

THE AUTHORS' FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 DECEMBER 2023

CHARITY No. 326605

THE AUTHORS' FOUNDATION

Charity Information

Trustees	The Management Committee of The Society of Authors Simon Brett (resigned 1 Dec 2023) Imtiaz Dharker Tracy Chevalier George Graham Sarah Waters (appointed 1 Dec 2023)
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	LGT Wealth Management UK LLP 14 Cornhill London EC3V 3NR

THE AUTHORS' FOUNDATION

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REPORT OF THE TRUSTEES OF THE AUTHORS' FOUNDATION

YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and financial statements for the year ended 31st December 2023. 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); 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 2023 appear on pages 4 to 10. A total of 112 authors received grants from the Foundation in 2023 (2022: 115 authors).

REPORT OF THE TRUSTEES OF THE AUTHORS' FOUNDATION

YEAR ENDED 31 DECEMBER 2023

Restricted Endowment: The income from investments for the year amounted to £99,234 (2022: £99,570) and the fund-raising income for the year amounted to £12,000 (2022: £10,000). After payment of charitable awards amounting to £190,001 (2022: £188,135) and other expenditure totalling £56,435 (2022: £55,471) there was a Net decrease in Funds for the year of £134,617 (2022: £133,959 decrease) before including the capital movements on investments - the realised gain on the sale of investments of £164 (2022: £10,669 loss) and the unrealised increase in the market value of £136,641 (2022: £443,393 decrease). The Accumulated Fund carried forward at 31st December 2023 stands at £2,929,210 (2022: £2,927,022).

Unrestricted Fund: The income from investments totalled £91,674 (2022: £91,519) and fund-raising income for the year amounted to £885 (2022: £1,183). Charitable awards paid were £143,334 (2022: £141,926) and other expenditure totalled £45,016 (2022: £44,319). The Net decrease in Funds for the year was £88,870 (2022: £83,416 decrease). The capital movements on investments consisted of realised loss of £166 (2022: £9,753 loss) and the unrealised gain in market value was £127,416 (2022: £407,781 loss). The balance carried forward on the Accumulated Fund at the year-end is therefore £2,598,806 (2022: £2,560,426).

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 3rd June 2024 and signed on their behalf by:



Vanessa Fox O'Loughlin – Chair of the Management Committee, The Society of Authors

THE AUTHORS' FOUNDATION
YEAR ENDED 31 DECEMBER 2023

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 2023.

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 5 June 2024

THE AUTHORS' FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds	Restricted Endowment	2023 Total Funds	2022 Total Funds
		£	£	£	£
Income and Endowments from:					
<i>Fund Raising Income</i>					
Donations and Legacies		-	12,000	12,000	10,097
CAF Fund Raising		885	-	885	1,086
		<u>885</u>	<u>12,000</u>	<u>12,885</u>	<u>11,183</u>
<i>Income from Investments</i>					
Dividends and Interest - Listed Investments	2	91,674	99,234	190,908	191,089
Dividends from other investments		6,370	-	6,370	9,800
Bank Interest		551	585	1,136	160
		<u>98,595</u>	<u>99,819</u>	<u>198,414</u>	<u>201,049</u>
<i>Other Income</i>		-	-	-	244
Total Income		<u>99,480</u>	<u>111,819</u>	<u>211,299</u>	<u>212,476</u>
Expenditure on:					
<i>Cost of Generating Funds</i>					
Investment Management Fees		13,146	14,189	27,335	28,763
<i>Direct Charitable Activities</i>					
Awards Paid		143,334	190,001	333,335	330,061
Support Costs	4	31,870	42,246	74,116	71,027
Total Expenditure		<u>188,350</u>	<u>246,436</u>	<u>434,786</u>	<u>429,851</u>
Net income/(expenditure) before investment gains/(losses)		(88,870)	(134,617)	(223,487)	(217,375)
Net gains/(losses) on investments	6	127,250	136,805	264,055	(871,596)
Net income/(expenditure)		<u>38,380</u>	<u>2,188</u>	<u>40,568</u>	<u>(1,088,971)</u>
Reconciliation of Funds:					
Total Funds Brought Forward		2,560,426	2,927,022	5,487,448	6,576,419
Total Funds Carried Forward	8	<u>£2,598,806</u>	<u>£2,929,210</u>	<u>£5,528,016</u>	<u>£5,487,448</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 2023

	Notes	2023		2022	
		£	£	£	£
Fixed Assets					
Listed Investments	5,6		5,437,563		5,366,507
Other Investments	5		49		49
			<u>5,437,612</u>		<u>5,366,556</u>
Current Assets					
Cash held by Investment Managers		98,880		72,043	
Cash at Bank		<u>4,169</u>		<u>61,065</u>	
		103,049		133,108	
Creditors					
Amounts falling due within one year	7	<u>(12,645)</u>		<u>(12,216)</u>	
Net Current Assets			90,404		120,892
Total Net Assets	8		<u>£5,528,016</u>		<u>£5,487,448</u>
Accumulated Funds					
Unrestricted Fund			2,598,806		2,560,426
Restricted Endowment Fund			2,929,210		2,927,022
Total Funds			<u>£5,528,016</u>		<u>£5,487,448</u>

The Financial Statements were approved by the Trustees on 3rd June 2024 and signed on their behalf by:



Vanessa Fox O'Loughlin – 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 2023

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purpose.

