

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 2021**

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2021**

The Trustees present their report and the financial statements for the year ended 31st December 2021. 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	<p>The Trustees (who are the company law directors) throughout the year and up to the date of signing this report were:</p> <ul style="list-style-type: none">- Mark Damazer CBE- Anthony Damer ACA (treasurer, appointed 8 July 2021)- Nicholas Barley- Carol Lake OBE- Bidisha SK Mamata (retired 2 March 2022)- Alexander James Naughtie (retired 11 February 2021)- Ben Okri OBE- Mary Teresa Rainey OBE- Professor Dame Louise Richardson- Katherine Nicole Sheard- 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 9 Appold Street London EC2A 2AP
Bankers	HSBC The Peak, 333 Vauxhall Bridge Road Victoria, London SW1V 1EJ
Solicitors	Bates Wells & Braithwaite LLP 10 Queen Street Place London EC4R 1B

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Structure, Governance and Management

Booker Prize Foundation ("the Foundation") is a private company incorporated under the Companies Act and 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, which since 2020, has been 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 ('BPTL' company registration no. 04394720). The subsidiary's principal source of income is currently from two separate grants from Crankstart Foundation:

- the first (grant period commencing June 2019 and will continue until the June 2024) provides funding from which the Foundation 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.

- the second (grant period commencing June 2021 which is and will continue for 3 years until June 2024) is a restricted fund for the Foundation's digital initiative, described later in this report.

In 2019 and prior years BPTL 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 sponsors or funders, and also for the appointment of the people and organisations that implement, administer and organise the affairs of the Foundation and BPTL.

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. 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 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. Anthony Damer was appointed as a Trustee, and as Hon. Treasurer, on 8 July 2021, having been a director of BPTL since 2015, and, from December 2019, chair of BPTL and Acting Treasurer of BPF.

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.

During 2021 (and into 2022) the committee members were:

Gaby Wood (Chair)	- Literary Director of the Foundation (from April 2021, Director of the Foundation)
Nic Bottomley	- 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 retired Sept 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 (retired December 2021)	- Chief Fiction Reviewer, The Sunday Times
Sharmaine Lovegrove	- Publisher, Dialogue Books (Hachette UK)
Emma Paterson	- Agent, Aitken Alexander Associates
Fiammetta Rocco	- Culture Correspondent, The Economist & 1843, International Booker Prize Administrator

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Evelyn Smith
Boyd Tonkin
Helen Williams

- Secretary, Booker Prize Foundation
- Writer & critic
- 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 BPTL (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 BPTL plus reimbursement of expenses.

Gaby Wood continued as Literary Director of the Foundation until 31 March 2021, receiving an annual fee plus reimbursement of expenses. With effect from April 2021, she became 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 BPTL and is CEO of Four Culture. In 2021 Four Communications received total fees of £327,600 including irrecoverable VAT (2020:£343,200) 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 BPTL and, since 8 July 2021, a Trustee and treasurer of the Foundation. In 2021 Ian Murray & Co received a fee of £12,000 VAT (2020:£12,000) for accountancy services.

The other directors of BPTL 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:

- Gaby Wood, who in 2021 became an employee with the position of Director of the Foundation (CEO equivalent).
- other Foundation personnel with responsibility equivalent to a senior management team are also identified above - Evelyn Smith, Dotti Irving, Fiammetta Rocco.

Payment of fees to consultants and Four Culture are negotiated individually based on the actual services provided, taking account of their expertise, and reviewed on an annual basis. Ian Murray & Co's fee is in the nature of an honorarium.

No other benefits were paid in 2021.

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.

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 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 2021, the Foundation undertook a number of activities (including implementation of a new digital strategy) 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").

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Funding

Since June 2019 the Crankstart Foundation ("Crankstart") has been the exclusive funder of the prizes and the activities of the Foundation and its subsidiary by way of philanthropic grant. 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. During 2021, this was extended for an additional year (to 2024) by Crankstart.

