

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 2022

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2022**

The trustees present their report and the financial statements for the year ended 31st December 2022. 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 (Chair)- Anthony Damer ACA (treasurer)- Nicholas Barley- Carol Lake OBE- Bidisha SK Mamata (retired 2 March 2022)- Sir Ben Okri OBE- Mary Teresa Rainey OBE- Professor Dame Louise Richardson- Katherine Nicole Sheard- The Rt Hon Lord David Willetts
Company Secretary	Anthony Damer
Registered Office	Somerset House Strand London WC2R 1LA
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

Structure, Governance and Management

Booker Prize Foundation ("the Foundation") is a private company incorporated under the Companies Act 1985 and is limited by guarantee. It was registered as a company on 10 May 2001 and as a charity on 11 January 2002. The conduct of the company is governed by its articles and memorandum of association. Since 2002 the Foundation has been responsible for awarding the annual Booker Prize, first awarded in 1969 and known between 2002 and 2018 as the Man Booker Prize for Fiction ('BP'). In 2005 the Foundation inaugurated the Man Booker International Prize, 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.

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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 continuing until December 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 and continuing 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.

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 2022 the committee members were:

Gaby Wood (Chair)	- Director of the Foundation (from March 2023, Chief Executive of the Foundation)
Nic Bottomley	- Bookseller (co-founder Mr B's Emporium of Reading Delights)
Jamie Byng	- Publisher, Canongate Books
James Daunt	- Bookseller (Managing Director Waterstones)
Jonathan Douglas	- CEO, National Literacy Trust
Adam Freudenheim	- Publisher, Pushkin Press
Daniel Hahn	- Writer & translator
Sharmaine Lovegrove	- Publisher, Dialogue Books (Hachette UK)
Emma Paterson	- Agent, Aitken Alexander Associates
Fiammetta Rocco	- Culture Correspondent, The Economist & 1843, International Booker Prize Administrator
Evelyn Smith	- Secretary, Booker Prize Foundation
Boyd Tonkin	- Writer & critic
Helen Williams	- Senior Counsel, Booker Group

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Administration

In response to the continuing development of the Foundation's digital strategy 2022 saw some important changes to the staffing and organisation of the Foundation's administration. Under the direction of Gaby Wood as Director (and since March 2023 Chief Executive Officer) the management team was expanded to include two new salaried posts. Paul Davies was appointed Head of Editorial in June 2022 to oversee the creation of digital content for the Booker Prizes website and social media channels. In August 2022 Hannah Davies joined as the Foundation's first Director of Prize Management.

Towards the end of 2022 the Foundation's long association with Four Culture, who had provided public relations, events management and administrative support services, came to an end following the decision to bring the management of the prizes in-house. After an open tender process, the delivery of the prize award ceremonies, public relations services and promotion of the prizes – all formerly part of Four Culture's remit - passed to cultural communications specialists Premier.

With the departure of Four Communications the formal association with Four's CEO, Dotti Irving, also came to an end. Dotti stood down as a director of BPTL in December 2022. During the year Four Communications received total fees of £278,400 plus recharged expenses.

In addition to her duties at the head of the management team Gaby Wood's role continued to include leadership and liaison on the selection of judges and administration of the judging process. Since April 2021 Gaby has been a full-time employee of the Foundation.

Throughout the year Fiammetta Rocco continued to serve as Administrator of the International Booker Prize. She received an annual fee plus reimbursement of expenses.

Evelyn Smith served as Company Secretary of both the Foundation and BPTL until her retirement on 31.12.22. Her role covered a broad range of governance and administrative responsibilities, including the maintenance of registers, books and records and the provision of company secretarial services for the board of trustees and the Advisory Committee. She received an annual fee and reimbursement of expenses.

Anthony Damer ACA (in practice as a principal of Ian Murray & Co. Chartered Accountants) acted as a director of BPTL throughout the year. His firm received a fee of £15,500 from BPTL for the provision of management accounting services. He served throughout the year as a trustee and Treasurer of the Foundation. Ian Murray & Co.'s engagement ceased with effect from 30.11.22.

In March 2023 the management accounting function formerly discharged by Ian Murray & Co. along with most of the services formerly provided by Evelyn Smith were assumed by Sarah Rogers ACA, the Foundation's newly appointed Director of Finance and Operations.

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 work of long-form fiction originally written in English, published in the UK or Ireland in its prize year, irrespective of the nationality or citizenship of its author.
- The International Booker Prize recognises the best novel or short story collection of the year, translated into English and published in the UK or Ireland in its prize year.

