

THE AUTHORS' FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 DECEMBER 2021

CHARITY No. 326605

THE AUTHORS' FOUNDATION

Charity Information

Trustees	The Management Committee of The Society of Authors Simon Brett Mark Le Fanu Imtiaz Dharker Tracy Chevalier
Charity Number	326605
Charity Offices	c/o The Society of Authors 24 Bedford Row London WC1R 4EH
Independent Examiner	Simon Goodridge FCA Knox Cropper LLP Chartered Accountants 65 Leadenhall Street London EC3A 2AD
Bankers	HSBC The Peak 333 Vauxhall Bridge Road Victoria London SW1V 1EJ
Investment Managers	abrdn Bow Bells House 1 Bread Street London EC4M 9HH

THE AUTHORS' FOUNDATION

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REPORT OF THE TRUSTEES OF THE AUTHORS' FOUNDATION

YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and financial statements for the year ended 31st December 2021. The Trustees have adopted the provisions of the 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) (second edition effective 1 January 2019).

Trustees

Under the trust deed of the charity, the Society of Authors is authorised to appoint new Trustees. A list of trustees is shown in the Charity Information attached to these statements.

Investment powers and Risk Management

The Trust Deed authorises the Trustees to make and hold investments using the Capital Funds of the charity. These are shown in detail in the notes to the financial statements. The principal area of risk concerns the management of the investments, the income from which provides the principal source of funds from which the awards are paid. The investments are therefore kept under constant review by the investment managers.

Constitution, objects and policies

This charity was constituted under a Trust Deed dated 23rd February 1984 for the advancement of literature and the encouragement of creative writing. The purpose of the Foundation is to advance the education of the public by making grants and awards out of income to authors of outstanding literary merit to enable them to create and/or procure publication of literary works of educational value or artistic merit, and by promoting the publication and dissemination of literary works of educational value or artistic merit. The policy of the Authors' Foundation continues to be to pay grants in accordance with the Trust Deed out of the income generated by the investments and donations and to seek additional donations wherever possible.

The Restricted Endowment was created in September 2001 from donations totalling £1,650,000 from the Royal Literary Fund (RLF) to support the work of the Authors' Foundation. The donation was made on certain conditions to ensure that such an award falls within the object of its Charter, the conditions being that the whole of the annual income be spent; a member of the committee of the RLF should be a trustee of the Authors' Foundation (currently Mark Le Fanu); at least one member of the RLF committee should be appointed by the Authors' Foundation to be an assessor each year; the RLF's assessor should be satisfied that grants from the restricted fund be made towards time and research for works of public education and the improvement of public taste in the field of literary work, thus meeting the requirement of the RLF's Charter (Clause 3b); and that the Authors' Foundation should submit a draft and its final annual accounts to the RLF each year.

The RLF, when giving this donation, stated that the making of grants from this award should be entirely at the discretion of the Authors' Foundation. To make the matter clear, the RLF stated that the funds having been received from them on special trust, the distribution of the income is a matter solely for the Authors' Foundation.

Public Benefit

In reviewing the charity's aims and objectives and in planning future activities, the Trustees refer to the Charity Commissions general guidance on public benefit.

Reserves Policy

The Trustees policy is to operate on the basis of being able to continue to generate sufficient incoming resources to use toward meeting their charitable objectives and to accord with their principal terms. The Trustees are of the opinion that the funds remain sufficient to enable them to continue this ongoing objective. The charity has sufficient but not excessive funds to service its objective of making future charitable distributions.

Financial Review

The results for the year ended 31st December 2021 appear on pages 4 to 10. A total of 136 authors received grants from the Foundation in 2021 (2020: 91 authors).

REPORT OF THE TRUSTEES OF THE AUTHORS' FOUNDATION

YEAR ENDED 31 DECEMBER 2021

Restricted Endowment: The income from investments for the year amounted to £83,184 (2020: £75,173) and the fund-raising income for the year amounted to £5,000 (2020: £10,000). After payment of charitable awards amounting to £189,240 (2020: £187,530) and other expenditure totalling £53,434 (2020: £58,348) there was a Net decrease in Funds for the year of £154,490 (2020: £160,705 decrease) before including the capital movements on investments - the realised gain on the sale of investments of £23,252 (2020: £253 gain) and the unrealised increase in the market value of £251,102 (2020: £10,261 increase). The Accumulated Fund carried forward at 31st December 2021 stands at £3,515,043 (2020: £3,395,179).

