Company Number:	**04213467**
Registered Charity Number:	**1090049**

BOOKER PRIZE FOUNDATION

(A company limited by guarantee)

ANNUAL REPORT

&

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2019

The trustees present their report and the financial statements for the year ended 31st December 2019. These have been prepared in accordance with the Charities Statement of Recommended Practice (FRS 102) issued on 22 May 2014, current legislation and the articles and memorandum 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: - Mark Damazer CBE (chair, appointed 1 June 2020) - Nicholas Barley - Baroness Helena Kennedy QC (chair to 9 December 2019, retired as trustee 29 February 2020) - Carol Lake - Bidisha SK Mamata - Alexander James Naughtie - Ben Okri (retired 1 February 2019, re-appointed 9 December 2019) - Christopher Pearce FCA (treasurer, retired 9 December 2019) - Professor Louise Richardson (acting chair 9 December 2019 to 31 May 2020) - The Rt Hon Lord David Willetts
Company Secretary	Evelyn Smith
Registered Office	28 St. James's Walk London EC1R 0AP
Auditors	Moore 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 LLP 10 Queen Street Place London EC4R 1BE

Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2019

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 Booker Prize (first awarded in 1969 and known between 2002 and 2018 as the Man Booker Prize for Fiction).In 2005 the Foundation inaugurated the Man Booker International Prize (from 2020, to be known as the International Booker 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 or funder, 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 then while they are trustees their work may not be submitted to the Booker Prize, or alternatively, if their work is to be submitted they must resign as a trustee). Nor should they have a current vested professional interest in any aspect of the production, promotion or sales of contemporary literary fiction. 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. In December 2019 the Foundation established a nominations committee which will in future oversee regular board audit and recruitment. With the retirement of Baroness Kennedy as chair of the Foundation in December 2019 (and as a trustee in February 2020), the nominations committee worked with the independent recruitment agency Saxton Bamfylde to undertake the search for a new chair, and at the end of the recruitment process, Mark Damazer was appointed as a trustee and chair of the Foundation with effect from 1 June 2020. Professor Louise Richardson was acting chair from 9 December 2019 to 31 May 2020.

Trustees must understand the responsibilities of governance and the majority have longstanding and varied experience of governance in charities, voluntary sector and other not-for-profit organisations as well as the public and private sectors. In addition trustees are kept up to date in developments in legal, regulatory and policy issues through briefings and materials provided by professional advisers and other well recognised sector commentators 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 has an advisory committee which reflects the various elements of the book trade. The committee advises on aspects of the operation of both prizes, including any changes to rules and the selection of the new panels of judges. It is chaired by Gaby Wood, the Foundation's Literary Director.

During 2019 the committee members were:

Gaby Wood	-	Literary Director of the Foundation
Jamie Byng (appointed 10 October 2019)	-	Publisher, Canongate Books
Jonty Claypole	-	BBC Head of Arts
James Daunt	-	Bookseller (Managing Director Waterstones)
Jonathan Douglas	-	Director of the National Literacy Trust
Adam Freudenheim	-	Publisher, Pushkin Press
Daniel Hahn (appointed 10 October 2019)	-	Writer & translator
Peter Kemp	-	Chief Fiction Reviewer, The Sunday Times
Sharmaine Lovegrove (appointed 10 October 2019)	-	Publisher, Dialogue Books (Hachette UK)
Rosanna Konarzewski (retired 31 May 2019)	-	Global Head of Communications & Marketing, Man Group
Fiammetta Rocco	-	Culture Correspondent, The Economist & 1843, Man Booker International Prize Administrator
Michal Shavit	-	Publisher, Jonathan Cape (Penguin Random House)
Evelyn Smith	-	Secretary, Booker Prize Foundation
Boyd Tonkin	-	Writer & critic
Helen Williams	-	Senior Counsel, Booker Group

Administration

The day to day activities of the Foundation and its subsidiary 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 Culture (now a division within Four Communications Ltd, it had formerly operated as Four Colman Getty).