Throughout 2022, the Foundation undertook a number of activities (including the ongoing work on the digital project, 'Booker 365') 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

In 2022 the Booker Prize Foundation underwent more organisational and strategic change than at any time since its inception twenty years ago.

An editorial team was hired to put into effect the digital content strategy set in motion with the redesign of the website in 2021. The contract for PR and events, held by various iterations of the same agency for 30 years, went out to tender and a new agency was appointed. In the process all administrative functions, the management of the Booker Prizes and the orchestration of special projects were brought in-house – a shift that necessitated the creation of new roles and recruitment.

As these changes were taking place two key people in the life of the Booker Prizes graciously stepped aside to make way for the new era. Dotti Irving, CEO of Four Culture, had been instrumental in making the prizes what they are today, and in the birth of the Foundation itself; in the summer she left Four – and by extension the Booker – after 30 years of working with the prize. At the end of 2022, after 18 years with the prize, the Booker Prize Foundation’s Company Secretary Eve Smith retired, having helped to design a new role – Director of Finance and Operations – to which Sarah Rogers was appointed in the final week of December.

These changes – described with more specificity in the Administration paragraph above – support a three-pillared strategy presented to the Board in July. The three pillars are:

- The prizes, whose integrity and ambition must be maintained
- Editorial content, to speak both to the Booker’s current audience and to attract new audiences.
- Investing in readers and writers of the future – in part because we cannot assume there will be readers for Booker Prize books in future unless we contribute to their existence.

This logic brings together the prizes, the digital strategy and the Foundation’s outreach and education work so that the latter two elements are not simply an addition to the first but an organic part of the mission as a whole.

The attempt to rebuild the organisation to support the above aims has required consideration and care. The Booker Prize Foundation is striking out in new directions and is acutely aware that it needs to do so without damaging what has made the Booker so respected. The response to our editorial content, from our core audience as well as from an ever-expanding one, has been resoundingly positive.

In 2023 we expect to play a greater part in the everyday lives of readers worldwide. We anticipate an even more significant global impact for both prizes, and we aim to show that all of the Foundation’s work is focused on spreading and supporting a love of reading – for the public benefit both now and in the future.

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.

The Booker Prize retains its status as one of the world’s leading literary prizes and IBP continues to garner worldwide acclaim. Indicators on which the trustees rely to determine the prizes’ success 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, some curricula and teaching are structured around novels connected to the prize.

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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.

Diversity, Equity and Inclusion

In February Lola Young and Gregg Birch delivered a report which had been commissioned by the Booker Prize Foundation in 2021. Entitled *Whose Prize Is It?*, the report investigated the engagement of professionals of African, Asian and Caribbean heritage with the Booker Prize. The work was done with input from members of the board and the advisory committee, which includes a representative from Booker Group Ltd.

A number of revealing matters arose – including much that was not specific to an audience of colour, such as confusion over the distinction between the two prizes, and a sense that the judging process was not sufficiently transparent. The *perception* of the Booker Prize was largely that it bolstered the reputations of the elite. (But market research conducted in 2023 has shown that this is far from a universal view.) Many respondents believed, incorrectly, that Lola Young (who had chaired the judging panel in 2017) was the only Black judge in the prize's history. Several respondents mentioned that Bernardine Evaristo, the first Black woman to win the prize, had shared it with Margaret Atwood, a white woman, in 2019. And many respondents were familiar with the Booker Brothers and their 19th century history of enslavement and indentureship (this topic was not raised by the interviewers, but a number of interviewees brought it up).

As a result, we had a series of discussions with individual trustees and devised a DEI checklist to help us in our hiring practices as well as in our thinking about future judging panels. We made videos and published pieces about the judging process, and shone a light on each of our judges. (Five out of the past seven Chairs of the Booker Prize judges have in fact been people of colour. In two recent years people of colour made up a majority of the panel.) We asked a historian of Guyanese descent to retell the history of Booker, and we invited several people to host tables of their own guests at the Booker Prize dinner, so that a wider range of guests could attend. (Two of the hosts advised that we do away with our traditional black tie dress code, on the grounds that not everyone could afford to hire a dinner jacket. This was done.)

Lola and Gregg went on to conduct a literature review of other organisation's DEI policies, in order help us formulate our own. This work continues.

Environment, sustainability and governance

Efforts are taken to reduce the impact on the environment from the running of the prizes, specifically by limiting international travel involved in the judging process where possible. Care is taken to use materials from sustainable and/or recycled sources in the first instance, both for promotional materials and office equipment.

