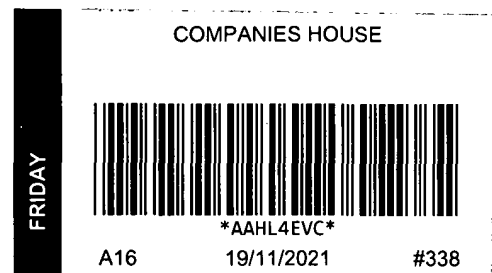


Booker Prize Foundation

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

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

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020



**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2020**

The trustees present their report and the financial statements for the year ended 31st December 2020. 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 company law directors) throughout the year and up to the date of signing this report were: - Mark Damazer CBE (chair, appointed 1 June 2020) - Anthony Damer ACA (treasurer, appointed 8 July 2021) - Nicholas Barley - Baroness Helena Kennedy QC (retired 29 February 2020) - Carol Lake - Bidisha SK Mamata - Alexander James Naughtie (retired 11 February 2021) - Ben Okri - Mary Teresa Rainey OBE (appointed 18 November 2020) - Professor Louise Richardson (acting chair 9 December 2019 to 31 May 2020) - Katherine Nicole Sheard (appointed 18 November 2020) - The Rt Hon Lord David Willetts
Company Secretary	Evelyn Smith
Registered Office	First Floor, 10 Queen Street Place London EC4R 1BE
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 2020**

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 ('BP'). In 2005 the Foundation inaugurated the Man Booker International Prize, from 2020, known as the International Booker Prize ('IBP'). More on the charitable objectives and activity of the Foundation appears later in this report.

The Foundation has a wholly owned subsidiary company limited by shares, Booker Prize Trading Limited (company registration no. 04394720). The subsidiary's principal source of income is currently the grant monies from Crankstart Foundation, out of which it meets costs of promoting both Booker prizes and organising award ceremonies and announcements before remitting any surplus to the Foundation as a donation under Gift Aid. In 2019 and prior years it received commercial sponsorship income from the Man Group, the prizes' former sponsors, but currently has no trading activity.

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. 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 interest in any aspect of the production, promotion, or sales of contemporary literary fiction. When making appointments to their number, in addition to any particular skills which are sought, the board looks for individuals who have an engagement with literature and the wider cultural environment, and who understand the voluntary sector. The Foundation has established a nominations committee to oversee board recruitment. Baroness Kennedy retired as chair of the Foundation in December 2019 (and as a trustee in February 2020), and Professor Louise Richardson was acting chair from 9 December 2019 to 31 May 2020. The nominations committee worked with the independent recruitment agency Saxton Bamfylde in the search for a new chair. 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. Later in 2020 the need was identified for a trustee (or trustees) with expertise and close involvement in digital development. The nominations committee worked with the online recruitment agency Nurole, and ultimately two new trustees were appointed on 18 November 2020, Mary Teresa (MT) Rainey and Katherine Nicole Sheard (Nicki Sheard).

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 compiled and/or collated by the Secretary.

Advisory Committee

In accordance with the articles of association, the Foundation has an advisory committee which predominantly 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 annual selection of the panels of judges.

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2020**

During 2020 (and into 2021) the committee members were:

Gaby Wood (Chair)	- Literary Director of the Foundation (from April 2021, her title become Director of the Foundation)
Nic Bottomley (appointed July 2020)	- Bookseller (co-founder Mr B's Emporium of Reading Delights)
Jamie Byng	- Publisher, Canongate Books
Jonty Claypole (retired April 2021)	- BBC Head of Arts
Lamia Dabbusy (appointed April 2021)	- Executive Editor, BBC Arts
James Daunt	- Bookseller (Managing Director Waterstones)
Jonathan Douglas	- CEO, National Literacy Trust
Adam Freudenheim	- Publisher, Pushkin Press
Daniel Hahn	- Writer & translator
Peter Kemp	- Chief Fiction Reviewer, The Sunday Times
Sharmaine Lovegrove	- Publisher, Dialogue Books (Hachette UK)
Emma Paterson (appointed July 2020)	- Agent, Aitken Alexander Associates
Fiammetta Rocco	- Culture Correspondent, The Economist & 1843, International Booker Prize Administrator
Michal Shavit (retired September 2020)	- 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 (including in particular the organisation of the awards ceremonies and promotion of the prizes) are undertaken with the assistance of Four Culture (a division within Four Communications Group Ltd).

