaby Wood is Literary Director of the Foundation. She receives an annual fee plus reimbursement of expenses.

Fiammetta Rocco, working in collaboration with the Literary Director, is administrator of the international prize and receives an annual fee plus reimbursement of expenses.

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

Dotti Irving is a director of Booker Prize Trading Limited and was also a director of Four Colman Getty until 8 December 2016. In 2016 Four Colman Getty received total fees of £280,500 (£285.000– 2015) plus reimbursement of expenses for its marketing, event management, organisational and administration services.

Anthony Damer ACA (in professional practice as Ian Murray & Co) is a director of Booker Prize Trading Limited. In 2016 Ian Murray & Co received a fee of £9,000 for accountancy services.

The other directors of Booker Prize Trading Limited are not remunerated (but are entitled reimbursement of expenses).

Key management personnel:

The trustees are not remunerated but may claim travel and out of pocket expenses as disclosed in note 5.

There are no other employees of the Foundation, but the personnel with responsibility which may be said to be equivalent to a senior management team are identified above (Evelyn Smith, Dotti Irving, Gaby Wood, Fiammetta Rocco).

Given there is no remuneration as such, payments to trustees for expenses are based on reimbursement of direct costs provided these are reasonably incurred. Payment of fees to consultants, Four Colman Getty and Ian Murray & Co are negotiated individually based on the actual services provided, taking account of their expertise, and reviewed on an annual basis.

No other benefits were paid.

Sponsorship

2016 was the fifth year of a ten 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. This current sponsorship agreement is subject to a mutual option to break at 8 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.

Key Risks	Management
Loss of sponsorship income due to financial instability of sponsor or breach of sponsorship agreement	Current sponsor is regarded as being a very strong financial covenant and agreement guarantees sponsorship of both prizes for 10 years from Oct 2011 (with mutual break options at 8 years). Secretary is aware of key provisions of sponsorship agreements and liaises with key personnel as appropriate. Need remains to monitor both economic and any reputational issues as well as any threats arising out of recent "Brexit" referendum outcome.
Loss of the current pre-eminent reputation or credibility of the Man Booker Prize, and/or failure to establish the international prize to a similar level of pre-eminence	Booker Prize Foundation (BPF) monitors its reputation and ensures the rigour, independence and professionalism of the judging process, underpinned by effective rules. With the changes to the international prize adopted in 2016 BPF must also ensure that the running of the international prize (particularly the appropriateness of its rules and the quality of its judges) conforms to the same high standards as the Man Booker Prize so each prize underpins the other's reputation. Considered consultation, reviewing and updating of the rules has developed as accepted practice.
The risk to books (and so ultimately the prizes as currently conceived) from technological innovation and development – eg ebooks/blooks and online fiction	The experience of the Advisory Committee is an important guide for BPF to understand how new technologies impact on books. Need for ongoing review and consultation to ensure that the prizes are well served by technology as a way to promote books in the so-called 'online age' and that prizes are responsive to innovations in way books are read (eg downloads).
Loss/non availability of key personnel and/or issues arising concerned with quality of their respective performance	Contracts with consultants set out their responsibilities. BPF & Booker Prize Trading Limited (BPTL) should develop contingency plans to provide any necessary continuity although sad death of IonTrewin in April 2015 demonstrated ability of other key personnel to instigate urgent contingency plans. Four Colman Getty has established a system where tasks are divided among a team and corporate knowledge of both prizes is shared among a number of people, but Dotti Irving remains a key figure.

Sponsorship is inadequate to cover costs/costs are not controlled	Budgets are discussed and agreed at BPF/BPTL board meetings. The Chair, Hon Treasurer, Sec and Four Colman Getty review actual and forecast costs against these budgets and report on these at BPF/BPTL board meetings. Anthony Damer (BPTL) and Sec (with Hon Treasurer oversight) deal with day to day finance and accounting issues, taking any external professional advice they deem necessary.