International Booker Prize 2022

The judging panel, ably led by Frank Wynne, the first translator to chair the International Booker, awarded the prize to *'Tomb of Sand'* by Geetanjali Shree, translated by Daisy Rockwell. The book was the first novel in Hindi to win the prize, and the first translated from a South Asian language to be nominated. It was published by Tilted Axis, a press founded by Deborah Smith with the money she received for winning the International Booker Prize in 2016 (she translated Han Kang's *The Vegetarian*). Tilted Axis's mission is to shine a light on Asian literature; in 2022, the first year they were in contention for the prize at all, they had two books on the longlist. This circularity was gratifying.

At the time of the winner announcement *Tomb of Sand* had not been reviewed by a single news outlet in the UK. As soon as it won the International Booker it was reviewed in many places, and was instantly snapped up by an American publisher. The news covered billboards in India, and Tilted Axis sold 30,000 copies in the UK.

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The Booker Prize 2022

The chair of the Booker Prize judges was Neil MacGregor, a unifying figure as well as an inspiring intellectual one. His immense stature enhanced the Prize's credibility led the *Telegraph* to declare, in its distinctive tone, on its front page: 'The Booker Prize regains its sanity' while Sana Goyal of *Wasfiri* magazine commented: 'This is possibly the most exciting and forward-looking Booker Prize longlist I've seen in years'. As a result of Neil's particular qualities we could afford to have some unexpected judging combinations, including a writer mostly known for science fiction and a novelist who writes in French. It was a worldly and witty group.

They chose as their winner *The Seven Moons of Maali Almeida* by Shehan Karunatilaka, who flew over from Sri Lanka for the ceremony and gave parts of his acceptance speech in Sinhalese and Tamil, live on the BBC.

Audiences

During the shortlist period we had aimed to reach new audiences in a number of ways.

We worked with Mermade, Sharon Horgan's production company, and the director Kevin Thomas, to produce filmed readings of extracts from the shortlisted books. These were beautifully produced, and received 1.2 million views across our social platforms, the majority of those on TikTok. This was a sure sign not only of audience growth for us but of productive engagement: almost every comment was about how keen the person was to read, or re-read, the book in question. (The films have since been nominated for a Drum Award for marketing, and are competing against campaigns by much wealthier organisations, such as Sky and the Royal Opera House.)

We also worked with The Reading Agency to amplify our impact with book clubs. We did this primarily by launching a competition, the Booker Prize Book Club Challenge. Book clubs across the UK applied to be among the six who would receive an all-expenses-paid trip to the shortlist party at the Serpentine Gallery, at which the list would be announced and they would each be assigned one of the books by the judges. They would then read the book and comment, and whoever produced the most interesting online content would come to the winner ceremony. The six book clubs chosen were a delight throughout, and generated not only thought-provoking commentary but much local coverage, giving readers a range of voices, beyond our own, to inform and entertain them.

The BBC

We came to a new arrangement with the BBC whereby the Booker Prize ceremony was a live special edition of Front Row on Radio 4 at 21.15 to fit in with the timing of the ceremony itself. (We did not want five of the six shortlistees to know they had not won before they even sat down to dinner.) Front Row also featured each of the writers in programmes before the award. We worked closely with BBC News: the first interview with the winner featured on BBC 1's News at Ten.

The winner ceremony

The ceremony took place at the Roundhouse in London, more traditionally a music venue, and a young resident artist at the Roundhouse performed. The multiple Grammy and Brit-winning pop star Dua Lipa gave the keynote speech. We approached her because she had launched, at the start of 2022, a podcast and content platform called Service 95, on which she had interviewed Booker authors and recommended a number of Booker books, new and old. We heard whispers that she was planning to launch a book club (which she has now done) and thought that appearing at the Booker Prize ceremony might be a helpful step towards marking that territory. It was a productive union. In person she was eloquent and poised in speaking about her love of reading fiction (she named the Albanian writer Ismail Kadare, who had won the International Prize in 2005, as a personal favourite), and brought an audience to the Booker online who may not have thought these books were for them.

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The Queen also attended the ceremony, as she had in the past, as Patron of the National Literacy Trust, with whom we work closely on the Books Unlocked programme. The Queen's Reading Room, her own book club, devoted an extensive and elegant spread of content to the Booker shortlist. Photos of Dua Lipa with the then Queen Consort soon spread across the world, and this combination of audiences, in addition to Neil MacGregor's thoughtful words about the winner, brought the Booker into more orbits than had traditionally been the case. The fact that we were aiming for more openness was itself widely reported.