In June 2021 Crankstart awarded the Foundation separate, restricted grant funding for a period of 3 years to enable the Foundation to initiate and implement its digital strategy. This funding is £1.152million 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 2021

The winner of the 2021 IBP announced on 2 June 2021 was "*At Night All Blood is Black*" by David Diop, translated by Anna Moschovakis. Raised in Senegal, Diop was the first French author to win the prize.

The 2021 Prize cycle was affected by the ongoing Covid 19 pandemic, with the judges meeting online via zoom throughout. However, there was an innovative aspect to the winner announcement by the chair of the judges, Lucy Hughes-Hallett in a virtual celebration from Coventry Cathedral, which was livestreamed across The Booker Prizes Facebook and YouTube pages. Coventry was the 2021 UK City of Culture.

The winning book was met with both public and critical acclaim, with its publisher, Pushkin Press, ordering a five-figure reprint the day after the winner announcement. The week following the winner announcement, sales of *At Night All Blood Is Black* saw a nearly fivefold increase in sales on the week before. President Barack Obama, a keen follower of both Booker prizes, listed *At Night All Blood Is Black* at the top of his 2021 summer reading list.

The Booker Prize 2021

The winner of the 2021 BP announced on 3 November 2021 was "*The Promise*" by South African author Damon Galgut..

The BP prize cycle also took place under the constraints of the Covid 19 pandemic, but the judges were able to hold their final meeting, to decide the winner, in person. The winner announcement was the culmination of a 45-minute ceremony held in partnership with the BBC at its Radio Theatre in Broadcasting House in London. It was broadcast live on BBC Radio 4's Front Row, BBC iPlayer, the BBC News Channel and BBC Arts Digital to a global audience of millions.

In the two weeks after it won the 2021 BP, *The Promise* sold nearly 20 times more copies in the UK than it had in the previous two weeks. According to *The Bookseller*, in the 12 weeks after his win, Galgut sold more copies of his books than he had in the previous 17 years since first being published in the UK. Rights to *The Promise* have now been sold in 35 territories.

Digital initiative

From March 2021, the Foundation developed its digital strategy (retaining the consultancy services of online media expert Jen Topping) and from June 2021 (see "Funding" above) the Foundation embarked on the implementation of its strategy following receipt of grant funding for this purpose from Crankstart Foundation. The strategy involves the enhancement of the Foundation's online presence by providing high-quality original content (text, audio, video) focussed on the books which have been recognised by the Booker prizes since 1969. At the centre of this online presence is its new website (www.thebookerprizes.com) launched in September 2021 and increased activity across, and expansion of, its social media channels.

The take-up and reach of, as well as the response to, this online activity will be closely tracked so that its impact can be evaluated and will be reported on in future years.

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Other activity

The constraints which remained owing to the pandemic, and the uncertainties which prevailed as society began to emerge from it continued to constrain the Foundation's established wider activities impossible, but again significant work could continue.

