

**THE AUTHORS' FOUNDATION**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE**  
**YEAR ENDED 31 DECEMBER 2022**

**CHARITY No. 326605**

**THE AUTHORS' FOUNDATION**

**Charity Information**

Trustees	The Management Committee of The Society of Authors Simon Brett Mark Le Fanu (resigned 1 Dec 2022) Imtiaz Dharker Tracy Chevalier George Graham (appointed 1 Dec 2022)
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 280 Bishopsgate London EC2M 4AG

# THE AUTHORS' FOUNDATION

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# **REPORT OF THE TRUSTEES OF THE AUTHORS' FOUNDATION**

## **YEAR ENDED 31 DECEMBER 2022**

The Trustees present their report and financial statements for the year ended 31<sup>st</sup> December 2022. 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 George Graham and prior to 1 December 2022 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 2022 appear on pages 4 to 10. A total of 115 authors received grants from the Foundation in 2022 (2021: 136 authors).

## REPORT OF THE TRUSTEES OF THE AUTHORS' FOUNDATION

### YEAR ENDED 31 DECEMBER 2022

*Restricted Endowment:* The income from investments for the year amounted to £99,570 (2021: £83,184) and the fund-raising income for the year amounted to £10,000 (2021: £5,000). After payment of charitable awards amounting to £188,135 (2021: £189,240) and other expenditure totalling £55,471 (2021: £53,434) there was a Net decrease in Funds for the year of £133,959 (2021: £154,490 decrease) before including the capital movements on investments - the realised loss on the sale of investments of £10,669 (2021: £23,252 gain) and the unrealised decrease in the market value of £443,393 (2021: £251,102 increase). The Accumulated Fund carried forward at 31st December 2022 stands at £2,927,022 (2021: £3,515,043).

*Unrestricted Fund:* The income from investments totalled £91,519 (2021: £75,128) and fund-raising income for the year amounted to £1,183 (2021: £1,202). Charitable awards paid were £141,926 (2021: £142,760) and other expenditure totalled £44,319 (2021: £46,838). The Net decrease in Funds for the year was £83,416 (2021: £93,668 decrease). The capital movements on investments consisted of realised loss of £9,753 (2021: £19,081 increase) and the unrealised loss in market value was £407,781 (2021: £235,844 increase). The balance carried forward on the Accumulated Fund at the year-end is therefore £2,560,426 (2021: £3,061,376).

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.

#### **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 21 June 2023 and signed on their behalf by:



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

**THE AUTHORS' FOUNDATION**  
**YEAR ENDED 31 DECEMBER 2022**

**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 2022.

**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: 14 July 2023

**THE AUTHORS' FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted Funds	Restricted Endowment	2022 Total Funds	2021 Total Funds
		£	£	£	£
<b>Income and Endowments from:</b>					
<i>Fund Raising Income</i>					
Donations and Legacies		97	10,000	10,097	5,000
CAF Fund Raising		1,086	-	1,086	1,202
		<u>1,183</u>	<u>10,000</u>	<u>11,183</u>	<u>6,202</u>
<i>Income from Investments</i>					
Dividends and Interest - Listed Investments	2	91,519	99,570	191,089	158,312
Dividends from other investments		9,800	-	9,800	19,600
Bank Interest		83	77	160	-
		<u>101,402</u>	<u>99,647</u>	<u>201,049</u>	<u>177,912</u>
<i>Other Income</i>		244	-	244	-
<b>Total Income</b>		<u>102,829</u>	<u>109,647</u>	<u>212,476</u>	<u>184,114</u>
<b>Expenditure on:</b>					
<i>Cost of Generating Funds</i>					
Investment Management Fees		13,777	14,986	28,763	32,303
<i>Direct Charitable Activities</i>					
Awards Paid		141,926	188,135	330,061	332,000
Support Costs	4	30,542	40,485	71,027	67,969
<b>Total Expenditure</b>		<u>186,245</u>	<u>243,606</u>	<u>429,851</u>	<u>432,272</u>
<b>Net income/(expenditure) before investment gains/(losses)</b>		(83,416)	(133,959)	(217,375)	(248,158)
Net gains/(losses) on investments	6	(417,534)	(454,062)	(871,596)	529,279
<b>Net income/(expenditure)</b>		<u>(500,950)</u>	<u>(588,021)</u>	<u>(1,088,971)</u>	<u>281,121</u>
<b>Reconciliation of Funds:</b>					
Total Funds Brought Forward		3,061,376	3,515,043	6,576,419	6,295,298
<b>Total Funds Carried Forward</b>		<u>£2,560,426</u>	<u>£2,927,022</u>	<u>£5,487,448</u>	<u>£6,576,419</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 2022**

