Company Number: 04394720

Booker Prize Trading Limited

ANNUAL REPORT
&
ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

SATURDAY

A9EUWØØØ

A19 03/10/2020 #117

COMPANIES HOUSE

Contents

Booker Prize Trading Limited
Company Information
For the year ended 31 December 2019

Company Information

Directors	Christopher Pearce (Resigned 9.12.19) Dotti Irving Andrew Naim (Resigned 1.2.19) Sally Unwin Anthony Damer
Secretary	Evelyn Smith
Company Number	04394720
Registered Office	28 St James's Walk *London* EC1R 0AP
Auditors	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Booker Prize Trading Limited
Directors Report
For the year ended 31 December 2019

The directors submit their annual report and audited financial statements for the year ended 31st December 2019.

Activities

The company carries out the commercial activities of the Booker Prize Foundation, the company's parent company, which is a registered charity. These activities include the promotion of, and the running of the award ceremonies for, the Booker Prize and the International Booker Prize. Following the end of a sponsorship agreement with Man Group in the year under review the names of the prizes have reverted from the Man Booker Prizes to the Booker Prizes.

Donations

The gift aid donation expense for the year amounts to £1,061,321 (2018: £865,008). A deed of covenant was signed in 2018 which compels the trading company to donate its annual profits to its parent charity.

Directors

The directors of the company throughout the year were as shown on page 1.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Booker Prize Trading Limited
Directors Report
For the year ended 31 December 2019

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board

....

Anthony Damer
Director

Date: 17 July 2020

Opinion

We have audited the financial statements of Booker Prize Trading Limited for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, 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 company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Directors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made;

- we have not received all the information and explanations we require for our audit; or

- the directors 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 company's internal control.

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

- Conclude on the appropriateness of the directors' 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 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 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.

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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 1 October 2020

Booker Prize Trading Limited
Statement of Income and Retained Earnings
For the year ended 31 December 2019

	Note	2019	2018
		£	£
Turnover	3	2,187,000	1,575,525
Cost of Sales		(844,030)	(793,906)
Gross Profit		1,342,970	781,619
Administrative Expenses		(283,617)	(441,173)
Operating profit	4	1,059,353	340,446
Interest receivable	10	1,968	1,007
Interest payable	11	-	(1,643)
Profit before taxation		**1,061,321**	**339,810**
Taxation		-	-
Profit for the financial year		**1,061,321**	**339,810**
Retained Earnings brought forward		**5,001**	**530,199**
Charitable distribution to parent undertaking		(1,061,321)	(865,008)
Retained Earnings carried forward		**5,001**	**5,001**

All gains and losses arising are included in the profit and loss account and arise from continuing activities

The notes on pages 9 to 12 form part of these financial statements.

Booker Prize Trading Limited
Balance Sheet
For the year ended 31 December 2019

	Note	2019	2018
		£	£
Current assets			
Debtors falling due within one year	6	36,000	905,212
Cash at bank and in hand		782,208	49,698
		818,208	**954,910**
Creditors: amounts falling due within one year	7	(813,207)	(949,909)
Net current assets		**5,001**	**5,001**
Net Assets		**5,001**	**5,001**
Capital and Reserves			
Called up share capital	8	1	1
Profit and loss reserves		5,000	5,000
Total Equity		**5,001**	**5,001**

The notes on pages 9 to 12 form part of these financial statements.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the board and authorised for issue on 17th July 2020 and are signed on its behalf by:

Anthony Damer
Director

Company Number: 04394720

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and UK GAAP as applicable to smaller entities and in accordance with the provisions of Part 15 of the Companies Act 2006 relating to companies subject to the small companies regime.

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 financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors 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 company to continue as a going concern. The directors have made the assessment for a period of at least one year from the date of approval of the financial statements.

In particular, they have considered forecasts and projections and have taken account of the restrictions and limitations in delivery of usual activities as a result of the COVID-19 outbreak. Whilst Prize giving and award ceremonies and events have been affected, the company has adapted to online tools and mechanisms to enable continuation of its activities and to reduce costs where possible. The directors are also satisfied that the company 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 the Crankstart Foundation.

1.3 Income and expenditure

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

1.4 Turnover

Turnover, which excludes VAT, represents the value of sponsorship and other services provided.

1.5 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.

1.6 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 Accounting policies (cont.)