We also reinstated the original Booker Prize trophy, in honour of its designer Jan Pienkowski, who had died earlier that year. Adam Lowe, of Factum Arte, made a 3D scan of the original and cast a new trophy in bronze in a more manageable size. This pleasing footnote to Booker history was written up in *The Times*.

Digital

In 2022, the Booker Prize Foundation continued to implement the digital strategy that was agreed by the board in June 2021. This included the building of an editorial team starting with the recruitment of a Head of Editorial (Paul Davies, previously in a senior role at the Telegraph) and the investment in original content around the two prize seasons as well as the archive of 600+ books previously nominated for the Booker and International Booker Prizes. 2022 was the Foundation's most successful year on social media with video views up 288% on 2021; 33% growth of subscribers and followers to our social channels and newsletter to a total of 398,000; and website page views up 8% on the previous year. A range of new content formats and partnerships were established including working with Mermade (Sharon Horgan's production company) to create actor readings videos for the Booker Prize; and agreements with the BBC and Channel 4/ITV/BFI to be able to publish on You Tube the archive of Booker Prize ceremonies that had been broadcast back to the early 1980s.

Other activity

Books Unlocked

Since 2012, Books Unlocked, co-created by the National Literacy Trust and the Booker Prize Foundation, has supported people in prisons and young offender institutions to read for enjoyment, to read more often, and to engage with literature. It continues to be a lifeline for many people in custody. A sense of achievement, a feeling of being kept company, an appetite for further thought and an expanded capacity for empathy are all commonly reported by people who engage with this programme, some of whom have told us personally that they had never read a book before coming to prison.

The programme is still made possible thanks to exclusive funding from the Booker Prize Foundation. It builds on the Foundation's history of celebrating the best in contemporary literature by increasing disadvantaged communities' access to high-quality writing. It supports prisons across the country by:

- Donating copies of shortlisted and longlisted Booker Prize titles to reading groups
- Serialising audio books via the Books Unlocked show on National Prison Radio
- Arranging inspirational author visits to prison reading groups

One of the most influential and valued reading initiatives available to prisons, Books Unlocked goes from strength to strength, supporting librarians across the custodial estate, bringing excellent literature to prison residents. Despite the significant challenges associated with the Covid-19 pandemic, and the subsequent staffing crisis which is now widespread across the custodial estate, the Books Unlocked team have managed to donate more books than ever before and expand the project to reach – for the first time – prisons and young offender institutions across the whole of the UK and Republic of Ireland. In 2019 we began to expand into a greater variety of settings – to include, for instance, resettlement services in the community and people experiencing homelessness on release from prison. As a result, our reach has increased by 52% over the past three years.

In 2021/22, a total of 2,353 books were donated to reading groups, prison libraries, individuals in prison and community settings. We offered greater book choice than in previous years – participants were able to

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choose 15 main titles and an additional 10 bonus titles. Post-pandemic, priority is usually given to education and work; the Books Unlocked team have seen the library de-prioritised in lots of the prisons they work in, and people are often still held in their cells for the majority of the day. Despite this, we have been able to offer support to prison librarians in the form of books and resources, and we continue to send books directly to people who request them. Books Unlocked titles broadcast via National Prison Radio and is the most listened-to programme on National Prison Radio.

In addition, with Booker Prize Foundation funding at its core, the National Literacy Trust has managed to add further programmes to support people in prison. They note:

‘As the lynchpin of our criminal justice work, Books Unlocked has given us the evidence, skills and experience to leverage further support in this area and grow our work significantly in the criminal justice space. We now have a total of four projects up and running which span reading for pleasure, creative writing, audio production and parent/child storytelling, and our team has grown to include three full-time members of staff. We reach a total of approximately 100 prisons across the UK through this work, giving adults and young people access to opportunity and the All text © National Literacy Trust 2022 chance to learn new skills and discover new worlds. The last decade of Books Unlocked has made this possible UEA

The Booker Prize Foundation Scholarship in Creative Writing at the University of East Anglia is that well-known department's most generous grant, and has supported some excellent writers from across the world. The applications, which we receive and discuss with the professors at UEA before selecting each year's scholar together, are of extremely high quality every year. In 2022, Michael Egan, from Cheshire, handed over to Zanta Nkumane from Eswatini. Daniel Wiles, the 2019-2020 scholar, was selected by the Observer as one of the ten best debut novelists of 2022 for his extraordinary book *Mercia's Take*. Meanwhile Stephen Buoro, the 2018-2019 scholar, sold his book *The Five Sorrowful Mysteries of Andy Africa* to Bloomsbury in a multi-way auction. It has been published in 2023 to exceptional reviews, and he too was named as one of the Observer's ten best debut novelists. More will be said about this in the 2023 annual report.