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 was Literary Director of the Foundation throughout 2020, receiving an annual fee plus reimbursement of expenses. With effect from April 2021, she is Director of the Foundation and its first employee.

Fiammetta Rocco, working in collaboration with Gaby Wood, is Administrator of the International Booker Prize and receives an annual fee plus reimbursement of expenses.

Dotti Irving is a director of Booker Prize Trading Limited and is CEO of Four Culture. In 2020 Four Communications received total fees of £343,200 including irrecoverable VAT (2019: £290,000 excluding VAT) 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 and, since 8 July 2021, a trustee and treasurer of the Foundation. In 2020 Ian Murray & Co received a fee of £12,000 including irrecoverable VAT (2019: £10,083 excluding VAT) 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. These are reimbursed as direct costs provided they are reasonably incurred.

Key management personnel: In 2020 there were no employees of the Foundation, but the personnel with responsibility equivalent to a senior management team are identified above (Evelyn Smith, Dotti Irving, Gaby Wood, Fiammetta Rocco). 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 in 2020.

Objects and Activities

The Foundation is established under its memorandum:

- to promote the art of literature for the public benefit, and
- to advance education in all aspects of the relationship between literacy and literature,

and in particular it fosters and promotes high quality contemporary fiction.

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2020**

The Foundation's main activities comprise the charitable activities of organising, judging and awarding its prizes:

- The Booker Prize is awarded to the author of the best full-length novel in English published in the UK in its prize year, irrespective of the nationality or country of citizenship of its author.
- The International Booker Prize recognises the best novel of the year in translation into English published in the UK in its prize year.

Throughout 2020, the Foundation undertook a number of activities in addition to, and by way of enhancement of, the awarding of the prizes and in fulfilment of its charitable purposes. These activities are reviewed below (under "Achievements and Performance" and "Impact").

Funding

Since June 2019 the Crankstart Foundation ("Crankstart") has been the exclusive funder (as a philanthropic donor) of the prizes and the activities of the Foundation and its subsidiary. Crankstart is a Californian non-benefit corporation (entity number C2264368). Crankstart's funding is for a period of 5 years at £1.5 million per annum.

Achievements and Performance

The trustees are mindful of the need to assess the success and impact of the Foundation in meeting its objectives. They are ultimately responsible for ensuring that considerable care and judgment goes into the choice of judges for both prizes. They 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.

International Booker Prize 2020

The winner of the 2020 IBP announced on 26 August 2020 was "*The Discomfort of Evening*" by the Dutch author, Marieke Lucas Rijneveld, translated by Michele Hutchison.

The initial stages of the 2020 Prize ran in accordance with previous years. The judges were due to meet in London in March 2020 to decide the shortlist. This coincided with the worldwide impact of the first wave of the Covid-19 pandemic, and the meeting had to take place online. The announcement of the shortlist (on 2 April 2020) was among the very first of its kind across the international spectrum of literary awards which were having to adapt to the pandemic world.

The winner announcement was originally scheduled for 19 May 2020. But the effect of national lockdowns on the supply of books, together with closure of bookshops in UK and elsewhere, led to the decision to delay the prize cycle. From mid-June (when UK bookshops re-opened) through to August, the shortlist was promoted through a weekly series of online events featuring the authors and translators.

The online ceremony, livestreamed on Facebook and YouTube on 26 August, was watched by an unprecedented live audience. By the end of 2020 the full announcement video had over 20,000 views across Facebook, YouTube and Instagram TV. A one-minute video celebrating the announcement had over 200,000 views across the prize social channels. Media coverage worldwide reached a potential audience of 1.2 billion on 26 August and 364 million on 27 August. International coverage included a print piece in the New York Times and news stories in national papers across Europe, the Americas, Australasia and Asia. In the UK, the winner was enthusiastically received by the media, with exceptionally strong online coverage.

Sales of *The Discomfort of Evening* increased by 700% in the week after the winner announcement. The mass market paperback release was brought forward to September on the strength of the win. By the end of 2020 it had sold more than 50,000 copies across all UK editions. Rights have been sold in 40 markets, including translations into languages as varied as Catalan, Croatian and Marathi.

Comparison between the April shortlist announcement, the shortlist promotion events and the August winner ceremony demonstrated how the sophistication of showcasing the prize to online audiences developed over just four months. It had been one of the Foundation's plans for future periods (reported as at year end 2019) to harness the opportunities offered by digital technology in delivering the prizes. Paradoxically, the constraints of the pandemic enabled this plan to be realised, at least in part, in creative and innovative ways and to a speedy timescale which would have seemed scarcely imaginable at the end of 2019.