Evelyn Smith continues as company 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 receives an annual fee equally from 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 is CEO of Four Culture; she was also a director of Four Culture (then known as Four Colman Getty) until 8 December 2016. In 2019 Four Communications received total fees of £290,000 (2018:£346,000) 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 2019 Ian Murray & Co received a fee of £10,083 for accountancy services.

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

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

Key management personnel: There are no 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 Culture 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.

Objects 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 prizes]; and
- to advance education in all aspects of the relationship between literacy and literature

The 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.

The Man Booker International Prize (from its 2020 cycle, the International Booker Prize) now recognises the best novel of the year in translation into English published in the UK in the prize year. This model of the prize was introduced in 2016 and closely follows the 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 2019, the Foundation undertook a number of activities in addition to, and by way of enhancement of, the awarding of the prizes. In so doing, the Foundation sought both to support projects which foster and promote high quality contemporary literary fiction to diverse audiences, and also through a number of these, to advance education by exploring the relationship between literacy and literature. These activities are reviewed below (under "Achievements and Performance" and "Impact").

Sponsorship and funding

From April 2002 until May 2019, Man Group plc was the exclusive sponsor of the prizes and the activities of the Foundation. These sponsorship arrangements ended by mutual agreement on 31 May 2019, after the award of the 2019 Man Booker International Prize (known from 1 June 2019 as the International Booker Prize). A new funder, the Crankstart Foundation (a philanthropic donor rather than a commercial sponsor) had been identified by the end of 2018 and the legal arrangements were completed in early 2019 so that the Crankstart Foundation's funding of the prizes and the activities of the Foundation commenced on 1 June 2019 for a period of 5 years at £1.5 million per annum.

The Crankstart Foundation is a Californian non-benefit corporation (entity number C2264368).

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 2019 (MBI)

The winner of the 2019 MBI (announced at a ceremony held on Tuesday 21 May 2019 at the Roundhouse, London) was "*Celestial Bodies*" by the Omani author, Jokha Alharthi and translated by Marilyn Booth.

In the run up to the Roundhouse ceremony, the shortlisted authors and translators took part in a short programme of events in London, including a sold-out event at the Purcell Room in London's Southbank Centre.

The Roundhouse ceremony involved an important collaboration with the BBC World Service; the ceremony was hosted by the BBC's Razia Iqbal who then interviewed the winning author and translator on stage for a live broadcast by the World Service Newshour, reaching a global audience of 15 million. Strong attendance from international news agencies and broadcasters at the Roundhouse bolstered other worldwide coverage which ranged from prestigious US newspapers such as the New York Times and the Washington Post to video content on the UK Mail online and interviews across a large number of Arabic media outlets.

Celestial Bodies sold 13,000 copies in the week following the announcement, an increase of sales of 3,000%, and rights sales have increased worldwide.

Viewing of livestreams of the shortlist and winner ceremony showed significant increase as compared to 2018, as did the audience for videos and podcasts produced by and about the prize, with a further four podcast hosting sites in addition to the two in 2018. Social media engagement also increased, with notable consolidation of the previous year's uplift on Instagram.

The Booker Prize 2019 (BP)

The judges decided to announce joint winners of the 2019 Booker Prize at the ceremony held on Monday 14 October 2019 in the Guildhall, City of London. They were *The Testaments* by Margaret Attwood, from Canada, and *Girl, Woman, Other* by Bernadine Evaristo from the UK.

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 13 October, the day before the Guildhall announcement) an event chaired by Natalie Haynes at the Royal Festival Hall in London's Southbank Centre with an audience of 2,000. New departures involving authors included at shortlist stage an event as part of the Manchester Literary Festival.

The BBC continued as the broadcast partner for the prize in 2019, with news and features across key stages of the prize. BBC Radio 4 *Front Row* brought each of the six shortlisted authors into conversation with an on-air 'book club' of readers from across the UK in the weeks leading up to the winner announcement. It received an enthusiastic response from listeners and on social media. Other coverage included 24 major and international media interviews for the winners on the evening of the announcement and the following day to celebrate their winning books.