		<b>2022</b>		<b>2021</b>	
<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
<b>Fixed Assets</b>					
Listed Investments	5,6		5,366,507		6,469,253
Other Investments	5		49		49
			5,366,556		6,469,302
<b>Current Assets</b>					
Cash held by Investment Managers			72,043		111,845
Cash at Bank			61,065		26,696
			133,108		138,541
<b>Creditors</b>					
Amounts falling due within one year	7		(12,216)		(31,424)
<b>Net Current Assets</b>			120,892		107,117
<b>Total Net Assets</b>		8	£5,487,448		£6,576,419
<b>Accumulated Funds</b>					
Unrestricted Fund			2,560,426		3,061,376
Restricted Endowment Fund			2,927,022		3,515,043
<b>Total Funds</b>			£5,487,448		£6,576,419

The Financial Statements were approved by the Trustees on 21 June 2023 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 2022**

**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 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 charity to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

The Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

**2 INVESTMENT INCOME**

	<b>Unrestricted Fund £</b>	<b>Restricted Endowment Fund £</b>	<b>2022 Total £</b>	<b>2021 Total £</b>
<b>NON GOVERNMENT BOND FUNDS</b>				
ASC (Offshore) Global Fixed Interest Fund Z Income	13,286	14,625	27,911	25,665
ASC (Offshore) Sterling Fixed Interest Fund Z Income	7,854	8,533	16,387	16,672
<b>MULTI ASSET CHARITY INVESTMENT FUNDS</b>				
BNY Mellon Funds	-	-	-	22,535
ASC Income Fund Z	70,379	76,412	146,791	93,440
	<u>£91,519</u>	<u>£99,570</u>	<u>£191,089</u>	<u>£158,312</u>

**THE AUTHORS' FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

**2 INVESTMENT INCOME (continued)**

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

**3 AWARDS**

Awards were paid to 115 individuals during the year (2021:136).

**4 ANALYSIS OF SUPPORT COSTS**

			<b>2022</b>	<b>2021</b>
	<b>Unrestricted Fund £</b>	<b>Restricted Endowment Fund £</b>	<b>Total £</b>	<b>Total £</b>
Administration Costs	24,252	32,148	56,400	54,508
Judges Fees and Expenses	3,612	4,788	8,400	8,400
Bank Charges	98	129	227	141
Other expenses	258	342	600	-
Governance Independent Examiners Fees	2,322	3,078	5,400	4,920
	<b>£30,542</b>	<b>£40,485</b>	<b>£71,027</b>	<b>£67,969</b>

**Comparative year**

			<b>2021</b>
	<b>Unrestricted Fund £</b>	<b>Restricted Endowment Fund £</b>	<b>Total £</b>
Administration Costs	25,619	28,889	54,508
Judges Fees and Expenses	3,612	4,788	8,400
Bank Charges	60	81	141
Governance Independent Examiners Fees	2,116	2,804	4,920
	<b>£31,407</b>	<b>£36,562</b>	<b>£67,969</b>