All UEA Booker Scholars since 2009 were invited to the Booker Prize ceremony in 2022. Zanta Nkumane and Stephen Buoro were photographed with the Queen Consort.

RNIB

We continue to support the conversion to RNIB-specific audiobook of all the books shortlisted for the Booker Prize, and the winner of the International Booker Prize, in time for the blind and partially sighted to join in the conversation. The winner of the Booker Prize is also transferred to Braille.

Libraries

We continue to work with libraries and book clubs through The Reading Agency. This work has been described in part above, but is deeply embedded in everything we do across both prizes. We provide the resources The Reading Agency needs – posters and reading guides, for instance – and they distribute them across the UK. We have taken over the content creation ourselves (we used to pay The Reading Agency to do this) so that it is consistent with our editorial content overall. We format the reading guides – already available on our website – as pdfs for libraries, in response to their feedback.

In general we are increasing our engagement with libraries and reporting of library loans: though they take longer to come through we report these figures in our press releases (no longer exclusively sales figures), and we now direct people who visit our website so they can see whether Booker books are available in their local library.

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 2022.

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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 2022 saw the development and ongoing 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.
Amended structure of BPF not yet established.	2022 was the last full year of the contract with Four Culture which had formed the cornerstone of Booker prize administration, PR and event hosting for many years. A tender process was begun in Aug 22 which culminated in the award of the PR and events contract to Premier in December 22. This, along with the appointment of a director of prize management and special projects, completed the restructure of prize administration. Responsibilities of the Chief Executive, employed staff 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. BPF. As at May 23 a Director of Finance & Operations has begun working at BPF and the last planned appointment to the team, an EA, has also been made.
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 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

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Key Risks	Management
	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 Chief Executive/ International Administrator is key

Financial Review

Income

The total consolidated income of the Foundation and its subsidiary for the year ended 31st December 2022 was £2,679,215 comprising Crankstart core funding of £1,500,000, the Crankstart digital funding of £1,152,000 restricted to expenditure on the digital development programme and bank interest of £27,215. In the previous year the total income of £2,652,629 comprised the Crankstart core funding of £1,500,000, Crankstart digital funding of £1,152,000 and bank interest of £629.

Expenditure

The prize purse (including awards for shortlisted books) for BP was £65,000 (2021: £65,000) and £82,500 (2021: £ 62,000) for IBP. The increase in the IBP prize purse followed the decision to award a shortlist prize of £2,500 to both the author and translator rather than share the prize equally.

Judges' fees and expenses for BP were £78,737 (2021: £76,816) and £58,861 (2021: £93,909) for IBP.

In 2022 the Foundation made charitable donations totalling £107,535 (2021: £157,755) as detailed in note 7 to the Financial Statements.

Total expenditure out of the restricted funding for the digital development programme was £1,015,842 (2021: £267,597)

Support and other direct costs for 2022 were £1,232,421 (2021: £1,072,347), bringing total expenditure for the year to £2,640,896 (2021: £1,795,424). This resulted in an overall surplus of income over expenditure for the year of £39,319 (2021 surplus: £857,205). This total comprised a surplus on the restricted fund of £136,158 and a deficit of £97,839 out of unrestricted funds.

Year-end position

At 31st December 2022 the Foundation's total reserves were £3,003,284 (2021: £2,964,965) . Of this total £1,983,723 (2021: £2,080,562) relates to unrestricted funds and £1,020,561 (2021: £884,403) relates to the restricted digital development fund.

Funds held at that date in cash and interest-bearing deposits totalled £3,353,842 (2021: £3,003,494).

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 2022 the Foundation's reserves were materially in excess of this minimum.

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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
- (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 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.

**Booker Prize Foundation
Trustees Annual Report
For the year ended 31 December 2022**

Statement of Trustees' Responsibilities

The trustees (who are also directors of Booker Prize Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice on Charities Accounting (SORP);
- make judgements, estimates and assumptions that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

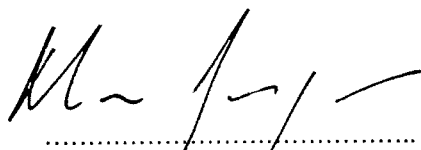
Auditors

The company's auditors, Moore Kingston Smith LLP, have indicated their willingness to continue in office.