As with MBI, 2019 saw an uptake in the viewing of videos and livestream, and engagement across social media, with a 61% increase in organic reach and impressions across all social media channels since 2018. Podcasts continued to draw increased audiences, and in September 2019 a new partnership was launched with British Airways to include the podcasts in its in-flight entertainment system.

Analysis of cuttings and of website activity continued to demonstrate the ongoing UK and worldwide interest in BP and its place as an international benchmark for other prizes. Advertising Value Equivalency (AVE) for media coverage throughout the 2019 prize cycle was over £28 million, an increase of £2 million on 2018's figure which had itself included both the prize coverage and the 50th anniversary campaign. The increase was in part owing to the uplift in prize news generated by the judges' controversial decision in making the joint winner award.

Other activity

The Foundation remains committed to a libraries programme, continuing to work in 2019 with the Reading Agency into a fourth year of partnership for both prizes which saw engagement with over 4,000 libraries and with ten library reading groups selected to shadow BP on an official basis.

The trustees remain aware of the influence BP 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 2018/19 the Foundation co-funded with the University of East Anglia (UEA) its tenth one year post graduate scholarship at the UEA's School of Literature and Creative Writing; the scholar was Stephen Buoro from Nigeria. The scholarship has now been awarded for an eleventh time in the academic year 2019/20. As reported in previous years, former scholars have gone on to publish novels and short stories to significant critical acclaim, and the 2017/18 scholar Francis Gosper received the highest mark ever in the Creative Writing MA for his dissertation.

In its eleventh year in the academic year 2019/20, the Foundation's universities readership programme for new undergraduates continues. A new participant, Loughborough University, was added, along with Birkbeck College (London), Brighton, Newcastle, Roehampton, 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 BP 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 (again free of charge) 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 maintained its collaboration with the National Literacy Trust (NLT) on *Books Unlocked* which involves reading in prisons. 2019 saw further expansion of reading programmes in conjunction with prison libraries (the 2019 funding covers activities continuing into 2020). 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 Booker Prize shortlisted authors. NPR also distributes individual copies of the chosen titles as requested by listeners. NPR has a potential audience of 80,000 and again committed to a full year in partnership with *Books Unlocked* from September 2018 to August 2019 which drew increasing listening figures.

As previously reported, 2014 had seen the important development of a community model to *Books Unlocked* by Staffordshire Prisons Library Service which has subsequently been extended to other areas.. Prison librarians facilitate the sharing of responses between settings including prisons, young offender institutions, secondary schools and public library groups. 2018 had seen the successful piloting of an additional, new community model involving a Foreign Nationals prison (HMP Huntercombe) and local Housing Association. The aim of both community models, continued in 2019, 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.

The 2018/19 evaluation by the NLT indicates that the benefits of *Books Unlocked* which have been previously identified and reported have been sustained. The project opens 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 BP 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.

We turn now to other 2019 activities which enhanced and extended the outreach of the Booker prizes and furthered 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 BP are available in a range of formats to visually impaired people. In 2019 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 BP prize cycle; the Foundation also funded (£3,500) the production of the winner of MBI, *Celestial Bodies*, in all three formats;

- has continued its annual charitable donation (£5,000; 2018:£6,000) to the Cheltenham Literature Festival which took place very shortly before the award of the 2019 BP. This was for two events: - four shortlisted authors shared a stage to discuss their contending novels; and the ever popular '*Cheltenham Booker*';

- gave a donation (£5,000) to the Edinburgh International Book Festival to support a day of events in August 2019 focusing on MBI and translation.

In seeking further to foster, promote and recognise contemporary literary fiction of merit worldwide throughout 2019, 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 twelfth time in Abu Dhabi in April 2019 and completed its thirteenth cycle in April 2020. 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 modem Arabic fiction can be shared with an international audience. IPAF continues to draw international recognition and acclaim.

Impact

The Foundation's trustees strongly believe that it is the debate around the books associated with the 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 necessarily subjective.

The trustees remain satisfied that the BP retains its status as one of the world's leading literary prizes and as such fulfils this charitable objective. Indicators on which the trustees rely to determine this include media coverage, sales, academic and critical prominence. The 2019 MBI continued to attract new audiences for literature in translation and significant acclaim for its recognition of both author and translator.