- **Libraries**
Again 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 2020/21 the Foundation co-funded with the University of East Anglia (UEA) its twelfth one year post graduate scholarship at the UEA's School of Literature and Creative Writing. The scholar was Esther Opeoluwa (Ope) Adedeji from Nigeria. Despite all the ongoing challenges for university teaching, Esther completed her MA. The scholarship has now been awarded for a thirteenth time in the academic year 2021/22. As reported in previous years, former scholars have gone on to publish novels and short stories to significant critical acclaim. "*Mercia's Take*", the first novel of 2019/20 scholar, Daniel Wiles, was published in UK to wide acclaim in February 2022.
- **Reading in prisons (*Books Unlocked*)**
Of ongoing and 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. It operates across 90 prisons and Young Offender Institutions. 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 2021, the librarians were eager to continue this activity. Despite prison readings groups ceasing to function as normal for the duration of 2020 into 2021, many librarians were able to run remote reading groups in recent months, offering prison residents a vital source of stimulation and connection.
- **Booker Squad**
As reported last year, the Foundation worked 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 was on disadvantaged young people whose education and wellbeing has suffered most throughout the pandemic. This involved testing a new model for promoting reading through a trained peer network working in out-of-school community settings. Known as "Booker Squad" the £50,000 funding for the initiative provided by the Foundation was released in 2021, The Booker Squad model subsequently fed into a new strand of the NLT's Youth Literacy Champions, developed as part of NLT's work with Arts Council, and helping NLT to an award of funding of some £1.6 million.
- **RNIB**
The Foundation continued to provide funding to the RNIB to ensure novels shortlisted for the BP are available in braille and talking books 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 the production of the winner of IBP, *At Night All Blood is Black*, in both formats.
- **English PEN International Translation Day**
The Foundation gave a donation of £2,500 to support this leading UK conference, held online and attended by translators and focussing on all aspects of translation.
- **Edinburgh International Book Festival**
The Festival took place in August 2021 in a hybrid 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 2021 winning author and translator.

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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 2021.

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 has been a priority; and 2021 saw the development and initial implementation of a new strategy aimed at ensuring that BPF, and most of all the books associated with the Booker prizes, are celebrated across the widest networks
Dependency on key personnel /professional service providers	Responsibilities of the Director and key consultants are set out in contracts with collegiate executive working enabling 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 (post year end note, this review is underway in 2022)
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 2019 core 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

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Key Risks	Management
	to one year funding at current level) The additional funding for online digital development from the same source, Crankstart, underlines this dependency on a single source, but the new digital strategy contemplates partnerships with other third parties.
Scale and ambition of digital initiative, including expansion of payroll and anticipated transformation of the scale of the Foundation's operations	Recognition of the need for organisational development and growth needed to underpin the digital initiative. Ongoing engagement of the executive and board to seek to ensure, the challenges and scale of organisational development/underpinning keeps up with the pace of online/digital activity.
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 choose of judges and their profile d) current close liaison with judges by Literary Director/ International Administrator is key
Ongoing risks associated with Covid 19 pandemic	Trustees aware of the need for particular attention to the Going Concern status of BPF & BPTL for at least 12 months from the date of the approval of the financial statements. Trustees satisfied both BPF & BPTL will be able to continue in operational existence for the foreseeable future.: <ul style="list-style-type: none"> - 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 in 2021 extended to a 6 year period expiring in 2024 (as well as additional restricted grant funding starting in 2021 of £1.152 million for 3 years - to 2024 – for digital initiative. - at the balance sheet date BPF had free reserves of £2,964,966 (2020 :£2,107,760); - BPF and BPTL have demonstrated the capacity to activities in response to the constraints of the pandemic - there are no onerous contractual or other financial commitment; in 2021 neither the BPF nor BPTL had any premises-related commitments, and the appointment of BPF's first employee in April 2021 has not affected the BPF'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 2021 was £2,652,629 comprising Crankstart core funding of £1,500,000, the new Crankstart funding of £1,152,000 restricted to expenditure on the digital development programme and bank interest of £629. In the previous year the total income of £1,502,410 comprised the Crankstart core funding of £1,500,000 and bank interest of £2,410.

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Expenditure

The prize purse (including awards for shortlisted books) for BP was £65,000 (2020:£65,000) and £62,000 (2020:£63,000) for IBP.

Judges' fees and expenses for BP were £76,816 (2020:£62,579) and £93,909 (2020:£56,425) for IBP.

In 2021 the Foundation made charitable donations totalling £157,755 (2020:£153,037) as detailed in note 7 to the Financial Statements.

Total expenditure out of the restricted funding for the digital development programme was £267,597 (2020:£NIL)

Support and other direct costs for 2021 were £1,074,326 (2020:£1,076,879), bringing total expenditure for the year to £1,795,423 (2020:£1,476,920). This resulted in an overall surplus of income over expenditure for the year of £857,205 (2020 surplus:£25,490). This total comprised a surplus on the restricted fund of £884,403 and a deficit of £27,198 out of unrestricted funds.