The Booker Prize 2020

The winner of the 2020 BP announced on 19 November 2020 was "*Shuggie Bain*" by Douglas Stuart.

Taking up from where the IBP left off, the opportunities offered by online engagement were yet more marked through the 2020 BP cycle.

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2020**

The announcement of the shortlist was a livestreamed event involving all the judges on 15 September 2020. There then followed a wide-ranging online campaign to promote the shortlist. This included exclusive video interviews with the authors shared across the prize social channels and on the website; a series introducing the books by featuring well-known cultural figures as influencers; and a regional collaboration as part of the *Doncaster Creates* programme featuring all six authors.

The BBC continued as the broadcast partner for the prize, repeating the 2019 BBC Radio 4 *Front Row* programming to bring each of the six shortlisted authors into conversation with an on-air 'book club' of readers. There was a BBC2 TV feature on the 2020 shortlist which aired on 12 November. But the culmination of the partnership was the winner celebration on 19 November, a unique collaboration between the BBC and the prize. This was broadcast live from the Roundhouse in London on BBC Radio 4's *Front Row*, BBC iPlayer, and BBC Arts Digital so that both the radio and television output was simultaneously available worldwide. Guest contributors were HRH The Duchess of Cornwall, President Barack Obama, Sir Kazuo Ishiguro, Margaret Atwood and Bernardine Evaristo. Instead of the traditional winner ceremony held at a dinner in the Guildhall in London with 500 guests, the pandemic led to a re-imagining of what the ceremony could be, reaching an international audience of millions. Overall (including the shortlist activity) by the end of 2020 the social media reach of the prize was to some 5.9 million, a year-on-year increase of 49%, and there had been over 668,000 organic views of promotional video material (these are where a viewer takes direct action like searching for a video, clicking on a suggested video or browsing a particular channel).

As with IBP, the changes to formats necessitated by the pandemic have meant that the BP has been able to realise the plan for wider reach through digital engagement on a scale which would have seemed impossible at the end of December 2019.

In the first full week after 19 November, *Shuggie Bain* sold more than 25,000 copies in the UK alone, a 1,900% increase on the preceding week. By the end of the year sales exceeded 80,000 copies, all before the paperback was released in April 2021, which led to another significant rise in sales. Immediately after the announcement it was either top or very close to the top of bestseller lists across key UK and US media, holding a strong position in those lists for several weeks (and ascending again after the paperback release). Film and TV rights were immediately snapped up and translation rights have been sold to some 30 territories, including an eight-way auction in China.

Other activity

The pandemic rendered some of the Foundation's established wider activities impossible, but some significant work could continue.

- **Libraries**
While restricted to online engagement, the libraries programme, funded by the Foundation and delivered on its behalf by the Reading Agency, was able to continue for both prizes. It involves public library users shadowing both prizes, and the provision of reading guides and other materials to add to the reading experience.
- **Creative writing scholarship**
In the UK academic year 2019/20 the Foundation co-funded with the University of East Anglia (UEA) its eleventh one year post graduate scholarship at the UEA's School of Literature and Creative Writing. The scholar was Daniel Wiles from the UK. Despite all the challenges for university teaching as the pandemic took hold, Daniel was able to complete his MA. The scholarship has now been awarded for a twelfth time in the academic year 2020/21. As reported in previous years, former scholars have gone on to publish novels and short stories to significant critical acclaim. In October 2020 after an eight-way auction, Stephen Buoro's first novel *The Five Sorrowful Mysteries of Andy Africa* was sold to Bloomsbury UK for a six-figure sum and was pre-empted by Bloomsbury US for a further six figures. Stephen was the 2018/19 scholar.
- **Reading in prisons (*Books Unlocked*)**
Of particular significance during the pandemic, the Foundation maintained its collaboration with the National Literacy Trust (NLT) to deliver *Books Unlocked* which involves reading in prisons. Almost all educational or recreational activity in prisons stopped during lockdown (and remained suspended even as restrictions elsewhere eased). As far the Foundation and NLT are aware, *Books Unlocked* was the only cultural activity which continued throughout. Prison reading groups and author visits were impossible, but the part of the programme involving National Prison Radio (NPR) carried on. With a potential audience of 80,000, each year NPR serialises the Booker Prize titles selected for the project. NLT was able to fulfil requests made by prisoners via NPR for books to be delivered to them to read in their cells. Books are generally also distributed via prison librarians under the programme, and whenever pandemic related constraints permitted throughout 2020, the librarians were eager to continue this activity. The result was that in the period August 2019 to October 2020, a record 2,339 books were

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2020**

distributed to 91 prison settings, and in terms of the number of prison establishments reached, there was an increase of 20% on the previous project year.