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies including exemption from preparing a Strategic Report and in accordance with the Charities Statement of Recommended Practice (FRS 102) issued on 22 May 2014.

On behalf of the Board


.....
Mark Damazer CBE
Chair of Trustees

Date: 07 09-2023

Booker Prize Foundation

Report of Independent Auditors

Year ended 31 December 2022

Independent Auditor's Report to the Members and Trustees of Booker Prize Foundation For Year ended 31 December 2022

Opinion

We have audited the financial statements of Booker Prize Foundation for the year ended 31 December 2022 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 2022 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.

Booker Prize Foundation

Report of Independent Auditors

Year ended 31 December 2022

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 12, 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 2022**

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.

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

9 Appold Street
London EC2A 2AP
Date:

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 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income					
Income from Donations & Legacies	3	1,500,000	1,152,000	2,652,000	2,652,000
Income from Trading Activities	3	-	-	-	-
Income from investments	4	27,215	-	27,215	629
Total income		1,527,215	1,152,000	2,679,215	2,652,629
Expenditure					
Expenditure on Charitable Activities:					
Booker Prize	5	740,773	-	740,773	568,255
International Booker Prize	5	543,546	-	543,546	451,809
Other charitable activities	5	340,735	1,015,842	1,356,577	775,360
Total expenditure		1,625,054	1,015,842	2,640,896	1,795,424
Net income / (expenditure) for the year		(97,839)	136,158	38,319	857,205
Fund balance brought forward at 1st January		2,080,562	884,403	2,964,965	2,107,760
Fund balance carried forward at 31 December		1,982,723	1,020,561	3,003,284	2,964,965

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

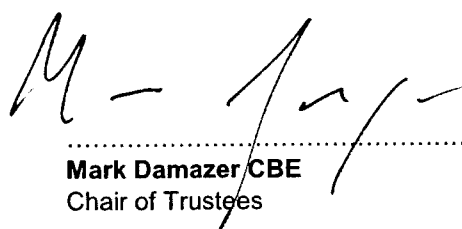
The accompanying notes form part of these financial statements.

Booker Prize Foundation
Balance Sheets as at 31st December 2022

	Note	Group 2022 £	2021 £	Charity 2022 £	2021 £
Fixed assets					
Investments	9	-	-	1	1
Current Assets					
Debtors	10	11,445	17,711	1,778,413	1,783,104
Cash at bank and in hand		3,353,842	3,003,494	1,309,283	1,214,853
		3,365,287	3,021,205	3,087,696	2,997,957
Creditors: amounts falling due within one year	11	(362,003)	(56,240)	(89,413)	(37,993)
Net Current Assets		3,003,284	2,964,965	2,998,283	2,959,964
Total Net Assets		3,003,284	2,964,965	2,998,284	2,959,965
Funds					
Restricted Funds	13	1,020,561	884,403	-	-
Unrestricted funds	13	1,982,723	2,080,562	2,998,284	2,959,965
Total Funds		3,003,284	2,964,965	2,998,284	2,959,965

The surplus for the financial year dealt with in the financial statements of the parent charity was £38,319 (2021: £857,205)

The financial statements were approved by the Trustees, and authorised for distribution, on 07-09-2023 and were signed on their behalf by:


.....
Mark Damazer CBE
Chair of Trustees

The accompanying notes form part of these financial statements.

Company number: 04213467

Booker Prize Foundation
Consolidated Cashflow Statement
For the year ended 31st December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	14	323,133	834,615
Net cash provided by operating activities		323,133	834,615
Cash flows from investing activities			
Interest received	4	27,215	629
Net cash provided by investing activities		27,215	629
Change in cash and cash equivalents during the year		350,348	835,244
Cash and cash equivalents at beginning of year		3,003,494	2,168,250
Cash and cash equivalents at end of year		3,353,842	3,003,494
Analysis of cash and cash equivalents			
		2022 £	2021 £
Cash at bank and in hand		603,842	703,494
Deposits		2,750,000	2,300,000
Total cash and cash equivalents		3,353,842	3,003,494
Analysis of changes in net debt			
	01-Jan-22 £	Cash Flows £	31-Dec-22 £
Cash	3,003,494	350,348	3,353,842
Loans falling due within one year	-	-	-
Loans falling due after more than one year	-	-	-
Total	3,003,494	350,348	3,353,842

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2022

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 £39,319 (2021: £857,205).

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 2022

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 rate of interest.