Object, Objectives and Activities

The Foundation is established under its memorandum to promote the art of literature for the public benefit and in particular it fosters and promotes contemporary fiction of literary merit. The Foundation's main activities comprise the charitable activities of organising, judging and awarding the Man Booker and the Man Booker International prizes.

The annual Man Booker Prize is awarded to the author of the best full-length novel in English published in the UK in the year, irrespective of the nationality or country of citizenship of its author.

2016 marked the first annual award of the international prize in a new format. It now recognises the best novel of the year in translation into English published in the UK in the prize year. This new model of the prize (with publishers' submissions, a new panel of judges appointed each year, and the announcement of a longlist and shortlist from which the winner is chosen) closely follows the Man Booker Prize format.

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.

Throughout 2016, 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" and "Impact").

Achievements and Performance

The trustees are conscious of the need to assess the success and impact 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.

Man Booker International Prize 2016 (MBI)

The winner of the 2016 MBI announced at a ceremony held on Monday16 May 2016 in the Victoria & Albert Museum, London, was "*The Vegetarian*" by the South Korean author, Han Kang and translated by Deborah Smith.

In the run up to the V & A ceremony, the shortlisted authors and translators took part in a short programme of events at Foyles bookshop in London and the British Library.

Overall, MBI achieved four times more coverage than the previous incarnation of the prize in 2015, a key factor being the partnership with the BBC World Service which fed coverage to national BBC programming, with news of the winner featuring across the national (UK) BBC news programmes on radio and TV. International coverage was strong at each stage of the prize, including a high profile in the US for the winner. Social media also outstripped any previous

MBI cycle. Facebook reach of the winner announcement was five times greater than 2015, and it was made a "Twitter Moment"; the announcement was also livestreamed on Periscope.

The Foundation commissioned research from Nielsen (the leading information research and measurement company) to assess the profile of translated fiction in UK. This prompted major features in The Guardian and the Financial Times highlighting the importance of the research itself, and the importance of the translator's role.

The sales uplift for the winner was some 900% in the UK edition. In Korea the publisher received almost 500,000 orders in the fortnight following the prize announcement (as compared with selling 20,000 copies in the decade since the original Korean text was published).

There were two special episodes of the podcast (inaugurated for the Man Booker Prize for Fiction 2015) covering MBI which attracted 4,000 listeners.

Man Booker Prize for Fiction 2016 (MBF)

The winner of the 2016 Man Booker Prize for Fiction announced at a ceremony held on Tuesday 25 October 2016 in the Guildhall, City of London, was "*The Sellout*" by the US author, Paul Beatty.

In the run up to the Guildhall ceremony, the shortlisted authors took part in a number of events. These included the well established readings and discussion at the Cheltenham Literature Festival; and (on 24 October, the eve of the Guildhall announcement of the winner) an event chaired by Sara Pascoe at the Royal Festival Hall in London's Southbank Centre, with an audience of 1,200. New departures included a collaboration with Bookslam for the *Man Booker Slam* held in the chapel of the House of St Barnabas in Soho, London and two events in Liverpool. For the first time MBF was represented at the world's leading book fair in Frankfurt in October, with a special programme of events and innovations throughout the fair featuring the Foundation's Literary Director.

The BBC continued as the broadcast partner for the prize in 2016 committing to numerous programmes at key stages of the prize. The shortlist featured in BBC2 TV's *Artsnight* with well-known personalities (including David Baddiel, Sara Pascoe, George the Poet and Val McDermid) interviewing the shortlisted authors. BBC Radio 4's *Today* programme featured all the authors in the 3 days leading up to the winner announcement. Coverage on the night of the winner announcement again included news packages across the BBC News Channel, BBC World News and BBC TV's *News at Ten*, and an interview with the winner on BBC2 TV *Newsnight*. He was also interviewed on BBC TV *Breakfast*, BBC Radio 4 *Today* and BBC *World News Hour* the following day.

The 2016 Guildhall ceremony was livestreamed for the first time. The announcement on 25 October reached 128,900 people on Facebook and received 305,000 impressions and 10,300 engagements on Twitter with #Man Booker and Paul Beatty trending on Twitter in the UK and featuring on Twitter Moments. On 27 October an interview between Paul Beatty and 2016 judge Jon Day was livestreamed for the Foundation with support from Twitter Books which has 6.2 million followers. The success of the audio podcasts inaugurated in 2015 continued.