The 2019/20 evaluation by the NLT indicates that the benefits of *Books Unlocked* which have been previously identified and reported had been sustained and augmented. These benefits are both in relation to literacy skills (where participants are often more likely to consider texts they previously thought they could not tackle), and other outcomes pertaining to well-being and sociability.

- **RNIB**
The Foundation continued to provide £20,000 funding to the RNIB to ensure novels shortlisted for the BP are available in a range of formats (braille, talking books and giant print) to visually impaired people. These 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 IBP, *The Discomfort of Evening*, in all three formats.
- **English PEN International Translation Day**
The Foundation gave a donation of £5,000 to support this leading UK conference attended by translators and focussing on all aspects of translation.
- **Edinburgh International Book Festival**
The Festival took place in August 2020 in an online format, and the Foundation gave a donation of £5,000 to support its events focusing on IBP and translated fiction. These included an event with the 2020 winning author and translator being interviewed by the IBP 2020 chair of judges immediately after the winner ceremony on 26 August 2020.

In addition to the funded activities set out above, the Foundation has been working with the National Literacy Trust since the first UK lockdown ended in 2020 to explore educational recovery for young people through reading for pleasure. The focus is on disadvantaged young people whose education and wellbeing has suffered most throughout the pandemic. The current approach is testing a new model for promoting reading through a trained peer network working in out-of-school community settings. Known as "Booker Squads" the funding for the initiative provided by the Foundation was released in 2021, and there will be further reporting about the project in the financial year ending December 2021.

Impact

Debate around the books associated with the Booker prizes 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 much as identifiable media and academic comment and public acclaim. Therefore, 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 BP retains its status as one of the world's leading literary prizes and IBP continues to gain worldwide acclaim, so that both serve to fulfil the Foundation's charitable objective to promote the art of literature. Indicators on which the trustees rely to determine this include media coverage, sales, academic and critical prominence. The BP continues to have influence in the study of literature in schools, universities and adult education programmes. Both in UK and overseas, curricula and teaching are structured around novels connected to the prize.

The charitable activities which the Foundation undertakes in addition to the award of the prizes are generally aimed at encouraging cohorts which might not otherwise participate in the debate around the prizes. In operating at this intersection between promoting literature and literacy the Foundation is fulfilling its educational objective distinctively in challenging environments.

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, these are outlined in accordance with the Foundation's consideration of risk throughout 2020.

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2020**

Key Risks	Management
Lack of direction and strategy	Starting with a dedicated strategy meeting in October 2019, the trustees are developing strategic objectives in key areas. Most notably digital strategy is a priority; elements in progress include preparatory work by the executive team and the recruitment of trustees with specific expertise
Dependency on key personnel /professional service providers	Responsibilities of consultants are set out in contracts but these are in need of review & updating; collegiate executive working enables knowledge/networks to be shared and/or understood although personal contacts and experience are essential; the significant resources available via Four Culture for administration & operations are an advantage which would not necessarily be available to BPF/BPTL (or might cost more) if it took direct responsibility for these but there is recognition by all concerned (BPF/BPTL/Four Culture) that review of the arrangements is needed.
Exclusive Crankstart Foundation funding (risks associated both with model of funding and identity of funder)	Crankstart is a strong financial covenant - independent due diligence was undertaken by Kroll for BPF/BPTL prior to entering into funding agreements on which independent legal advice was also taken; the Secretary is aware of key provisions & briefs and liaises with others to ensure compliance; there is awareness of impact of capped annual funding & VAT on budgets; the board & the executive are responsible for ensuring there is independent decision making (this acknowledged in funding agreement); insurance in place to include North American claims (Crankstart is a US entity); in extreme circumstances BPF /BPTL may terminate funding agreement if Crankstart brings BPF or prizes into disrepute and BPF has a significant reserve (equivalent to one year funding at current level)
Judges & judging – various risks associated with: a) diversity (or lack) of panel b) failure to follow rules c) harm caused by association with judges views & activities not related to judging process d) exposure of judges to criticism and campaigns (particularly via social media)	a) recent (past 5 years) panels have demonstrable diversity but need to maintain this b) lessons from 2019 Booker Prize - emphasis in rules that judges must follow direction/guidance as to process - governance (board) responsibility to underpin this c) ongoing care & attention to choice of judges and their profile d) current close liaison with judges by Literary Director/ International Administrator is key