Basic financial liabilities

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

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 2022

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:

	2022	2021
	£	£
Donation Income	2,652,000	2,652,000
Turnover	2,652,000	2,652,000
Direct costs	(989,124)	(652,536)
Gross profit	1,662,876	1,999,464
Administration costs	(120,199)	(103,101)
Interest received	17,210	29
Interest payable	-	-
Profit on ordinary activities for the year	1,559,887	1,896,392
Shareholders' fund brought forward	5,001	5,001
Profit for the financial year	1,559,887	1,896,392
Charitable distribution to parent undertaking	(1,559,887)	(1,896,392)
Shareholders' fund carried forward	5,001	5,001
The assets, liabilities and funds of the subsidiary were:		
Assets	2,044,559	1,788,642
Liabilities	(2,039,558)	(1,783,641)
Capital and reserves	5,001	5,001

4 Interest receivable and similar income

	2022	2021
	£	£
Interest on bank deposits	27,215	629

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2022

5 Analysis of Expenditure

	Literary awards	Donations and Grants (Note 7)	Other Direct Costs	Support costs (5a)	2022 Total	2021 Total
	£	£	£	£	£	£
Expenditure on charitable activities						
Booker prize	465,431	-	148,000	127,342	740,773	568,255
International Booker Prize	319,709	-	130,400	93,437	543,546	451,809
Other charitable activities	-	107,535	1,015,842	233,200	1,356,577	775,360
Total Expenditure on charitable activities	785,140	107,535	1,294,242	453,979	2,640,896	1,795,424
Total Expenditure 2022	785,140	107,535	1,294,242	453,979	2,640,896	1,795,424
Total Expenditure 2021	503,451	157,755	795,197	339,021	1,795,424	

Of the total expenditure reported above, amounts totalling £1,015,842 (2021: £267,597) were attributable to restricted funds and £1,625,054 (2021: £1,527,827) were attributable to unrestricted funds.

Analysis of Expenditure 2021

	Literary awards	Donations and Grants (Note 7)	Other Direct Costs	Support costs (5a)	2021 Total
	£	£	£	£	£
Expenditure on charitable activities					
Booker prize	265,355	-	195,600	107,300	568,255
International Booker Prize / Man Booker International Prize	238,096	-	128,400	85,313	451,809
Other charitable activities	-	157,755	471,197	146,408	775,360
Total Expenditure on charitable activities	503,451	157,755	795,197	339,021	1,795,424
Total Expenditure 2021	503,451	157,755	795,197	339,021	1,795,424

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.

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2022

5a Support Costs	2022	2021
	£	£
Staff costs (note 6)	111,484	81,426
Other Key Management Personnel	106,878	122,603
Administration expenses	135,522	64,192
Information technology	-	29,696
Marketing costs	10,271	-
Insurance	22,265	5,727
Bank charges	4,519	1,594
Governance Costs (5b)	63,040	33,783
	453,979	339,021
5b Governance costs		
Trustees Expenses (note 6)	-	125
Audit fees (5c)	31,052	18,042
Accountancy fees	15,500	12,000
Legal & professional fees	16,488	3,278
Governance consultancy	-	338
	63,040	33,783
5c Auditors' remuneration		
Audit fees - Current year	25,110	13,205
- prior year (over) / under accrual	4,592	3,661
Non-audit services - current year	1,350	990
- prior year (over) / under accrual	-	186
	31,052	18,042

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2022

6 Staff costs	2022	2021
	£	£
Wages and salaries	178,371	75,000
Social security costs	18,236	5,435
Pension contributions	2,605	991
	199,212	81,426

Staff Costs have been allocated to charitable activities as follows:

	2022	2021
	£	£
Other Charitable activities	87,728	-
Support costs	111,484	81,426
	199,212	81,426

Higher paid staff

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

	2022	2021
£100,000 - £109,999	1	-
£70,000 - £79,999	-	1

The pension contributions payable in respect of this individual amounted to £1,321 (2021: £991)

Staff numbers

	2022	2021
The average number of employees during the year was:	2	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 £226,731 (2021: £204,029).

No remuneration was paid to any trustee for services as a trustee in the current nor preceding year.

No trustee was reimbursed for travel and subsistence expenses during the year totalling (2021: one trustee reimbursed £125).