Website sessions continued to grow with 56,000 sessions between 25 and 26 October, 74% of which were by new users. US web sessions overtook UK sessions (28% from US, 26% from UK, 8% from Canada). Analysis of cuttings and of website activity continued to demonstrate the ongoing UK and worldwide interest in MBF and its place as an international benchmark for other prizes.

The Foundation remains committed to a libraries programme, working in 2016 with a new partner, the Reading Agency, to offer a fresh approach and promoting both prizes. For MBI this involved 55 library authorities, featuring the prize on the *Reading Groups for Everyone* website and extensive promotion of the prize across social media. For MBF there was a total reach of 4,200 library service points across 210 library authorities and 4,000 reading group leaders with the Reading Agency distributing information and material promoting the prize at key prize announcements, engaging with its 33,000 Twitter followers, and via Facebook and email subscribers. Six reading groups were selected to shadow the MBF on an official basis. The Reading Agency also introduced MBF to *Reading Hack*, a programme led by young people (called hacks) aged 13 to 24 who undertake reading activities and volunteering to gain skills and experience.

The trustees remain aware of the influence MBF 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 prize.

In the UK academic year 2015/16 the Foundation co-funded Kristien Potgieter as its seventh one year postgraduate scholar with the University of East Anglia at its School of Literature and Creative Writing. The scholarship has now been awarded for an eighth time in the academic year 2016/17. Previous scholars (notably David Wilson, Eliza Robertson and Sharlene Teo) have gone on to publish novels and short stories to significant critical acclaim.

In its eighth year in the academic year 2016/17, the Foundation's universities readership programme for new undergraduates continues. Universities involved were Birkbeck College (London), Brighton, Newcastle, Roehampton, St Andrews and Stirling. King's College London joined to run an event in March 2017. 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 an MBF shortlist. First year students, 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 first years 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 first years of all disciplines are given the opportunity to meet the author and discuss the book. 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 fifth year on *Books Unlocked.* In 2015 the scope of the project and the Foundation's funding had been increased (to £50,000 pa from £25,000 in 2014). *Books Unlocked* involves reading in prisons and 2016 saw further expansion of reading programmes in conjunction with prison libraries (the 2016 funding covers activities continuing into 2017). These focus on ten novels from MBF shortlists, four of which are new to the project. The involvement of National Prison Radio (NPR) has continued to play an important part in the project. It serialises the titles and produces monthly radio shows which capture a reading group's response to each text, and also feature interviews with Man Booker Prize shortlisted authors. NPR also distributes individual copies of the chosen titles as requested by listeners. In February 2016 The Duchess of Cornwall visited and participated in an NPR *Books Unlocked* broadcast in HMP Brixton. The visit received 211 pieces of media coverage with a potential reach of 11 million.

In 2016 *Books Unlocked* also collaborated with The Prison Radio Association, the charity which runs NPR, on its new smartphone app, *Straightline*. This features 7 short films and is designed to be watched by former prisoners during their first days after release from prison. One film was devoted to *Books Unlocked*.

As previously reported, 2014 saw the important development of a community model by Staffordshire Prisons Library Service and in 2015/16 this has been extended to other areas (Teeside and Durham, West Yorkshire, and Greater London). The chosen *Books Unlocked* text will have been read in 45 selected settings, including prisons, young offender institutions, secondary schools and public library groups. Prison librarians facilitate the sharing of responses. The aim is to promote greater engagement with literature, increased awareness of the importance of literacy, improved self-esteem, empathy and an enhanced sense of social inclusion.