Risks associated with Covid 19 pandemic:

Throughout 2020 (and into 2021) the trustees have reviewed the impact of the pandemic on the activities of the Foundation and its subsidiary. The trustees are aware of the need for particular attention to the Going Concern status of the companies for a period of at least 12 months from the date of the approval of the financial statements. 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 the 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 2023, and
- at the balance sheet date the Foundation had free reserves of £2,107,760 (2019:£2,082,270);
- the Foundation and its subsidiary have been able and can continue to adapt their activities in response to a situation where physical events are no longer possible, for example regarding announcements linked to key stages of both prizes and

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2020**

- 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;
- while the implementation of change has been accelerated by the negative circumstances prevailing throughout 2020 into 2021, this represents a positive and welcome direction of travel which was already under consideration, rather than a provisional and contingent way of working;
- irrecoverable losses caused by the pandemic in 2020 related 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 commitment; in 2020 neither the Foundation nor its subsidiary had any employment or premises-related commitments, and the appointment of the Foundation's first employee in April 2021 has not affected the Foundation's ability to keep expenditure within appropriate and prudent planned, budgeted, and controlled parameters.

Financial Review

Income

The total consolidated income of the Foundation and its subsidiary for the year ended 31st December 2020 was £1,502,410, comprising Crankstart Foundation funding of £1,500,000 and bank interest of £2,410. In the previous year the total income of £2,194,001 included not only Crankstart Foundation funding of £1,500,000 and bank interest of £7,001, but also the final payment under the commercial sponsorship agreement with Man Group of £650,000 and other non-recurring income of £37,000.

Expenditure

The prize purse (including awards for shortlisted books) for BP was £65,000 (2019:£65,000) and £63,000 (2019:£62,000) for IBP.

Judges' fees and expenses for BP were £62,579 (2019:£69,771) and £56,425 (2019:£86,646) for IBP.

In 2020 the Foundation made charitable donations totalling £153,037 (2019:£148,423) as detailed in note 7 to the Financial Statements.

In 2019 expenditure on the trading activities associated with the Man Group sponsorship agreement was £415,566. In 2020, trading activities having ceased, expenditure formerly in this category is included in support and other direct costs.

Support and other direct costs for 2020 were £1,076,879 (2019: £781,882), bringing total expenditure for the year to £1,476,920 (2019:£1,629,288). This resulted in an overall surplus of income over expenditure for the year of £25,490 (2019:£564,713).

Year end position

At 31st December 2020 the Foundation's reserves, all held as unrestricted funds, totalled £2,107,760 (2019:£2,082,270). Funds held at that date in cash and interest bearing deposits totalled £2,168,250 (2019:£2,090,248).

The trustees' reserves policy is to accumulate surplus income to provide against any future discontinuity in funding of the prizes and to provide for other future charitable activities, with a minimum reserve of one year of the income received as core funding (currently £1,500,000). As noted above, at 31st December 2020 the Foundation's reserves were materially in excess of this minimum.

Plans for Future Periods

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 contemporary 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 International Booker Prize as a benchmark 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 contemporary fiction with particular emphasis on developing a digital strategy so that a high quality and innovative digital footprint is an intrinsic part of the prizes' profile, benefitting all aspects of the Foundation's activities.

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2020**

Public Benefit

The trustees have referred to the Charity Commission's guidance on Public Benefit when reviewing the Foundation's aims and objectives and in planning future activities.

Many aspects of how the Foundation provides public benefit have been referenced earlier in this report in the review of the Foundation's activities, in the "Achievements and Performance" and "Impact" sections, and also in explaining 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 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 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 or 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 their 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 the prisons project *Books Unlocked*, 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. Championing translation (both through IBP and by supporting a specific project 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 IBP, 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 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.

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2020**

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.