7 Donations	2022	2021
	£	£
Designer bookbinders	12,375	12,375
English PEN	5,000	2,000
International PEN	-	2,500
Libraries Project	13,970	16,380
National Literacy Trust	50,000	50,000
National Literacy Trust - Booker Squad Project	-	50,000
Royal National Institute of Blind People	6,000	7,000
University of East Anglia (Scholarship)	12,500	12,500
Edinburgh Book Festival	5,000	5,000
Other Charitable / festivals	2,690	-
	107,535	157,755

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2022

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	
	2022	2021	2022	2021
	£	£	£	£
Amount due from subsidiary undertaking	-	-	1,766,968	1,765,393
Prepayments	10,915	17,181	10,915	17,181
Other debtors	530	530	530	530
	<u>11,445</u>	<u>17,711</u>	<u>1,778,413</u>	<u>1,783,104</u>

11 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	-	3,930	-	3,930
Accruals	362,003	52,310	89,413	34,063
	<u>362,003</u>	<u>56,240</u>	<u>89,413</u>	<u>37,993</u>

Booker Prize Foundation
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12 Related parties

Dotti Irving, a director of Booker Prize Trading Limited, who served as Chief Executive of Four Culture, a division of Four Communications Group Ltd. In 2022, Four Communications received PR and consultancy fees from the company totalling £278,400 (2021: £327,600); Of this total, £148,000 related to Booker Prize (2021: £195,600), £130,400 to the International Booker Prize (2021: £128,400) and £nil to other consultancy and social media work (2021: £3,600). In addition, £623,729 was paid to Four Communications in reimbursement of third party costs incurred (2021: £310,387).

The aggregate of balances in respect of recharges to and from Four Communications at the year end amounted to £Nil (2021: £Nil) being owed by Four Communications and £Nil (2021: £Nil) 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 £15,500 during the year in respect of bookkeeping services (2021: £12,000).

No Trustees were reimbursed for travel expenses during the year (2021: one trustee reimbursed £125).

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	884,403	1,152,000	(1,015,842)	-	1,020,561
Total Restricted Funds	884,403	1,152,000	(1,015,842)	-	1,020,561
Unrestricted Funds					
Charitable funds	2,075,562	1,527,215	(1,625,054)	-	1,977,723
Trading funds	5,000	-	-	-	5,000
Total Unrestricted Funds	2,080,562	1,527,215	(1,625,054)	-	1,982,723
Total Funds	2,964,965	2,679,215	(2,640,896)	-	3,003,284

Charity Funds

	Balance b/f £	Income £	Expenditure £	Transfers £	Balance £
Unrestricted Funds					
Charitable funds	2,959,965	1,676,973	(1,638,654)	-	2,998,284
Total Unrestricted Funds	2,959,965	1,676,973	(1,638,654)	-	2,998,284
Total Funds	2,959,965	1,676,973	(1,638,654)	-	2,998,284

Booker Prize Foundation
Notes to the Financial Statements
For the year ended 31st December 2022

13 Reconciliation of movement in funds (continued)

COMPARATIVE INFORMATION: Reconciliation of movement in funds for Year ended 31 December 2021

Group Funds

	Balance b/f £	Income £	Expenditure £	Transfers £	Balance £
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 £
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

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 £1,152,000 p.a.) 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.

Booker Prize Foundation
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For the year ended 31st December 2022

14 Analysis of Net asset between funds	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Current assets	2,202,941	1,162,346	3,365,287	3,021,205
Current liabilities	(220,218)	(141,785)	(362,003)	(56,240)
	1,982,723	1,020,561	3,003,284	2,964,965

15 Reconciliation of net income / (expenditure) to net cash provided by operating activities

	2022 £	2021 £
Net income for the year	38,319	857,205
Adjustments for:		
Interest received	(27,215)	(629)
Decrease / (increase) in debtors	6,266	(17,181)
Increase / (decrease) in creditors	305,763	(4,780)
Net cash provided by / (used in) operating activities	323,133	834,615

16 Comparative information: Consolidated Statement of Financial Activities Year Ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income					
Income from Trading Activities	3	1,500,000	1,152,000	2,652,000	1,500,000
Income from Donations & Legacies	3	-	-	-	-
Income from investments	4	629	-	629	2,410
Total income		1,500,629	1,152,000	2,652,629	1,502,410
Expenditure					
Expenditure on Charitable Activities:					
The Booker Prize	5	568,255	-	568,255	754,774
The Booker Prize International	5	451,809	-	451,809	496,813
Expenditure on Other charitable Activi	5	507,763	267,597	775,360	225,333
Total expenditure		1,527,827	267,597	1,795,424	1,476,920
Net income for the year					
Fund balance brought forward at 1st January		(27,198)	884,403	857,205	25,490
Fund balance carried forward at 31 December		2,107,760	-	2,107,760	2,082,270
Fund balance carried forward at 31 December		2,080,562	884,403	2,964,965	2,107,760

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