Other than the prizes themselves, the 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 join in to participate in the debate around the prizes.

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 the current pre-eminent reputation or credibility of the Booker Prize, and/or failure to establish the international prize to a similar level of pre-eminence	BPF monitors its reputation and ensures the rigour, independence and professionalism of the judging process, underpinned by effective rules. [note – the process has been subject to further review and scrutiny by the board in late 2019 following the decision of the judges to award the 2019 Booker Prize jointly to two books] 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 Booker Prize so each prize underpins the other's reputation. Considered consultation, reviewing and updating of the rules has developed as accepted practice.
Online/ digital - website and social media – failure to keep an effective online presence	The nature and scale of BPF's online /digital presence is under review given the start of the new funding arrangements and the opportunities/resource offered by the new funder's experience/contacts.
The risk to printed books (and so ultimately the prizes as currently conceived) from technological innovation and development – e.g. e-books/books 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 (e.g. 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 Culture 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. Hon Treasurer (or acting Treasurer from 9 Dec 2019), Sec and Four Culture review actual and forecast costs against these budgets and report on these at BPF/BPTL board meetings. Anthony Damer (acting Treasurer from 9 Dec 2019) and Secretary (with Hon Treasurer oversight) deal with day to day finance and accounting issues, taking any external professional advice they deem necessary. Establishment of finance committee as from 9 December 2019

The impact of the covid-19 pandemic is a significant post balance sheet event for the charity, though no resulting adjustments fall to be made in the 2019 financial statements. The trustees have reviewed the impact of the pandemic on the activities of the Foundation and its subsidiary, with particular attention to the Going Concern status of the companies for a period of at least 12 months from the date the approval of the financial statements, and they are satisfied that both the Foundation and its subsidiary will be able to continue in operational existence for the foreseeable future.

In making this assessment the trustees note that the Foundation is in a fortunate position where:

- its primary income source is a grant funding agreement from a well-resourced US charitable donor (Crankstart Foundation) at a committed annual level of £1.5 million for a 5 year period expiring in 2024, and
- at the balance sheet date the Foundation had free reserves of £2,082,270;
- the Foundation and its subsidiary have already been able and can continue to adapt their activities in response to a situation where physical events are no longer possible, for example with regard to announcements linked to key stages of both prizes and;
- in doing so, the Foundation has found it is well placed to respond positively to the circumstances brought about by the pandemic; fresh approaches to the Foundation's key activities continue to be developed, particularly as to how the prizes are awarded and more widely communicated.
- the implementation of change has been accelerated by the prevailing negative circumstances but it represents a positive and welcome direction of travel which was already under consideration, rather than a provisional and contingent way of working;
- irrecoverable losses sustained relate to deposits paid for events totalling £20,000 which are modest in relation to total expenditure and have no bearing on the Going Concern assessment;
- there are no onerous contractual or other financial commitments. In particular neither the Foundation nor its subsidiary has any employment or premises-related commitments; expenditure can be kept within appropriate and prudent planned, budgeted and controlled parameters.

Financial Review

Financial results for 2019

Total consolidated income in the year was £2,194,001 (2018:£ 1,582,642) comprising the final payment of Man sponsorship (£650,000) as well as the first year of Crankstart funding (£1.5 million) and credits towards costs of £30,000 (2018:£65,000) from the publishers of BP short-listed authors and – in 2018 only – Golden Man Booker shortlisted authors. Facility fees of £7,000 (2018:£7,000) were received from the BBC and bank interest of £7,001 was credited (2018:£7,117).

The prize purse (including shortlist awards) of BP was £65,000 (2018:£65,000). Judges' fees and expenses were £69,771 (2018:£98,893). The prize purse of MBI was £62,000 (2018:£62,000). Judges' fees and expenses were £86,646 (2018:£ 67,840). Other charitable donations and activities of the Foundation and Trading Company totalled £148,423 (2018: £208,023). After support and other direct costs of £506,143 (2018:£704,249) the total expenditure on charitable activities totalled £1,213,721 (2018: £1,064,753)

Expenditure on generating funds totalled £451,566 (2018: £831,094) to leave a surplus for the year of £564,713 (2018 deficit: £313,205).