Year-end position

At 31st December 2021 the Foundation's total reserves were £2,964,965 (2020:£2,107,760). Of this total £2,080,562 (2020:£2,107,760) relates to unrestricted funds and £884,403 (2020:£NIL) relates to the restricted digital development fund.

Funds held at that date in cash and interest bearing deposits totalled £3,003,495 (2020:£2,168,250).

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 2021 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.
- (5) Developing a strategy composed of three 'pillars': first and central, to preserve the integrity and renown of the Booker Prizes as described in (1)- (3) above; second, in carrying out its year-round digital programme, to produce editorial content that will bring readers together and enhance their experience of contemporary literature; third, to support readers and writers of the future.

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

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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 focused 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, the prisons project *Books Unlocked*, and the engagement of young readers through *Booker Squad* 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.

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.

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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



Anthony Damer ACA

Date: 27th September 2022

**Booker Prize Foundation
Report of Independent Auditors
Year ended 31 December 2021**

Independent Auditor's Report to the Members and Trustees of Booker Prize Foundation For Year ended 31 December 2021

Opinion

We have audited the financial statements of Booker Prize Foundation for the year ended 31 December 2021 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 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of 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.

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Report of Independent Auditors
Year ended 31 December 2021**

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.

**Booker Prize Foundation
Report of Independent Auditors
Year ended 31 December 2021**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

29th September 2022

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

9 Appold Street
London EC2A 2AP

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 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income					
Income from Donations & Legacies	3	1,500,000	1,152,000	2,652,000	1,500,000
Income from Trading Activities	3	-	-	-	-
Income from investments	4	629	-	629	2,410
Total income		<u>1,500,629</u>	<u>1,152,000</u>	<u>2,652,629</u>	<u>1,502,410</u>
Expenditure					
Expenditure on Charitable Activities:					
Booker Prize	5	568,255	-	568,255	754,774
International Booker Prize	5	451,809	-	451,809	496,813
Other charitable activities	5	507,763	267,597	775,360	225,333
Total expenditure		<u>1,527,827</u>	<u>267,597</u>	<u>1,795,424</u>	<u>1,476,920</u>
Net income / (expenditure) for the year		(27,198)	884,403	867,205	25,490
Fund balance brought forward at 1st January		<u>2,107,760</u>	-	<u>2,107,760</u>	<u>2,082,270</u>
Fund balance carried forward at 31 December		<u>2,080,562</u>	<u>884,403</u>	<u>2,964,965</u>	<u>2,107,760</u>

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

The accompanying notes form part of these financial statements.

**Booker Prize Foundation
Balance Sheets as at 31st December 2021**

	Note	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Investments	9	-	-	1	1
Current Assets					
Debtors	10	17,711	530	1,783,104	325,303
Cash at bank and in hand		3,003,484	2,188,260	1,214,853	1,820,056
		<u>3,021,205</u>	<u>2,188,790</u>	<u>2,997,957</u>	<u>2,145,359</u>
Creditors: amounts falling due one year	11	(58,240)	(61,020)	(37,993)	(42,600)
Net Current Assets		<u>2,964,965</u>	<u>2,107,760</u>	<u>2,959,964</u>	<u>2,102,759</u>
Total Net Assets		<u>2,964,965</u>	<u>2,107,760</u>	<u>2,959,965</u>	<u>2,102,760</u>
Funds					
Restricted Funds	13	884,403	-	-	-
Unrestricted funds	13	2,080,562	2,107,760	2,959,965	2,102,760
Total Funds		<u>2,964,965</u>	<u>2,107,760</u>	<u>2,959,965</u>	<u>2,102,760</u>

The surplus for the financial year dealt with in the financial statements of the parent charity was £857,205 (2020: £25,490)

The financial statements were approved by the Trustees, and authorised for distribution, on 27th September 2022 and were signed on their behalf by:



The Rt Hon Lord David Willetts
Trustee

The accompanying notes form part of these financial statements.