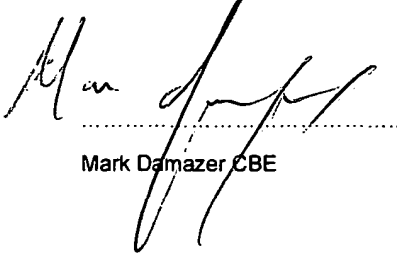
Auditors

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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Mark Damazer CBE

Date: 15th October 2021

Independent Auditors' Report to the Members of Booker Prize Foundation

Opinion

We have audited the financial statements of Booker Prize Foundation for the year ended 31 December 2020 which comprise the 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 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 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year
- 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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

Independent Auditors' Report to the Members of Booker Prize Foundation

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[1] 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

Independent Auditors' Report to the Members of Booker Prize Foundation

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

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

Devonshire House
60 Goswell Road
London EC1M 7AD
Date: 29 October 2021

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 2020

	Note	Unrestricted Funds 2020 £	Unrestricted Funds 2019 £
Income			
Income from Trading Activities	4	-	687,000
Income from Donations & Legacies	4	1,500,000	1,500,000
Income from investments	6	<u>2,410</u>	<u>7,001</u>
Total income		<u>1,502,410</u>	<u>2,194,001</u>
Expenditure			
Expenditure on Trading Activities	3	-	415,566
Expenditure on Charitable Activities:			
Booker Prize	3	754,774	551,985
International Booker Prize / Man Booker International Prize	3	496,813	445,957
Expenditure on other charitable activities	3	<u>225,333</u>	<u>215,780</u>
Total expenditure		<u>1,476,920</u>	<u>1,629,288</u>
Net income for the year		25,490	564,713
Fund balance brought forward at 1st January		2,082,270	1,517,557
Fund balance carried forward at 31 December		<u>2,107,760</u>	<u>2,082,270</u>

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

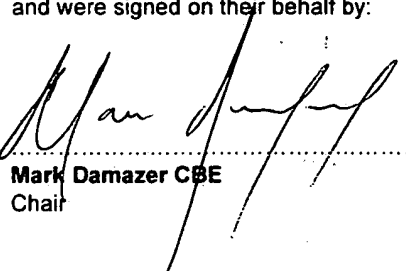
The notes on pages 17 to 26 form part of these financial statements.

Booker Prize Foundation
Balance Sheets as at 31st December 2020

		Group		Charity	
	Note	2020 £	2019 £	2020 £	2019 £
Fixed assets					
Investments	9	-	-	1	1
Current Assets					
Debtors	10	530	36,530	325,303	791,665
Cash at bank and in hand		2,168,250	2,090,248	1,820,056	1,308,040
		2,168,780	2,126,778	2,145,359	2,099,705
Creditors: amounts falling due one year	11	(61,020)	(44,508)	(42,600)	(22,435)
Net Current Assets		2,107,760	2,082,270	2,102,759	2,077,270
Total Net Assets		2,107,760	2,082,270	2,102,760	2,077,271
Unrestricted funds					
Unrestricted funds - charitable funds		2,102,760	2,077,270	2,102,760	2,077,271
Non Charitable - trading funds		5,000	5,000	-	-
		2,107,760	2,082,270	2,102,760	2,077,271

The surplus for the financial year dealt with in the financial statements of the parent charity was £25,490 (2019: £564,713)

The financial statements were approved by the trustees, and authorised for distribution, on 15th October 2021 and were signed on their behalf by:


Mark Damazer CBE
 Chair

The notes on pages 17 to 26 form part of these financial statements.

Company number: 04213467

Booker Prize Foundation
Consolidated Statement of Cash Flow
For the year ended 31st December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	15	<u>75,592</u>	<u>1,211,449</u>
Net cash provided by operating activities		<u>75,592</u>	<u>1,211,449</u>
Cash flows from investing activities			
Interest received	6	<u>2,410</u>	<u>7,001</u>
Net cash provided by investing activities		<u>2,410</u>	<u>7,001</u>
Change in cash and cash equivalents during the year		78,002	1,218,450
Cash and cash equivalents at beginning of year		<u>2,090,248</u>	<u>871,798</u>
Cash and cash equivalents at end of year		<u>2,168,250</u>	<u>2,090,248</u>
Analysis of cash and cash equivalents			
		2020 £	2019 £
Cash at bank and in hand		1,568,250	1,490,248
Deposits		600,000	600,000
Total cash and cash equivalents		<u>2,168,250</u>	<u>2,090,248</u>
Analysis of changes in net debt			
	01-Jan-20 £	Cash Flows £	31-Dec-20 £
Cash	2,090,248	78,002	2,168,250
Loans falling due within one year	-	-	-
Loans falling due after more than one year	-	-	-
Total	<u>2,090,248</u>	<u>78,002</u>	<u>2,168,250</u>

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2020

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 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 £25,489 (2019: £564,713).