The consolidated cash at the end of 2019 was £2,090,248 (2018: £871,798). The consolidated cash position 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 (which with the commencement of the funding from the Crankstart Foundation is £1.5 million). The current reserves (which are free reserves) are £2,082,270 (2018: £1,517,557).

This build-up of the reserves and investment income provides a prudent fund against unexpected problems in future years and for other charitable activities.

Plans for Future Periods

Having now secured adequate funding for the prizes and for the Foundation itself for a further 5 years from 1 June 2019, 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 Booker Prize as an internationally recognised benchmark of literary excellence, and where possible further extending its outreach and appeal

(3) consolidating the Man Booker International Prize (from its 2020 cycle, the International Booker 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 harnessing the opportunities of digital technology.

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 2019, 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 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 winners are an important stimulus to foster a literate social and cultural environment.

In addition, the trustees believe that the prizes provide a cultural focus, a sense of common engagement 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. But 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, beyond those who already habitually 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 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 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.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of 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 Statement of Recommended Practice on Charities Accounting (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, Moore Kingston Smith LLP, have indicated their willingness to continue in office.

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

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Professor Louise Richardson
Trustees (director) & acting chair 9 December 2019 to 31 May 2020 **Date**: 17 July 2020

Booker Prize Foundation
Independent Auditor's Report to the Members and Trustees of Booker Prize Foundation
For the year ended 31 December 2019

Opinion

We have audited the financial statements of Booker Prize Foundation for the year ended 31 December 2019 which comprise Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable 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' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the 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 opinion we have formed.

Moore Kingston Smith LLP

Date 1 October 2020

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

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

Booker Prize Foundation
Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31st December 2019

	Note	Unrestricted Funds 2019 £	Unrestricted Funds 2018 £
Income			
Income from Trading Activities	4	687,000	1,575,525
Income from Donations & Legacies	4	1,500,000	-
Income from investments	6	7,001	7,117
Total income		2,194,001	1,582,642
Expenditure			
Expenditure on Generating funds	3	415,566	831,094
Expenditure on Charitable Activities:			
Booker Prize (Man Booker Prize 2018)	3	551,985	198,498
Man Booker Prize International	3	445,957	161,658
Other charitable Activities	3	215,780	704,597
Total expenditure		**1,629,288**	**1,895,847**
Net income / (expenditure) for the year		**564,713**	**(313,205)**
Fund balance brought forward at 1st January		**1,517,557**	**1,830,762**
Fund balance carried forward at 31 December		**2,082,270**	**1,517,557**

All gains and losses arising are included in the statement of financial activities and arise from continuing activities.
The notes on pages 16 to 23 form part of these financial statements.

Booker Prize Foundation
Balance Sheets as at 31st December 2019

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed assets					
Investments	9	-	-	1	1
Current Assets					
Debtors	10	36,530	907,260	791,665	779,196
Cash at bank and in hand		2,090,248	871,798	1,308,040	822,100
		2,126,778	**1,779,058**	**2,099,705**	**1,601,296**
Creditors: amounts falling due within one year	11	(44,508)	(261,501)	(22,435)	(88,740)
Net Current Assets		**2,082,270**	**1,517,557**	**2,077,270**	**1,512,556**
Total Net Assets		**2,082,270**	**1,517,557**	**2,077,271**	**1,512,557**
Unrestricted funds					
Unrestricted funds - charitable funds		2,077,270	1,512,557	2,077,271	1,512,557
Non Charitable - trading funds		5,000	5,000	-	-
		2,082,270	**1,517,557**	**2,077,271**	**1,512,557**

The surplus for the financial year dealt with in the financial statements of the parent charity was £564,714 (2018: £211,993)

The financial statements were approved by the trustees, and authorised for distribution, on 17 July 2020 and were signed on their behalf by:

Professor Louise Richardson
Trustee (director)
acting chair 9 December 2019 19 to 31 May 2020

The notes on pages 16 to 23 form part of these financial statements.