- g) 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.
- h) 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

	Unrestricted Fund £	Restricted Endowment Fund £	2023 Total £	2022 Total £
NON GOVERNMENT BOND FUNDS				
ASC (Offshore) Global Fixed Interest Fund Z Income	12,782	14,070	26,852	27,911
ASC (Offshore) Sterling Fixed Interest Fund Z Income	9,135	9,923	19,058	16,387
MULTI ASSET CHARITY INVESTMENT FUNDS				
ASC Income Fund Z	69,757	75,241	144,998	146,791
	<u>£91,674</u>	<u>£99,234</u>	<u>£190,908</u>	<u>£191,089</u>

THE AUTHORS' FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

2 INVESTMENT INCOME (continued)

Comparative year

	Unrestricted Fund £	Restricted Endowment Fund £	2022 Total £
NON GOVERNMENT BOND FUNDS			
ASC (Offshore) Global Fixed Interest Fund Z Income	13,286	14,625	27,911
ASC (Offshore) Sterling Fixed Interest Fund Z Income	7,854	8,533	16,387
MULTI ASSET CHARITY INVESTMENT FUNDS			
ASC Income Fund Z	70,379	76,412	146,791
	£91,519	£99,570	£191,089

3 AWARDS

Awards were paid to 112 individuals during the year (2022:115).

4 ANALYSIS OF SUPPORT COSTS

	Unrestricted Fund £	Restricted Endowment Fund £	2023 Total £	2022 Total £
Administration Costs	25,465	33,755	59,220	56,400
Judges Fees and Expenses	3,682	4,881	8,563	8,400
Bank Charges	84	111	195	227
Other expenses	188	250	438	600
Governance				
Independent Examiners Fees	2,451	3,249	5,700	5,400
	£31,870	£42,246	£74,116	£71,027

Comparative year

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

THE AUTHORS' FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

5 INVESTMENTS

			2023	2022
	Unrestricted Fund £	Restricted Endowment Fund £	Total £	Total £
Listed Investments				
NON GOVERNMENT BOND FUNDS				
ASC (Offshore) Global Fixed Interest Fund Z Income	231,508	254,842	486,350	465,198
ASC (Offshore) Sterling Fixed Interest Fund Z Income	227,390	247,023	474,413	450,833
MULTI ASSET CHARITY INVESTMENT FUNDS				
ASC Income Fund Z	<u>2,164,562</u>	<u>2,312,238</u>	<u>4,476,800</u>	<u>4,450,476</u>
Total Market Value	<u>£2,623,460</u>	<u>£2,814,103</u>	<u>£5,437,563</u>	<u>£5,366,507</u>
<i>Historic Cost</i>	<i>£2,632,469</i>	<i>£2,818,593</i>	<i>£5,451,062</i>	<i>£5,647,629</i>

Comparative year

	Unrestricted Fund £	Restricted Endowment Fund £	2022 Total £
Listed Investments			
NON GOVERNMENT BOND FUNDS			
ASC (Offshore) Global Fixed Interest Fund Z Income	221,439	243,759	465,198
ASC (Offshore) Sterling Fixed Interest Fund Z Income	216,088	234,745	450,833
MULTI ASSET CHARITY INVESTMENT FUNDS			
ASC Income Fund Z	<u>2,134,682</u>	<u>2,315,794</u>	<u>4,450,476</u>
Total Market Value	<u>£2,572,209</u>	<u>£2,794,298</u>	<u>£5,366,507</u>
<i>Historic Cost</i>	<i>£2,710,048</i>	<i>£2,937,581</i>	<i>£5,647,629</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 2023

6 MOVEMENTS ON INVESTMENTS

			2023	2022
	Unrestricted Fund £	Restricted Endowment Fund £	Total £	Total £
Market Value as at beginning of year	2,572,210	2,794,297	5,366,507	6,469,253
Disposal Proceeds	(76,000)	(116,999)	(192,999)	(231,150)
Investment Gains	127,250	136,805	264,055	(871,596)
Market Value as at end of year	<u>£2,623,460</u>	<u>£2,814,103</u>	<u>£5,437,563</u>	<u>£5,366,507</u>
Analysis of Investment Gains				
Realised Gains/(Losses)	(166)	164	(2)	(20,422)
Unrealised Gains/(Losses)	127,416	136,641	264,057	(851,174)
	<u>£127,250</u>	<u>£136,805</u>	<u>£264,055</u>	<u>£(871,596)</u>

7 CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Investment Managers Fees	6,945	6,816
Professional Fees	5,700	5,400
	<u>£12,645</u>	<u>£12,216</u>

8 NET ASSETS BY FUND

			2023
	Unrestricted Fund £	Restricted Endowment Fund £	Total £
Fixed Asset Investments	2,623,509	2,814,103	5,437,612
Net Current Assets/(Liabilities)	(24,703)	115,107	90,404
Total	<u>£2,598,806</u>	<u>£2,929,210</u>	<u>£5,528,016</u>
<i>Comparative year</i>			2022
	Unrestricted Fund £	Restricted Endowment Fund £	Total £
Fixed Asset Investments	2,572,258	2,794,298	5,366,556
Net Current Assets/(Liabilities)	(11,832)	132,724	120,892
Total	<u>£2,560,426</u>	<u>£2,927,022</u>	<u>£5,487,448</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 £59,220 (2022: £56,400). There were no other related party transactions in the year.

THE AUTHORS' FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

10 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

11 REVIEW OF FUNDS

During the year ended 31 December 2022 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 26 May 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. The Charity Commission have confirmed that the charity has taken appropriate steps to address the matter and that the resolution is now effective.