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 made enquiries and considered budgets, cash flows forecasts and projections and have concluded that there is no material uncertainty over the group or charity's ability to continue in operational existence for the foreseeable future. The Trustees therefore continue to prepare the financial statements on a going concern basis.

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

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.

1.5 Expenditure

All expenditure is accounted for on an accruals basis.

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.

1.6 Fixed asset investments

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

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2020 (continued)

1.7 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.

1.8 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

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.

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.

1.9 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 no judgements were required in applying the accounting policies adopted 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.

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2020 (continued)

3 Analysis of Expenditure

	Literary awards	Donations and Grants (Note 7)	Other Direct Costs	Support costs (3a)	2020 Total	2019 Total
	£	£	£	£	£	£
Expenditure on Raising funds						
Cost of Trading Activities	-	-	-	-	-	415,566
Total Expenditure on raising funds	-	-	-	-	-	415,566
Expenditure on charitable activities						
Booker prize	564,963	-	-	189,811	754,774	551,985
International Booker Prize / Man Booker International Prize	371,874	-	-	124,939	496,813	445,957
Other charitable activities	-	153,037	15,629	56,667	225,333	215,780
Total Expenditure on charitable activities	936,837	153,037	15,629	371,417	1,476,920	1,213,722
Total Expenditure 2020	936,837	153,037	15,629	371,417	1,476,920	1,629,288
Total Expenditure 2019	974,722	148,423	4,852	501,291	1,629,288	

Analysis of Expenditure 2019

	Literary awards	Donations and Grants (Note 7)	Other Direct Costs	Support costs (3a)	2019 Total
	£	£	£	£	£
Expenditure on Raising funds					
Cost of Trading Activities	283,822	-	3,885	127,859	415,566
Total Expenditure on raising funds	283,822	-	3,885	127,859	415,566
Expenditure on charitable activities					
Man Booker prize	382,153	-	-	169,832	551,985
Man Booker Prize International	308,747	-	-	137,210	445,957
50th Anniversary	-	-	-	-	-
Other charitable activities	-	148,423	967	66,390	215,780
Total Expenditure on charitable activities	690,900	148,423	967	373,432	1,213,722
Total Expenditure 2019	974,722	148,423	4,852	501,291	1,629,288

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2020 (continued)

3a Support Costs	2020	2019
	£	£
Key Management Personnel	212,713	166,293
Administration expenses	72,002	83,236
Information technology	25,915	32,270
Marketing costs	3,013	36,546
Insurance	11,989	10,192
Bank charges	1,216	1,087
Interest payable	-	-
Irrecoverable VAT	-	94,200
Governance Costs (3b)	44,569	77,467
	371,417	501,291
3b Governance costs		
Trustees Expenses (note 5)	463	1,224
Audit fees (3c)	12,850	16,230
Accountancy fees	12,000	10,083
Legal & professional fees	3,956	29,480
Governance consultancy	15,300	20,450
	44,569	77,467
3c Auditors' remuneration		
Audit fees - Current year	13,920	14,642
Audit fees - prior year (over) / under accrual	(2,000)	688
- Non-audit services	930	900
	12,850	16,230

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2020 (continued)

4 Results of Subsidiary

Booker Prize Trading Limited

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 activities which support the main function of Booker Prize Foundation including the promotion of the Booker Prizes and the organisation of the award ceremonies. On the termination of the commercial sponsorship agreement with Man Group in May 2019 all trading activity ceased and the sole activity of the company is now the receipt of charitable funding and its application to the charitable activities of the Foundation.

Where formerly trading profits were paid to the parent company by way of Gift Aid (resulting in a nil liability to UK Corporation Tax) the subsidiary now pays its tax exempt profits (i.e surplus charitable receipts) to its parent by way of donation. A summary of the results of the subsidiary is shown below:

	2020 £	2019 £
Donation Income	1,500,000	1,500,000
Sponsorship Income	-	650,000
Other Income	-	37,000
Turnover	1,500,000	2,187,000
Direct costs	(788,847)	(844,030)
Gross profit	711,153	1,342,970
Administration costs	(155,433)	(283,617)
Interest received	251	1,968
Interest payable	-	-
Profit on ordinary activities for the year	555,971	1,061,321
Shareholders' fund brought forward	5,001	5,001
Profit for the financial year	555,971	1,061,321
Charitable distribution to parent undertaking	(555,971)	(1,061,321)
Shareholders' fund carried forward	5,001	5,001
The assets, liabilities and funds of the subsidiary were:		
Assets	348,194	818,208
Liabilities	(343,193)	(813,207)
Capital and reserves	5,001	5,001

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2020 (continued)

5 Trustees

No remuneration was paid to any trustee for services as a trustee, this year or last. Three trustees (2019: one) were reimbursed for travel and subsistence expenses incurred during the year totalling £463 (2019: £1,224).