Booker Prize Foundation
Consolidated Statement of Cash Flow
For the year ended 31st December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Cash generated from / (used in) operations	15	1,211,449	(997,281)
Net cash provided by / (used in) operating activities		**1,211,449**	**(997,281)**
Cash flows from investing activities			
Interest received	6	7,001	7,117
Net cash provided by investing activities		**7,001**	**7,117**
Change in cash and cash equivalents during the year		**1,218,450**	**(990,164)**
Cash and cash equivalents at beginning of year		**871,798**	**1,861,962**
Cash and cash equivalents at end of year		**2,090,248**	**871,798**

Analysis of changes in net debt

	1 Jan 2019 £	Cash Flows £	31 Dec 2019 £
Cash	871,798	1,218,450	**2,090,248**
Loans falling due within one year	-	-	-
Loans falling due after more than one year	-	-	-
Total	**871,798**	**1,218,450**	**2,090,248**

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) including update bulletin 2, the Financial Reporting Standard applicable in the United Kingdom 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 group is a public benefit entity as defined by FRS 102.

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 £564,714 (2018: £211,993).

1.2 Going concern

The trustees have assessed whether the use of the going concern basis is appropriate in preparing these financial statements and have considered possible events or conditions that may cast doubt on the ability of the Foundation to continue as a going concern. The trustees have made the assessment for a period of at least one year from the date of approval of the financial statements.

In particular, trustees have considered forecasts and projections and have taken account of the restrictions and limitations in delivery of usual charitable activities as a result of the COVID-19 outbreak. Whilst Prize giving and award ceremonies and events have been affected, the charity has adapted to online tools and mechanisms to enable continuation of its charitable objects and to reduce costs where possible. The trustees are also satisfied that the Foundation has sufficient available cash reserves to continue in operational existence for the foreseeable future, especially in the light of securing a 5 year funding agreement from Crankstart Foundation.

The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

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

Expenditure is accounted for on an accruals basis and classified under headings in the accounts that aggregate all costs related to the category.

Expenditure on generating funds includes those costs directly related to trading activities (see note 4); These costs are regarded as necessary to generate funds needed to finance charitable activities.

Charitable activities expenditure includes the costs identified as wholly or mainly attributable to achieving the charitable objects of the charity, including the costs of disseminating information in support of charitable activities. These costs include direct costs, wholly or mainly attributable support costs and an apportionment of general overheads allocated on a basis consistent with the use of resources.

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.

Support costs, including governance costs, are those costs that assist the work of the charity but are not directly incurred on generating funds or charitable activities. Governance costs are associated with the governance arrangements of the charity and include audit, legal advice for trustees and costs associated with meeting constitutional and statutory requirements such as the cost of trustee meetings and the preparation of the statutory accounts. This category also includes costs associated with the strategic management of the charity's activities. Other support costs include central administration / office functions such as budgeting and accounting, information technology, marketing, communications, and legal costs. Support and governance costs have been allocated to an activity cost on a basis consistent with the use of resources.

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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at the amount receivable and subsequently adjusted for any impairment or other change in consideration expected to be received on settlement

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies, are initially measured at the amount payable and subsequently adjusted for any changes in consideration expected to be paid on settlement.

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 Analysis of Expenditure

	Literary Awards	Donations & Grants (Note 7)	Other Direct Costs	Support costs (Note 3a)	2019 Total	2018 Total
	£	£	£	£	£	£
Expenditure on Generating Funds						
Trading Activities during Man Group sponsorship	283,822	-	3,885	127,859	**415,566**	831,094
Total Expenditure on generating funds	**283,822**	**-**	**3,885**	**127,859**	**415,566**	**831,094**
Expenditure on charitable activities						
Expenditure on Booker Literary Awards:						
Booker Prize (Man Booker Prize 2018)	382,153	-	-	169,832	**551,985**	198,497
Man Booker Prize International	308,747	-	-	137,210	**445,957**	161,658
Other charitable activities	-	148,423	967	66,390	**215,780**	704,597
Total Expenditure on charitable activities	**690,900**	**148,423**	**967**	**373,432**	**1,213,722**	**1,064,753**
Total Expenditure 2019	**974,722**	**148,423**	**4,852**	**501,291**	**1,629,288**	**1,895,847**
Total Expenditure 2018	**983,575**	**208,023**	**373,739**	**330,510**	**1,895,847**	