As part of its reporting obligations to the Foundation, NLT carries out a detailed evaluation of *Books Unlocked.* As the 2016 funding supports activity into 2017, this detailed evaluation is not yet available but interim reporting shows that more prisons and young offender institutions have been involved, with enhanced resource materials being made available to prison librarians to support their reading groups. The evaluation produced in 2016 to review 2014 and 2015 suggests that the project opens up new opportunities for participants, not only in terms of literature but also in terms of encouraging open-mindedness and curiosity. Participants read more, have discovered the MBF and appreciate its value, and have found new books, new authors and new genres to enjoy, alongside other outcomes pertaining to well-being and sociability. Some of these participants are also more likely to consider texts they previously had not thought they could tackle. There is evidence that the reading groups associated with *Books Unlocked* helped participants to become more patient and better able to listen to other people's opinions, and these evaluation results help to demonstrate the positive impacts that reading for enjoyment has on life and well-being in general.

As a complement to *Books Unlocked,* the Foundation donated £10,000 in November 2015 to Prison Reading Groups to establish 10 new groups in prisons across England & Wales. This was achieved in 2016 and it is hoped that this funding will, subject to review each year, be repeated annually for a period of at least 3 years.

We turn now to other 2016 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 MBF are available to visually impaired people in a range of formats. In 2016 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 MBF prize cycle;. the Foundation also funded the production of the winner of MBI, *the Vegetarian,* in all three formats;
- has continued its annual charitable donation to the Cheltenham Literature Festival; the 2016 festival took place in October some ten days before the award of the 2016 MBF, and the Foundation's support provided both the opportunity for the shortlisted authors to share a stage to discuss their contending novels and also funded the ever popular '*Cheltenham Booker*' event;
- gave a donation to the Edinburgh International Book Festival to support a "*Man Booker International Prize Day*" at the festival with panel events involving the winning author and translator of MBI 2016, and gave a further donation to generate discussion and debate about the MBF longlist (announced in the week preceding the festival) which focussed on longlisted writers participating in the festival programme;
- carried on into a third three year cycle (2016 to 2018) its support for the work of the short story writing programme run during the Small Wonder Festival at Charleston, East Sussex (September 2016);
- continued its support of the Royal Society of Literature masterclasses in fiction writing;
- again supported two activities (each at £5,000) undertaken by English PEN, both of which underpin the Foundation's commitment to championing the role of the literary translator; the first was the annual conference of translators in October 2016 at the British Library known as *Translation Day;* the second (which took place in March 2017) was the Translation Hub at the London Book Fair;
- gave a donation to the Durham Book Festival to support its "*Big Read*" with a particular focus on engagement with hard to reach groups;
- gave a donation of £10,000 to the Deborah Rogers Foundation to support its Writers' Award.

In seeking further to foster, promote and recognise contemporary literary fiction of merit worldwide throughout 2016, 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 ninth time in Abu Dhabi in April 2016 and completed its tenth cycle in April 2017. It continues to draw international recognition and acclaim, with interest 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 of £15,000 was made to support the 2016 activities of 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).

Impact

The Foundation's trustees strongly infer that it is the debate around the books associated with the Man Booker Prizes which drives the success of both the prizes themselves and the other charitable activities which the Foundation supports. Assessing literature as an art is necessarily dependent on personal individual response as well as identifiable critical, academic and public acclaim, and so measurement of the Foundation's success in carrying out its charitable objective (to promote the art of literature for the public benefit) is far from straightforward.

The trustees remain satisfied that the MBF retains its status as one of the world's leading literary prizes and as such fulfils the Foundation's charitable objective. Indicators on which the trustees rely to determine this include media coverage, sales, academic and critical prominence. The 2016 MBI has, in its first year of its new format, achieved a significant new audience for literature in translation and with it significant acclaim for its recognition of both author and translator. The positive reception to the changes across the media, academia, the book world and, most important, readers, exceeded expectations. The 2016 MBF saw a US winner for the first time, and an immediate uptake in interest in the prize and the winning novel in the US. The novel itself, together with its author, continues a trend in drawing a new audience for the prize which was perceptible with the 2015 winner.