1.7 Taxation

No taxation is payable on annual profit as the Directors have agreed to pay an amount equal to any taxable profit to the charitable parent undertaking under gift aid as per deed of covenant.

1.8 Cash flow statement

The company is a wholly owned subsidiary of The Booker Prize Foundation, a registered charity and is included in the consolidated financial statements of The Booker Prize Foundation which are publicly available. Therefore the company is exempt by section 400 of the Companies Act 2006 from the requirement to prepare cash flow statement

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 directors 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 Turnover

An analysis of the company's turnover is as follows:

	2019	2018
	£	£
Sponsorship Income	650,000	1,484,239
Donation Income	1,500,000	-
Publishers credit	30,000	65,000
Other Income	7,000	26,286
	2,187,000	**1,575,525**

4 Operating profit

	2019	2018
	£	£
Operating profit is stated after charging:		
Audit fees - Current year	7,048	4,136
Audit fees - prior year fees under-accrual	300	1,285
- Non-audit services	1,020	964

5 Charitable distribution

The company has agreed to make a payment post year end equivalent to the excess of taxable income over expenditure for the current year to the extent that distributable reserves are available.

6 Debtors

	2019	2018
	£	£
Other debtors	36,000	905,212
	36,000	**905,212**

7 Creditors: amount falling due within one year

	2019	2018
	£	£
Amount owed to parent undertaking	791,135	777,148
VAT payable	6,000	72,906
Other creditors and accruals	16,072	99,855
	813,207	**949,909**

8 Share capital

	2019	2018
	£	£
Authorised: 100 ordinary shares of £1 each	100	100
Called up and fully paid: 1 ordinary share of £1 each	1	1

9 Financial Instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	818,208	954,910
Carrying amount of financial liabilities		
Measured at amortised cost	16,072	349,855

10 Interest receivable and similar income

	2019	2018
	£	£
Interest on bank deposits	1,968	1,007

11 Interest payable

	2019	2018
	£	£
Interest due to parent company	-	1,643

12 Parent and Ultimate Controlling party

The company is a wholly owned subsidiary of Booker Prize Foundation.

The ultimate controlling party is Booker Prize Foundation, a company incorporated in England and Wales and limited by guarantee (Company No. 04213467) and a registered charity (Charity No. 1090049). Copies of the group accounts may be obtained from the registered office, 28 St James's Walk, London, EC1R 0AP.

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).

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 Sheet.

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).

Booker Prize Foundation transactions are not disclosed as Booker Prize Trading is a wholly owned subsidiary; the 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.

Booker Prize Trading Limited
Detailed Trading Profit & Loss Account
For the year ended 31 December 2019

	2019 £	2019 £	2018 £	2018 £
Turnover		2,187,000		1,575,525
Direct costs				
Licence fees	87,480		64,021	
Man Booker Prize				
PR fee	170,000		170,000	
Meeting expenses	49		628	
Award dinner and other events	206,333		183,148	
Display, design and production	1,800		2,373	
Shortlist	37,414		35,297	
Web site costs	32,270		24,624	
Photography	413		2,448	
Man Booker International Prize				
Event management and PR fee	120,000		90,000	
Shortlist	34,641		61,204	
Award event	122,455		123,813	
Display, design and production	5,630		17,423	
Judges' and Finalists' Expenses	-		135	
Marketing	7,190		-	
Administrative expenses	18,355		18,792	
		(844,030)		(793,906)
Gross profit		1,342,970		781,619
Administration costs				
Bank charges	329		189	
Auditors' remuneration*	8,368		6,385	
Accountancy fees	10,083		9,500	
Administration costs	48,207		48,072	
Legal fees	22,899		53	
Company secretarial fees	36,296		30,685	
Charitable activities: libraries	30,000		30,000	
Charitable activities: universities	-		1,000	
Charitable activities: charitable/festivals	1,698		1,014	
Morgan Library New York event	-		54,202	
Other events	4,564		-	
Contingency	6,500		20,636	
Marketing	20,473		2,500	
Irrecoverable VAT	94,200		-	
50th anniversary	-		236,937	
		(283,617)		(441,173)
Operating profit		1,059,353		340,447
Interest receivable		1,968		1,007
Interest payable		-		(1,643)
Profit on ordinary activities before charitable payment		1,061,321		339,811