Unrestricted Fund: The income from investments totalled £94,728 (2020: £80,105) and fund-raising income for the year amounted to £1,202 (2020: £1,168). Charitable awards paid were £142,760 (2020: £141,470) and other expenditure totalled £46,838 (2020: £47,605). The Net decrease in Funds for the year was £93,668 (2020: £107,708 decrease). The capital movements on investments consisted of realised gain of £19,081 (2020: £1,114 decrease) and the unrealised increase in market value was £235,844 (2020: £6,457 increase). The balance carried forward on the Accumulated Fund at the year-end is therefore £3,061,376 (2020: £2,900,119).

The trustees consider that both the Restricted Endowment and the Unrestricted Fund have sufficient income and capital to meet the obligations likely to be placed on each of the funds in the foreseeable future.

The Covid-19 pandemic has affected the way the charity and the Society of Authors works. The value of the charity's investment portfolio has recovered the losses suffered in March/April 2020 and has increased in value over the course of the whole year before disposals as set out in the notes to the financial statements. The charity anticipates being able to maintain its existing support for writers.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England and Wales, the Charities Act 2011, requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and the principles of the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board of Trustees on 26 May 2022 and signed on their behalf by:



Joanne Harris – Chair of the Management Committee, The Society of Authors

THE AUTHORS' FOUNDATION
YEAR ENDED 31 DECEMBER 2021

Independent Examiner's Report to the Trustees of The Authors' Foundation Fund

I report to the trustees on my examination of the accounts of The Authors' Foundation Fund for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act).

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material aspect:

- a) accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
- b) the accounts do not accord with those records; or
- c) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than the requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Simon Goodridge

Simon Goodridge FCA
Knox Cropper LLP
Chartered Accountants
65 Leadenhall Street
London
EC3A 2AD

Date: 30 May 2022

THE AUTHORS' FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds	Restricted Endowment	2021 Total Funds	2020 Total Funds
		£	£	£	£
Income and Endowments from:					
<i>Fund Raising Income</i>					
Donations and Legacies		-	5,000	5,000	10,000
CAF Fund Raising		1,202	-	1,202	1,168
		<u>1,202</u>	<u>5,000</u>	<u>6,202</u>	<u>11,168</u>
<i>Income from Investments</i>					
Dividends and Interest - Listed Investments	2	75,128	83,184	158,312	140,485
Dividends from other investments		19,600	-	19,600	14,700
Bank Interest		-	-	-	93
		<u>94,728</u>	<u>83,184</u>	<u>177,912</u>	<u>155,278</u>
<i>Other Income</i>		-	-	-	94
Total Income		<u>95,930</u>	<u>88,184</u>	<u>184,114</u>	<u>166,540</u>
Expenditure on:					
<i>Cost of Generating Funds</i>					
Investment Management Fees		15,431	16,872	32,303	40,374
<i>Direct Charitable Activities</i>					
Awards Paid		142,760	189,240	332,000	329,000
Support Costs	4	31,407	36,562	67,969	65,579
Total Expenditure		<u>189,598</u>	<u>242,674</u>	<u>432,272</u>	<u>434,953</u>
Net income/(expenditure) before investment gains/(losses)		(93,668)	(154,490)	(248,158)	(268,413)
Net gains/(losses) on investments	6	254,925	274,354	529,279	15,857
Net income/(expenditure)		<u>161,257</u>	<u>119,864</u>	<u>281,121</u>	<u>(252,556)</u>
Reconciliation of Funds:					
Total Funds Brought Forward		2,900,119	3,395,179	6,295,298	6,547,854
Total Funds Carried Forward		<u>£3,061,376</u>	<u>£3,515,043</u>	<u>£6,576,419</u>	<u>£6,295,298</u>

All income and expenditure has arisen from continuing activities.
The notes form part of these financial statements.

THE AUTHORS' FOUNDATION

BALANCE SHEET

31 DECEMBER 2021

		2021		2020	
Notes	£	£	£	£	£
Fixed Assets					
Listed Investments	5,6		6,469,253		6,254,401
Other Investments	5		49		49
			6,469,302		6,254,450
Current Assets					
Cash held by Investment Managers		111,845		42,314	
Cash at Bank		26,696		12,433	
		138,541		54,747	
Creditors					
Amounts falling due within one year	7	(31,424)		(13,899)	
Net Current Assets			107,117		40,848
Total Net Assets		8	£6,576,419		£6,295,298
Accumulated Funds					
Restricted Endowment Fund			3,515,043		3,395,179
Unrestricted Fund			3,061,376		2,900,119
Total Funds			£6,576,419		£6,295,298