The other charitable activities which the Foundation undertakes are either partnerships (the universities initiative) or projects or programmes which the Foundation funds for delivery by others. These are generally aimed at encouraging cohorts which might not otherwise participate in the debate around the prizes to join in. The trustees require reports and evaluations from those funded and will not continue activities which do not materially improve the reach of high quality literary fiction or which evolve or consolidate so that they are best pursued with support from other funders or agencies.

Plans for Future Periods

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

1. ensuring the prizes 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 Man Booker Prize for Fiction as an internationally recognised benchmark of literary excellence, and where possible further extending its outreach and appeal
3. consolidating the new model of the Man Booker International Prize as a prestigious recognition of the importance of contemporary literary fiction in translation and rewarding authors and translators in equal measure, 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 2016, 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" and "Impact" sections, and also in explaining our plans for future periods.

The charity's beneficiaries are the general public, both in UK and worldwide. The Man Booker Prizes are signposts for the public to 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 extension of the eligibility for MBF in 2014 brought increased public benefit now that the prize is associated with all high quality contemporary literary fiction written in English and published in UK, irrespective of the author's nationality or country of citizenship. The changes to the MBI similarly extend public benefit now that prize is associated with the best in translated fiction published in UK.

In addition, the trustees believe that the prizes provide a cultural focus, a sense of common engagement in 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 programme, 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 all 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, the *Books Unlocked* project administered by the NLT and the Foundation's support of Prison Reading Groups all disseminate awareness of the prizes and of the novels associated with them to an audience beyond those who already read contemporary literary fiction. Championing translation (both through MBI and by supporting specific projects with English PEN) ensures that an audience which may read contemporary fiction written in English widely is encouraged to look to the astonishing diversity of translated fiction.

While the individual winners and shortlisted authors (and for MBI, translators) 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. The trustees are dedicated to safeguarding the status of the Man Booker Prizes which 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 2016

Total consolidated income in the year was £1,529,783 (£1,652,750 in 2015) including the Man sponsorship, credits towards costs of £35,000 (2015:£35,000) from the publishers of MBF short-listed authors and interest of £3,221 (2015:£5,457).

The prize purse of MBF was £65,000 including the shortlist awards. Judges' fees and expenses were £86,191 (£78,525 in 2015). The prize purse of MBI was £62,000. Judges' fees and expenses were £41,535 (£69,365 in 2015 which was the second year of the last biennial cycle in which all fees for that cycle were paid). Other charitable donations and activities of the Foundation and Trading Company totalled £236,338 (£183,998 in 2015).

Expenditure on raising funds totalled £883,912 (2015 – £812,480) to leave a surplus for the year of £5,658 (2015 – £145,514). The consolidated cash position of £2,000,305 (2015 – £2,018,803) 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 with a reserve of one year's income (currently £1.53m). The current reserves (which are free reserves) of £1,793,368 (2015 – £1,787,710) are again a little above that level.

This build up of the reserves and investment income provides a prudent fund against unexpected problems in future years and 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, estimates and assumptions that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS102 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 including exemption from preparing a Strategic Report and in accordance with the Charities Statement of Recommended Practice (FRS 102) issued on 22 May 2014.

On behalf of the Board

Helena Kennedy

Baroness Kennedy QC, Chair

Date: 13 July 2017

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

We have audited the financial statements of Booker Prize Foundation for the year ended 31 December 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement, 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 2016 and of the group's incoming/outgoing 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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' Report and from preparing a Strategic Report.

Kingston Smith LLP
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Luke Holt, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD
Date: 11/08/17

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006

The Booker Prize Foundation
Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31st December 2016

	Note	Unrestricted Funds 2016 £	Unrestricted Funds 2015 £
Income			
Other trading activities			
Trading income from Booker Prize Trading Limited	4	1,526,562	1,647,293
Interest received	6	3,221	5,457
Total income		1,529,783	1,652,750
Expenditure			
Expenditure on raising funds			
Costs of trading activities		883,912	812,480
Charitable expenditure			
Expenditure on charitable activities			
Man Booker Prize			
Prizes		65,000	65,000
Judges' fees and expenses		86,191	78,525
Administrator's fees and expenses		43,283	59,644
Man Booker International Prize			
Prizes		62,000	75,000
Judges' fees and expenses		41,535	69,365
Administrator's fees		27,000	24,898
MBI consultant		5,000	-
International travel and expenses		24,209	83,366
Other charitable expenditure			-
Donations	7	236,338	183,998
Support costs	3	49,657	54,960
Total expenditure		1,524,125	1,507,236
Net income for the year		5,658	145,514
Fund balance brought forward at 1st January 2016		1,792,710	1,647,196
Fund balance carried forward at 31st December 2016		1,798,368	1,792,710