Company number: 04213487

**Booker Prize Foundation
Consolidated Cashflow Statement
For the year ended 31st December 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	14	834,615	75,592
Net cash provided by operating activities		834,615	75,592
Cash flows from investing activities			
Interest received	4	629	2,410
Net cash provided by investing activities		629	2,410
Change in cash and cash equivalents during the year		835,244	78,002
Cash and cash equivalents at beginning of year		2,168,250	2,090,248
Cash and cash equivalents at end of year		3,003,494	2,168,250
Analysis of cash and cash equivalents			
		2021 £	2020 £
Cash at bank and in hand		703,494	1,568,250
Deposits		2,300,000	600,000
Total cash and cash equivalents		3,003,494	2,168,250
Analysis of changes in net debt			
	01-Jan-21 £	Cash Flows £	31-Dec-21 £
Cash	2,168,250	835,244	3,003,494
Loans falling due within one year	-	-	-
Loans falling due after more than one year	-	-	-
Total	2,168,250	835,244	3,003,494

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2021

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 £857,205 (2020: £25,490).

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

Unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objects of the charity.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The aim and use of each restricted fund is outlined within note 13.

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 2021

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 2021

3 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:

	2021 £	2020 £
Donation Income	2,652,000	1,500,000
Turnover	2,652,000	1,500,000
Direct costs	(652,536)	(788,847)
Gross profit	1,999,464	711,153
Administration costs	(103,101)	(155,433)
Interest received	29	251
Interest payable	-	-
Profit on ordinary activities for the year	1,896,392	555,971
Shareholders' fund brought forward	5,001	5,001
Profit for the financial year	1,896,392	555,971
Charitable distribution to parent undertaking	(1,896,392)	(555,971)
Shareholders' fund carried forward	5,001	5,001
The assets, liabilities and funds of the subsidiary were:		
Assets	1,788,642	348,194
Liabilities	(1,783,641)	(343,193)
Capital and reserves	5,001	5,001

4 Interest receivable and similar income

	2021 £	2020 £
Interest on bank deposits	629	2,410

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2021

5 Analysis of Expenditure

	Literary awards	Donations and Grants (Note 7)	Other Direct Costs	Support costs (5a)	2021	2020
					Total	Total
	£	£	£	£	£	£
Expenditure on charitable activities						
Booker prize	285,355	-	195,600	107,300	588,255	754,774
International Booker Prize	238,096	-	126,400	85,313	451,809	496,813
Other charitable activities	-	167,756	471,197	146,408	775,361	225,333
Total Expenditure on charitable activities	523,451	167,756	793,197	339,021	1,703,424	1,476,920
Total Expenditure 2021	523,451	167,756	793,197	339,021	1,703,424	1,476,920
Total Expenditure 2020	697,237	163,037	365,229	371,417	1,476,920	

Of the total expenditure reported above, amounts totalling £267,597 (2020: £Nil) were attributable to restricted funds and £1,527,827 (2020: £1,476,920) were attributable to unrestricted funds

Analysis of Expenditure 2020

	Literary awards	Donations and Grants (Note 7)	Other Direct Costs	Support costs (5a)	2020
					Total
	£	£	£	£	£
Expenditure on charitable activities					
Booker prize	360,963	-	204,000	189,811	754,774
International Booker Prize / Man Booker International Prize	236,274	-	135,600	124,939	496,813
Other charitable activities	-	153,037	15,629	56,667	225,333
Total Expenditure on charitable activities	697,237	163,037	365,229	371,417	1,476,920
Total Expenditure 2020	697,237	163,037	365,229	371,417	1,476,920