Comparative Information: Analysis of Expenditure 2018

	Literary Awards	Donations & Grants (Note 7)	Other Direct Costs	Support costs	2018 Total
	£	£	£	£	£
Expenditure on Generating Funds					
Trading Activities	686,206	-	-	144,888	**831,094**
Total Expenditure on generating funds	**686,206**	**-**	**-**	**144,888**	**831,094**
Expenditure on charitable activities					
Expenditure on Booker Literary Awards:					
Man Booker Prize	163,893	-	-	34,605	**198,498**
Man Booker Prize International	133,476	-	-	28,182	**161,658**
Expenditure on other charitable activities:					
50th Anniversary		-	306,183	64,648	**370,831**
Other charitable activities		208,023	67,556	58,187	**333,766**
Total Expenditure on charitable activities	**297,369**	**208,023**	**373,739**	**185,622**	**1,064,753**
Total Expenditure 2018	**983,575**	**208,023**	**373,739**	**330,510**	**1,895,847**

		2019 £	2018 £
3a	**Support Costs**		
	Key Management Personnel	166,293	153,158
	Administration expenses	83,236	81,624
	Information technology	32,270	24,625
	Marketing costs	36,546	2,500
	Insurance	10,192	8,316
	Bank charges	1,087	1,149
	Interest payable	-	1,643
	Irrecoverable VAT	94,200	-
	Governance Costs **(note 3b)**	77,467	57,495
		501,291	**330,510**
3b	**Governance costs**		
	Trustees Expenses **(note 5)**	1,224	712
	Audit fees **(note 3c)**	16,230	12,658
	Accountancy fees	10,083	9,500
	Legal & professional fees	29,480	34,625
	Governance consultancy	20,450	-
		77,467	**57,495**
3c	**Auditors' remuneration**		
	Audit fees - Current year	14,662	10,500
	Audit fees - prior year under accrual	668	1,308
	- Non-audit services	900	850
		16,230	**12,658**

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:

	2019	2018
	£	£
Sponsorship Income	650,000	1,484,239
Donation Income	1,500,000	-
Other Income	37,000	91,286
Turnover	**2,187,000**	**1,575,525**
Direct costs	(844,030)	(793,906)
Gross profit	**1,342,970**	**781,619**
Administration costs	(283,617)	(441,173)
Interest received	1,968	1,007
Interest payable	-	(1,643)
Profit on ordinary activities for the year	**1,061,321**	**339,810**
Shareholders' fund brought forward	5,001	530,199
Profit for the financial year	**1,061,321**	**339,810**
Charitable distribution to parent undertaking	(1,061,321)	(865,008)
Shareholders' fund carried forward	**5,001**	**5,001**

The assets, liabilities and funds of the subsidiary were:

Assets	818,208	954,910
Liabilities	(813,207)	(949,909)
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. £1,224 (2018: £712) was paid to 1 (2018: 2) trustee as reimbursement of expenses for travel and subsistence.

6 Income from Investments

	2019	2018
	£	£
Interest receivable and similar income		
Interest on bank deposits	7,001	7,117

7 Donations & Grants

	2019	2018
	£	£
Royal National Institute of Blind People	23,500	23,500
Designer bookbinders	10,875	10,875
Cheltenham Literature Festival	5,000	6,000
National Literacy Trust	50,000	50,000
Prison Reading Groups	-	10,000
University of East Anglia	6,250	12,370
Caine Prize for African Writing	-	15,000
Edinburgh Book Festival	5,000	5,000
Universities	16,100	15,764
David Vaisey Trust	-	5,000
Scottish Book Trust	-	10,000
British Library	-	13,500
Libraries Project	30,000	30,000
Charitable / festivals	1,698	1,014
	148,423	**208,023**