**THE AUTHORS' FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

**5 INVESTMENTS**

			<b>2022</b>	<b>2021</b>
	<b>Unrestricted Fund £</b>	<b>Restricted Endowment Fund £</b>	<b>Total £</b>	<b>Total £</b>
<b>Listed Investments</b>				
<b>NON GOVERNMENT BOND FUNDS</b>				
ASC (Offshore) Global Fixed Interest Fund Z Income	221,439	243,759	465,198	586,268
ASC (Offshore) Sterling Fixed Interest Fund Z Income	216,088	234,745	450,833	583,508
<b>MULTI ASSET CHARITY INVESTMENT FUNDS</b>				
ASC Income Fund Z	<u>2,134,682</u>	<u>2,315,794</u>	<u>4,450,476</u>	<u>5,299,477</u>
<b>Total Market Value</b>	<u>£2,572,209</u>	<u>£2,794,298</u>	<u>£5,366,507</u>	<u>£6,469,253</u>
<i>Historic Cost</i>	<i>£2,710,048</i>	<i>£2,937,581</i>	<i>£5,647,629</i>	<i>£5,873,526</i>
<i>Comparative year</i>				<b>2021</b>
	<b>Unrestricted Fund £</b>	<b>Restricted Endowment Fund £</b>	<b>Total £</b>	
<b>Listed Investments</b>				
<b>NON GOVERNMENT BOND FUNDS</b>				
ASC (Offshore) Global Fixed Interest Fund Z Income		279,070	307,198	586,268
ASC (Offshore) Sterling Fixed Interest Fund Z Income		279,680	303,828	583,508
<b>MULTI ASSET CHARITY INVESTMENT FUNDS</b>				
ASC Income Fund Z	<u>2,544,843</u>	<u>2,754,634</u>	<u>5,299,477</u>	
<b>Total Market Value</b>	<u>£3,103,593</u>	<u>£3,365,660</u>	<u>£6,469,253</u>	
<i>Historic Cost</i>	<i>£2,821,043</i>	<i>£3,052,483</i>	<i>£5,873,526</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 Worldwrites 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 2022**

**6 MOVEMENTS ON INVESTMENTS**

			<b>2022</b>	<b>2021</b>
	<b>Unrestricted Fund £</b>	<b>Restricted Endowment Fund £</b>	<b>Total £</b>	<b>Total £</b>
<b>Market Value as at beginning of year</b>	3,103,593	3,365,660	6,469,253	6,254,401
Additions	-	-	-	5,077,458
Disposal Proceeds	(113,850)	(117,300)	(231,150)	(5,391,885)
Investment Gains	(417,534)	(454,062)	(871,596)	529,279
<b>Market Value as at end of year</b>	<u>£2,572,209</u>	<u>£2,794,298</u>	<u>£5,366,507</u>	<u>£6,469,253</u>
<b>Analysis of Investment Gains</b>				
Realised Gains/(Losses)	(9,753)	(10,669)	(20,422)	42,333
Unrealised Gains/(Losses)	(407,781)	(443,393)	(851,174)	486,946
	<u>£(417,534)</u>	<u>£(454,062)</u>	<u>£(871,596)</u>	<u>£529,279</u>

**7 CREDITORS: Amounts falling due within one year**

	<b>2022 £</b>	<b>2021 £</b>
Investment Managers Fees	6,816	8,254
Professional Fees	5,400	4,920
Other Creditors	-	18,250
	<u>£12,216</u>	<u>£31,424</u>

**8 NET ASSETS BY FUND**

	<b>Unrestricted Fund £</b>	<b>Restricted Endowment Fund £</b>	<b>2022 Total £</b>
<b>Fixed Asset Investments</b>	2,572,258	2,794,298	5,366,556
<b>Net Current Assets/(Liabilities)</b>	(11,832)	132,724	120,892
<b>Total</b>	<u>£2,560,426</u>	<u>£2,927,022</u>	<u>£5,487,448</u>

*Comparative year*

	<b>Unrestricted Fund £</b>	<b>Restricted Endowment Fund £</b>	<b>2021 Total £</b>
<b>Fixed Asset Investments</b>	3,103,642	3,365,660	6,469,302
<b>Net Current Assets/(Liabilities)</b>	(42,266)	149,383	107,117
<b>Total</b>	<u>£3,061,376</u>	<u>£3,515,043</u>	<u>£6,576,419</u>

**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 £56,400 (2021: £54,508). There were no other related party transactions in the year.

**THE AUTHORS' FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

**10 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

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

**11 REVIEW OF FUNDS**

During the year the Trustees reviewed the charity's investment policy. The review identified that the charity has a permanent endowment, however for at least the last 10 years the Trustees have informally followed a total return basis to allow capital returns to fund some of the charity's annual expenditure. Following legal advice, the Trustees passed a resolution on 8 June 2022 in accordance with s282 Charities Act 2011 that the objects of the Trust to which the fund is subject could be carried out more effectively if the capital of the Fund could be expended as well as income accruing to it, rather than just income. This resolution has been sent to the Charity Commission.

The Trustees have also reported to the Charity Commission on the historical position and are waiting to hear back with their response.