All expenditure reported above were attributable to unrestricted funds

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2021

5a Support Costs	2021	2020
	£	£
Staff costs (note 6)	81,426	-
Other Key Management Personnel	122,603	212,713
Administration expenses	64,192	72,002
Information technology	29,696	25,915
Marketing costs	-	3,013
Insurance	5,727	11,989
Bank charges	1,594	1,216
Governance Costs (5b)	33,783	44,569
	<u>339,021</u>	<u>371,417</u>
 5b Governance costs		
Trustees Expenses (note 6)	125	463
Audit fees (5c)	18,042	12,850
Accountancy fees	12,000	12,000
Legal & professional fees	3,278	3,956
Governance consultancy	338	15,300
	<u>33,783</u>	<u>44,569</u>
 5c Auditors' remuneration		
Audit fees - Current year	13,205	13,920
- Non-audit services	990	930
Audit fees - prior year (over) / under accrual	3,661	(2,000)
- Non-audit services	186	-
	<u>18,042</u>	<u>12,850</u>

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2021

6 Staff costs	2021	2020
	£	£
Wages and salaries	75,000	-
Social security costs	5,435	-
Pension contributions	991	-
	81,426	-

Staff Costs have been allocated to charitable activities as follows:

	2021	2020
	£	£
Charitable activities	-	-
Support costs	81,426	-
	81,426	-

Higher paid staff

The number of higher paid employees who's emoluments exceeded £60,000 were:

	2021	2020
£70,000 - £79,999	1	-

The pension contributions payable in respect of this individual amounted to £991 (2020: £Nil)

Staff numbers

	2021	2020
The average number of employees during the year was:	1	-

Key management personnel include the Trustees, Company Secretary, the Literary Director and the International Booker Prize Administrator. Amounts remunerated to key management personnel amounted to £204,029 (2020: £212,713).

No remuneration was paid to any trustee for services as a trustee, this year or last. One trustee (2020: three) was reimbursed for travel and subsistence expenses incurred during the year totalling £125 (2020: £463).

7 Donations	2021	2020
	£	£
Designer bookbinders	12,375	11,087
English PEN	2,000	5,000
International PEN	2,500	-
Libraries Project	16,380	37,200
National Literacy Trust	50,000	50,000
National Literacy Trust - Booker Squad Project	50,000	-
Royal National Institute of Blind People	7,000	23,500
University of East Anglia (Scholarship)	12,500	18,750
Edinburgh Book Festival	5,000	5,000
Other Charitable / festivals	-	2,500
	157,755	153,037

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2021

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 3) and is shown at cost.

10 Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Amount due from subsidiary undertaking	-	-	1,785,383	324,773
Prepayments	17,181	-	17,181	-
Other debtors	530	530	530	530
	<u>17,711</u>	<u>530</u>	<u>1,783,104</u>	<u>325,303</u>

11 Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	3,030	6,250	3,930	6,250
Accruals	52,310	54,770	34,083	36,350
	<u>56,240</u>	<u>61,020</u>	<u>37,983</u>	<u>42,600</u>

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2021

12 Related parties

Doti Irving, a director of Booker Prize Trading Limited, is also Chief Executive of Four Culture, a division of Four Communications Group Ltd. In 2021 Four Communications received PR and consultancy fees from the Foundation and its subsidiary totalling £327,600 (2020: £343,200). Of this total, £195,600 related to the Booker Prize (2020: £204,000), £128,400 to the International Booker Prize (2020: £135,500) and £3,600 to other consultancy and social media work (2020: £3,600). In addition, £314,017 was paid to Four Communications in reimbursement of third party costs incurred (2020: £449,689).

The aggregate of balances in respect of recharges to and from Four Communications at the year end amounted to £Nil (2020: £Nil) being owed by Four Communications and £Nil (2020: £7,238) being owed to Four Communications. These are reflected in the Balance Sheets of the Consolidated Accounts.

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 (2020: £12,000).