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

The notes on pages 16 to 22 form part of these financial statements.

The Booker Prize Foundation
Consolidated Balance Sheet as at 31st December 2016

	Note	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Fixed assets					
Investments	9	-	-	1	1
Current Assets					
Debtors	10	42,339	7,345	603,185	828,880
Cash at bank and in hand	11	2,000,305	2,018,803	1,297,997	988,093
		2,042,644	2,026,148	1,901,182	1,816,973
Creditors: amounts falling due within one year	12	(244,276)	(233,438)	(107,815)	(29,264)
Net Current Assets		1,798,368	1,792,710	1,793,367	1,787,709
Total Net Assets		1,798,368	1,792,710	1,793,368	1,787,710
Unrestricted funds					
Unrestricted funds - charitable funds		1,793,368	1,787,710	1,793,368	1,787,710
Non Charitable - trading funds		5,000	5,000		-
		1,798,368	1,792,710	1,793,368	1,787,710

The financial statements were approved by the trustees, and authorised for distribution, on 13 July 2017 and were signed on their behalf by:

Helena A Kennedy

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Baroness Kennedy QC
Chair

The notes on pages 16 to 22 form part of these financial statements.

Company number: 04213467

The Booker Prize Foundation
Consolidated Statement of Cash Flow
For the year ended 31st December 2016

	Note	2016 £	2015 £
Cash flow from operating activity			
Cash (used in)/generated from operations	16	(18,498)	378,818
Net cash (outflow)/inflow from operating activities		(18,498)	378,818
Net (decrease)/increase in cash and cash equivalents		(18,498)	378,818
Cash and cash equivalents at beginning of year		2,018,803	1,639,985
Cash and cash equivalents at end of year		2,000,305	2,018,803

The Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2016

1 Accounting Policies

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. The company is a public benefit entity as defined by FRS 102.

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

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 as permitted by the charity SORP. The Charity's surplus was £5,658 (2015: £145,514).

1.2 Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on sponsorship income. After making enquiries the trustees have concluded that there is no material uncertainty over the charity's ability to continue as a going concern and hence the financial statements are prepared on a going concern basis and the trustees have a reasonable expectation that the charitable company will continue in operational existence for the foreseeable future.

1.3 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.

1.4 Income and expenditure

Income and expenditure are generally accounted for on an accruals basis.

1.5 Income

All income is included in the SOFA when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and receipt is probable.

1.6 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure on raising funds are those costs directly related to the other trading activities (see note 4).

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.

1.7 Fixed asset investments

The investment in the trading subsidiary is shown at cost. The taxable profits of the subsidiary are paid over to the Trust under Gift Aid each year.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Consolidated Financial Statements

The consolidated financial statements include the financial statements of the charitable company and subsidiary undertaking. No subsidiary undertakings have been excluded from consolidation.

2 Judgements and key sources of estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

3 Support Costs

	2016 £	2015 £
Legal expenses	367	7,035
Audit fees* - current year (including irrecoverable VAT)	6,240	6,060
Audit fees - over/(under) provision	1,030	(144)
Company secretarial fees	29,472	29,883
Meetings & administration	4,744	3,535
Governance costs	41,853	46,369
Insurance	6,899	8,128
Bank charges	437	463
Press cuttings	468	-
	49,657	54,960

* Audit fees of a further £4,285 (2015: £4,160) excluding recoverable VAT relating to the subsidiary, are included in expenditure on raising funds.