The Financial Statements were approved by the Trustees on 26 May 2022 and signed on their behalf by:



 Joanne Harris – Chair of the Management Committee, The Society of Authors

The notes form part of these financial statements

THE AUTHORS' FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

- a) The Financial Statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified by the revaluation of investments, and include the results of the charity's operations, which are described in the Trustees' Report, all of which are continuing. The Financial Statements have been prepared in accordance with the Financial Reporting Standard 102 and the Charities SORP (FRS102 second edition) and in compliance with the Charities Act 2011.
- b) The income from Investments and Bank Interest received represents the actual income receivable in the year.
- c) Donations are accounted for when the charity is unconditionally entitled to receipt.
- d) Awards paid include all amounts payable in the year in accordance with the terms of the Trust Deed and in accordance with the charter of the Royal Literary Fund.
- e) Other expenditure is on the basis of amounts payable for the year and includes provisions for amounts paid after the Balance Sheet date.
- f) The Quoted Investments are included in the Financial Statements at market value to comply with the Statement of Recommended Practice. Other investments are stated at cost.
- g) The UK economy has been seriously affected by the Covid-19 pandemic. The charity's income is derived from its investment portfolio whose value has recovered the losses suffered in March/April 2020. The trustees believe that its investments will continue to provide sufficient resources in the foreseeable future to enable the charity to maintain its activities and that there are no other material uncertainties about the charity's ability to continue as a going concern.

2 INVESTMENT INCOME

	Unrestricted Fund £	Restricted Endowment Fund £	2021 Total £	2020 Total £
NON GOVERNMENT BOND FUNDS				
ASC (Offshore) Global Fixed Interest Fund Z Income	11,814	13,851	25,665	22,338
ASC (Offshore) Sterling Fixed Interest Fund Z Income	7,790	8,882	16,672	17,357
MULTI ASSET CHARITY INVESTMENT FUNDS				
BNY Mellon Funds	10,794	11,741	22,535	100,790
ASC Income Fund Z	44,730	48,710	93,440	-
	£75,128	£83,184	£158,312	£140,485

THE AUTHORS' FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

2 INVESTMENT INCOME (continued)

	2020		
	Unrestricted Fund £	Restricted Endowment Fund £	Total £
NON GOVERNMENT BOND FUNDS			
ASC (Offshore) Global Fixed Interest Fund Z Income	9,542	12,796	22,338
ASC (Offshore) Sterling Fixed Interest Fund Z Income	7,390	9,967	17,357
MULTI ASSET CHARITY INVESTMENT FUNDS			
BNY Mellon Funds	48,393	52,397	100,790
	£65,325	£75,160	£140,485

3 AWARDS

Awards were paid to 136 individuals during the year (2020:91).

4 ANALYSIS OF SUPPORT COSTS

	2021		2020	
	Unrestricted Fund £	Restricted Endowment Fund £	Total £	Total £
Administration Costs	25,619	28,889	54,508	52,920
Judges Fees and Expenses	3,612	4,788	8,400	7,740
Bank Charges	60	81	141	215
Governance				
Independent Examiners Fees				
-current year	2,116	2,804	4,920	4,740
- prior year	-	-	-	(36)
	£31,407	£36,562	£67,969	£65,579

Comparative year

	2020		
	Unrestricted Fund £	Restricted Endowment Fund £	Total £
Administration Costs	22,756	30,164	52,920
Judges Fees and Expenses	3,328	4,412	7,740
Bank Charges	93	122	215
Governance			
Independent Examiners Fees			
-current year	2,038	2,702	4,740
- prior year	(15)	(21)	(36)
	£28,200	£37,379	£65,579