One trustee (2020: three) was reimbursed for travel and subsistence expenses incurred during the year totalling £124.50 (2020: £463) .

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.

13 Reconciliation of movement in funds

Group Funds

	Balance b/f	Income	Expenditure	Transfers	Balance c/f
	£	£	£	£	£
Restricted Funds					
Booker 365 Project fund	-	1,152,000	(267,597)	-	884,403
Total Restricted Funds	-	1,152,000	(267,597)	-	884,403
Unrestricted Funds					
Charitable funds	2,102,760	1,500,629	(1,527,827)	-	2,075,562
Trading funds	5,000	-	-	-	5,000
Total Unrestricted Funds	2,107,760	1,500,629	(1,527,827)	-	2,080,562
Total Funds	2,107,760	2,652,629	(1,795,424)	-	2,964,965

Charity Funds

	Balance b/f	Income	Expenditure	Transfers	Balance c/f
	£	£	£	£	£
Unrestricted Funds					
Charitable funds	2,102,760	1,965,994	(1,108,789)	-	2,959,965
Total Unrestricted Funds	2,102,760	1,965,994	(1,108,789)	-	2,959,965
Total Funds	2,102,760	1,965,994	(1,108,789)	-	2,959,965

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2021

13 Reconciliation of movement in funds (continued)

COMPARATIVE INFORMATION: Reconciliation of movement in funds for Year ended 31 December 2020

Group	Balance b/f £	Income £	Expenditure £	Transfers £	Balance c/f £
Unrestricted Funds					
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
Total Funds	2,082,270	1,502,410	(1,476,920)	-	2,107,760
Charity					
Unrestricted Funds					
Charitable funds	2,077,270	619,129	(593,639)	-	2,102,760
Total Unrestricted Funds	2,077,270	619,129	(593,639)	-	2,102,760
Total Funds	2,077,270	619,129	(593,639)	-	2,102,760

Restricted Funds

Booker 365 Funds - The income of the Booker 365 funds derives entirely from an annual charitable grant from Crankstart Foundation. The application of these monies (currently £1,152,000pa) is restricted to the development of the scale, impact and reach of the digital presence of the Booker Prizes through the creation of digital content disseminated through the Foundation's website and a wide range of media channels and platforms. The primary horizon for spending the funds is by the end of the grant period in mid 2024.

Unrestricted Funds

Charitable funds - All incoming charitable funds and grants which do not carry any restrictions as to their application are held on charitable funds.

Trading funds - Until 2019, when its long standing commercial sponsorship agreement with the Man Group ended, the greater part of the Foundation's income derived from trading profits donated in their entirety each year to the Foundation by its trading subsidiary, Booker Prize Trading Limited, as a charitable donation. There has been no trading activity since 2019 and there has therefore been no movement in either income or expenditure on the trading fund, leaving a vestigial balance of £5,000.

14 Reconciliation of net Income / (expenditure) to net cash provided by operating activities

	2021 £	2020 £
Net income for the year	857,205	25,490
Adjustments for:		
Interest received	(629)	(2,410)
(Increase) / Decrease in debtors	(17,181)	36,000
(Decrease) / Increase in creditors	(4,780)	16,512
Net cash provided by / (used in) operating activities	834,815	75,602

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2021

15 Comparative information: Consolidated Statement of Financial Activities Year Ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Unrestricted Funds 2019 £
Income			
Income from Trading Activities	3	-	687,000
Income from Donations & Legacies	3	1,500,000	1,500,000
Income from Investments	4	2,410	7,001
Total income		<u>1,502,410</u>	<u>2,194,001</u>
Expenditure			
Expenditure on Generating funds	6	-	415,566
Expenditure on Charitable Activities:			
The Booker Prize	8	754,774	551,985
The Booker Prize International	5	496,813	445,957
Expenditure on Other charitable Activities	5	225,333	215,780
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><u>2,107,760</u></u>	<u><u>2,082,270</u></u>

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