4 Trading subsidiary

The charity owns the entire issued share capital of Booker Prize Trading Limited (Company no: 04394720), 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:

	2016 £	2015 £
Turnover	1,526,562	1,647,293
Direct costs	(755,004)	(679,206)
Gross profit	771,558	968,087
Administration costs	(229,523)	(205,118)
Interest received	348	274
Gift aid payment to Booker Prize Foundation	(542,383)	(763,243)
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:

	2016 £	2015 £
Assets	744,308	1,037,710
Liabilities	(739,307)	(1,032,709)
Capital and reserves	5,001	5,001

5 Trustees

No remuneration was paid to any trustee for services as a trustee, this year or last. £46 (2015: £1,341) was paid to 1 (2015: 2) trustee as reimbursement of expenses for travel and subsistence.

6 Interest Receivable and similar income

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Interest on bank deposits	3,221	5,457	2,873	5,183

7 Donations

	2016	2015
	£	£
Royal National Institute of Blind People	23,500	20,000
Designer bookbinders	10,875	10,845
Cheltenham Literature Festival	7,100	5,000
National Literacy Trust	50,000	54,750
English PEN	10,000	10,000
Prison Reading Groups	10,000	10,000
Oxford University	-	1,700
Charleston Trust	3,750	2,500
University of East Anglia	6,373	14,480
Caine Prize for African Writing	15,000	15,000
Royal Society of Literature	8,400	18,500
Edinburgh Book Festival	4,635	1,000
Other (less than £1,000)	-	250
World Book Night	-	2,705
Reading	-	2,000
David Vaisey Trust	15,000	-
Deborah Rogers Foundation	10,000	-
New Writing North	4,980	-
Donations written back	-	(20,000)
Libraries Project	35,516	16,000
Universities Programme	21,209	19,268
	236,338	183,998

8 Taxation

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

9 Investments

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

10 Debtors

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Amount due from subsidiary undertaking	-	-	602,846	828,535
Other debtors	56,339	7,345	339	345
Bad debt provision	(14,000)	-	-	-
	42,339	7,345	603,185	828,880

11 Cash at bank and in hand

Cash at bank includes £600,000 on a 12 month term deposit (2015: £600,000) which is repaid with interest in November 2017. The cash is accessible prior to the maturity date on immediate notice and hence isappropriately included in cash at bank.

12 Creditors: amounts falling due within one year

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Other creditors and accruals	197,607	115,935	107,815	29,264
VAT payable	46,669	117,503	-	-
	244,276	233,438	107,815	29,264

13 Financial Instruments

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	42,339	7,345	339	345
Carrying amount of financial liabilities				
Measured at amortised cost	197,607	115,935	107,815	29,264

14 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 £184,500 (£160,000 - 2015) for the Man Booker Prize and £96,000 (£68,000 - 2015) for the International Prize. Colman Getty also received £602,824 (£465,431 - 2015) from Booker Prize Trading Limited for the re-imbursement of third party costs incurred. In addition to this, Colman Getty received £42,468 (£133,045 - 2015) 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 (2015 - £35,000).

A donation was made of £10,000 in the year to the Debora Rodjers Foundation (2015: £nil). D Irving is a director of the foundation.

The aggregate of balances in respect of recharges to and from Colman Getty at the year end amounted to £35,000 (2015: £nil) being owed by Colman Getty and £82,286 (2015: £78,004) being owed to Colman Getty. These are reflected in the Balance Sheets of the Consolidated Accounts.

One (2015: two) trustee was reimbursed £46 (2015: £1,341) in expenses during the year.

Transactions with Booker Prize Trading are not disclosed as the company is a wholly owned subsidiary of Booker Prize Foundation.

15 Key Management Personnel

The remuneration of key management personnel is as follows:

	2016	2015
	£	£
Aggregate compensation	120,156	129,500

16 Cash (used in)/generated from operations

	2016	2015
	£	£
Net income for the year	5,658	145,514
Adjustments for:		
Decrease/(increase) in debtors	(34,994)	107,470
Increase in creditors	10,838	125,834
Cash generated from operations	(18,498)	378,818