6 Interest receivable and similar income

	2020 £	2019 £
Interest on bank deposits	<u>2,410</u>	<u>7,001</u>

7 Donations

	2020 £	2019 £
Designer bookbinders	11,087	10,875
English PEN	5,000	-
Libraries Project	37,200	30,000
National Literacy Trust	50,000	50,000
Royal National Institute of Blind People	23,500	23,500
University of East Anglia (Scholarship)	18,750	6,250
Universities Initiative	-	16,100
Cheltenham Literature Festival	-	5,000
Edinburgh Book Festival	5,000	5,000
Other Charitable / festivals	2,500	1,698
	<u>153,037</u>	<u>148,423</u>

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2020 (continued)

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	
	2020	2019	2020	2019
	£	£	£	£
Amount due from subsidiary undertaking	-	-	324,773	791,135
Other debtors	530	36,530	530	530
	<u>530</u>	<u>36,530</u>	<u>325,303</u>	<u>791,665</u>

11 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	6,250	4,500	6,250	4,500
Accruals	54,770	34,008	36,350	17,935
VAT payable	-	6,000	-	-
	<u>61,020</u>	<u>44,508</u>	<u>42,600</u>	<u>22,435</u>

12 Financial Instruments

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	<u>2,168,780</u>	<u>2,126,778</u>	<u>1,820,586</u>	<u>1,308,570</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>61,020</u>	<u>38,508</u>	<u>42,600</u>	<u>22,435</u>

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2020 (continued)

13 Related parties

Dotti Irving, a director of Booker Prize Trading Limited, is also Chief Executive of Four Culture, a division of Four Communications Group Ltd. In 2020 Four Communications received PR and consultancy fees from the Foundation and its subsidiary totalling £343,200 (2019: £290,000, excluding recoverable VAT). Of this total, £204,000 related to the Booker Prize (2019:£170,000), £135,600 to the International Booker Prize (2019:£110,000) and £3,600 to other consultancy and rebranding work (2019:£10,000). In addition, £449,689 was paid to Four Communications in reimbursement of third party costs incurred (2019:£569,899).

Anthony Damer, a director of Booker Prize Trading Limited and since 8 July 2021 a trustee of the Foundation, is also a principal of Ian Murray & Co, Chartered Accountants, who received £12,000 during the year in respect of bookkeeping services (2019:£10,083 excluding recoverable VAT).

The aggregate of balances in respect of recharges to and from Four Communications at the year end amounted to £Nil (2019: £36,000) being owed by Four Communications and £7,238 (2019: £Nil) being owed to Four Communications. These are reflected in the Balance Sheets of the Consolidated Accounts.

Three trustees (2019: one) were reimbursed for travel and subsistence expenses incurred during the year totalling £463 (2019: £1,224).

The Foundation, being a 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:

	2020 £	2019 £
Aggregate compensation	212,713	166,293

15 Cash generated from operations

	2020 £	2019 £
Net income for the year	25,490	564,713
Adjustments for:		
Interest received	(2,410)	(7,001)
Decrease in debtors	36,000	870,730
Increase / (Decrease) in creditors	16,512	(216,993)
Cash generated from / (used in)	<u><u>75,592</u></u>	<u><u>1,211,449</u></u>

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2020 (continued)

16 Reconciliation and analysis of movement on funds for the year

Year ended 31 December 2020	Balance b/f	Income	Expenditure	Other gains & Transfers	Balance c/f
	£	£	£	£	£
Charitable funds	2,077,270	1,502,410	(1,476,920)	-	2,102,760
Trading funds	5,000	-	-	-	5,000
Total Unrestricted Funds	2,082,270	1,502,410	(1,476,920)	-	2,107,760

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

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2020 (continued)

17 Comparative information: Consolidated Statement of Financial Activities Year Ended 31 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	784,920
Expenditure on Charitable Activities:			
Booker Prize (Man Booker Prize 2018)	3	551,985	265,172
Man Booker Prize International	3	445,957	184,638
Expenditure on Other charitable Activities	3	215,780	661,116
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.