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	
	2019	2018	2019	2018
	£	£	£	£
Amount due from subsidiary undertaking	-	-	791,135	777,148
Other debtors	36,530	907,260	530	2,048
	36,530	**907,260**	**791,665**	**779,196**

11 Creditors: amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	4,500	96,053	4,500	-
Accruals	34,008	92,542	17,935	88,740
VAT payable	6,000	72,906	-	-
	44,508	**261,501**	**22,435**	**88,740**

12 Financial Instruments

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,126,778	1,779,058	1,308,570	824,148
Carrying amount of financial liabilities				
Measured at amortised cost	38,508	188,595	22,435	88,740

13 Related parties

D Irving, a director of Booker Prize Trading Limited, is also a director of Four Culture, (formerly Colman Getty) a division of Four Communications Ltd. Four Communications received PR and consultancy fees of £170,000 (2018: £170,000) for the Man Booker Prize, £110,000 (2018: £90,000) for the International Prize, £Nil (2018: £66,000) for the 50th anniversary and the Morgan Library NY and £10,000 (2018:£20,000) for sponsorship search services and associated production and brand transition work. Four Communications also received £569,899 (2018: £762,392) from Booker Prize Trading Limited for the re-imbursement of third party costs incurred. In addition to this, Four Communications received £36,135 (2018: £119,493) from the Booker Prize Foundation for re-imbursement of third party costs incurred. Income collected by Four Communications and then credited to Booker Prize Trading Limited amounted to £30,000 (2018: £65,000).

Anthony Damer, a director of Booker Prize Trading, is also a principal of Ian Murray & Co. who provided bookkeeping services totalling £10,083 (2018: £9,500).

The aggregate of balances in respect of recharges to and from Four Communications at the year-end amounted to £36,000 (2018: £65,000) being owed by Four Communications and £Nil (2018: £96,053) being owed to Four Communications. These are reflected in the Balance Sheets of the Consolidated Accounts.

One (2018: two) trustee was reimbursed £1,224 (2018: £712) in travel expenses during the year.

The charitable company has taken advantage of the exemption available to wholly owned group members under FRS102 from the requirement to make disclosures concerning related party transactions with group members.

14 Key Management Personnel

The fees paid to key advisers who may be said to be the equivalent of key management personnel are as follows:

	2019 £	2018 £
Aggregate compensation	166,293	153,158

15 Cash generated from / (used in) operations

	2019	2018
	£	£
Net income / (expenditure) for the year	564,713	(313,205)
Adjustments for:		
Interest received	(7,001)	(7,117)
Decrease / (Increase) in debtors	870,730	(839,721)
(Decrease) / increase in creditors	(216,993)	162,762
Cash generated from / (used in) operations	**1,211,449**	**(997,281)**

16 Reconciliation and analysis of movement on funds for the year

Year ended 31 December 2019	Balance b/f	Income	Expenditure	Other gains & Transfers	Balance c/f
	£	£	£	£	£
Charitable funds	1,512,557	1,507,001	(1,213,722)	271,434	**2,077,270**
Trading funds	5,000	687,000	(415,566)	(271,434)	**5,000**
Total Unrestricted Funds	**1,517,557**	**2,194,001**	**(1,629,288)**	-	**2,082,270**

Transfer between funds reflects amounts generated from non-charitable trading activities during the year in furtherance of charitable objects.

Comparative Information:

Year ended 31 December 2018	Balance b/f	Income	Expenditure	Other gains & Transfers	Balance c/f
	£	£	£	£	£
Charitable funds	1,300,564	7,117	(1,064,753)	1,269,629	**1,512,557**
Trading funds	530,198	1,575,525	(831,094)	(1,269,629)	**5,000**
Total Unrestricted Funds	**1,830,762**	**1,582,642**	**(1,895,847)**	-	**1,517,557**

Transfer between funds reflects amounts generated from non-charitable trading activities during the year in furtherance of charitable objects.