THE AUTHORS' FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

5 INVESTMENTS

			2021	2020
	Unrestricted Fund £	Restricted Endowment Fund £	Total £	Total £
Listed Investments				
NON GOVERNMENT BOND FUNDS				
ASC (Offshore) Global Fixed Interest Fund Z Income	279,070	307,198	586,268	566,712
ASC (Offshore) Sterling Fixed Interest Fund Z Income	279,680	303,828	583,508	578,886
MULTI ASSET CHARITY INVESTMENT FUNDS				
BNY Mellon Funds	-	-	-	5,108,803
ASC Income Fund Z	2,544,843	2,754,634	5,299,477	-
Total Market Value	<u>£3,103,593</u>	<u>£3,365,660</u>	<u>£6,469,253</u>	<u>£6,254,401</u>
<i>Historic Cost</i>	<i>2,821,043</i>	<i>3,052,483</i>	<i>5,873,526</i>	<i>3,987,039</i>
Comparative year			2020	
	Unrestricted Fund £	Restricted Endowment Fund £	Total £	
Listed Investments				
NON GOVERNMENT BOND FUNDS				
ASC (Offshore) Global Fixed Interest Fund Z Income	244,736	321,976	566,712	
ASC (Offshore) Sterling Fixed Interest Fund Z Income	259,669	319,217	578,886	
MULTI ASSET CHARITY INVESTMENT FUNDS				
BNY Mellon Funds	2,447,171	2,661,632	5,108,803	
Total Market Value	<u>£2,951,576</u>	<u>£3,302,825</u>	<u>£6,254,401</u>	
<i>Historic Cost</i>	<i>1,901,839</i>	<i>2,085,200</i>	<i>3,987,039</i>	

Other investments

The Foundation has a 49% shareholding in Eric Ambler Literary Management Limited, representing a nominal value of 49 £1 shares. A controlling 51% holding is held by Worldwritres Limited (formerly Legacy Books Limited) which is part of the Peter Fraser & Dunlop Group.

THE AUTHORS' FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

6 MOVEMENTS ON INVESTMENTS

			2021	2020
	Unrestricted Fund £	Restricted Endowment Fund £	Total £	Total £
Market Value as at beginning of year	2,951,576	3,302,825	6,254,401	6,294,544
Additions	2,448,476	2,628,982	5,077,458	-
Disposal Proceeds	(2,551,384)	(2,840,501)	(5,391,885)	(56,000)
Investment Gains	254,925	274,354	529,279	15,857
Market Value as at end of year	£3,103,593	£3,365,660	£6,469,253	£6,254,401
Analysis of Investment Gains				
Realised Gains/(Losses)	19,081	23,252	42,333	(861)
Unrealised Gains/(Losses)	235,844	251,102	486,946	16,718
	£254,925	£274,354	£529,279	£15,857

7 CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Investment Managers Fees	8,254	9,159
Professional Fees	4,920	4,740
Other Creditors	18,250	-
	£31,424	£13,899

8 NET ASSETS BY FUND

			2021
	Unrestricted Fund £	Restricted Endowment Fund £	Total £
Fixed Asset Investments	3,103,642	3,365,660	6,469,302
Net Current Assets	(42,266)	149,383	107,117
Total	3,061,376	3,515,043	6,576,419
<i>Comparative year</i>			2020
	Unrestricted Fund £	Restricted Endowment Fund £	Total £
Fixed Asset Investments	2,951,625	3,302,825	6,254,450
Net Current Assets	(51,506)	92,354	40,848
Total	£2,900,119	£3,395,179	£6,295,298

9 RELATED PARTY DISCLOSURES

The Society of Authors, which is a Trustee of the Foundation, carried out management services for the Foundation and charged management fee for the year amounting to £54,508 (2020: £52,920). There were no other related party transactions in the year.

THE AUTHORS' FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

10 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Endowment £	2020 Total Funds £
Income and Endowments from:			
<i>Fund Raising Income</i>			
Donations and Legacies	-	10,000	10,000
CAF Fund Raising	1,168	-	1,168
	<u>1,168</u>	<u>10,000</u>	<u>11,168</u>
<i>Income from Investments</i>			
Dividends and Interest - Listed Investments	65,325	75,160	140,485
Dividends from other investments	14,700	-	14,700
Bank Interest	80	13	93
	<u>80,105</u>	<u>75,173</u>	<u>155,278</u>
<i>Other Income</i>	94	-	94
Total Incoming Resources	<u>81,367</u>	<u>85,173</u>	<u>166,540</u>
Expenditure on:			
<i>Cost of Generating Funds</i>			
Investment Management Fees	19,405	20,969	40,374
<i>Direct Charitable Activities</i>			
Awards Paid	141,470	187,530	329,000
Support Costs	28,200	37,379	65,579
Total Expenditure	<u>189,075</u>	<u>245,878</u>	<u>434,953</u>
Net income/(expenditure) before investment gains/(losses)	(107,708)	(160,705)	(268,413)
Net gains/(losses) on investments	5,343	10,514	15,857
Net income/(expenditure)	<u>(102,365)</u>	<u>(150,191)</u>	<u>(252,556)</u>
Total Funds Brought Forward	3,002,484	3,545,370	6,547,854
Total Funds Carried Forward	<u>£2,900,119</u>	<u>£3,395,179</u>	<u>£6,295,298</u>