

**THE AUTHORS' CONTINGENCY FUND**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE**

**YEAR ENDED 31 DECEMBER 2019**

**CHARITY No. 212406**  
**THE AUTHORS' CONTINGENCY FUND**

**Charity Information**

Trustees	The Management Committee of The Society of Authors
Charity Number	212406
Charity Offices	c/o The Society of Authors 24 Bedford Row London WC1R 4EH
Independent Examiner	Simon Goodridge ACA 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	Aberdeen Standard Capital Bow Bells House 1 Bread Street London EC4M 9HH

## **THE AUTHORS' CONTINGENCY FUND**

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# **REPORT OF THE TRUSTEES OF THE AUTHORS' CONTINGENCY FUND YEAR ENDED 31 DECEMBER 2019**

The Trustees present their report and financial statements for the year ended 31<sup>st</sup> December 2019. 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**

The Society of Authors is the permanent Trustee of the charity and has acted throughout the year.

## **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 21<sup>st</sup> July 1960, amended on 28<sup>th</sup> March 1963, to pay grants to authors in financial need. The policy of the Authors' Contingency Fund 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.

## **Public Benefit**

In reviewing the charity's aims and objectives and in planning future activities, the Trustees refer to the Charity Commission's 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 31<sup>st</sup> December 2019 are attached and show a Net Movement in funds of £22,099 deficit (2018: £10,415 deficit) after including donations received of £7,603 (2018: £7,145) and paying Charitable Grants of £45,987 (2018: £29,185) helping 63 authors during the year (2018: 31). The realised surplus on the disposal of investments this year was £1,208 (2018: £129) and the unrealised increase in market value of investments this year amounted to £69,821 (2018: £24,596 decrease). The investments appear in the Balance Sheet at their market value at of £570,090 (2018: £512,061). As a result, the Total Funds carried forward at the year-end amount to £604,930 (2018: £556,000) comprising restricted funds of £1,880 and unrestricted funds of £603,050 and the Trustees consider that the charity has sufficient income and capital to meet its obligations in the foreseeable future.

The Covid-19 pandemic has affected the way the charity and the Society of Authors works. The fall in world stock markets has affected the value of the charity's investment portfolio as set out in the notes to the financial statements, but the charity currently hopes 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 14 May 2020 and signed on their behalf by:



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

## **THE AUTHORS' CONTINGENCY FUND**

**YEAR ENDED 31<sup>st</sup> DECEMBER 2019**

### **Independent Examiner's Report to the Trustees of The Authors' Contingency Fund**

I report to the trustees on my examination of the accounts of The Authors' Contingency Fund for the year ended 31<sup>st</sup> December 2019.

#### **Responsibilities and basis of report**

As the charity trustees of the trust 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 as required 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) that accounts do not accord with those records; or
- c) that 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 ACA  
Knox Cropper LLP  
Chartered Accountants  
65 Leadenhall Street  
London  
EC3A 2AD

Date: 14 May 2020

**THE AUTHORS' CONTINGENCY FUND**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2019**

	<b>Notes</b>	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2019 Total £</b>	<b>2018 Total £</b>
<b>Income</b>					
Donations and Legacies	2	5,180	2,423	7,603	7,145
Investment Income - Dividends	3	16,707	-	16,707	15,847
- Bank Interest		15	-	15	3
Other income	5	13,534	-	13,534	9,210
<b>Total</b>		<b>35,436</b>	<b>2,423</b>	<b>37,859</b>	<b>32,205</b>
<b>Expenditure</b>					
Raising funds:					
Investment Management Fees		4,462	-	4,462	4,370
Charitable activities	4	53,825	1,671	55,496	38,250
<b>Total</b>		<b>58,287</b>	<b>1,671</b>	<b>59,958</b>	<b>42,620</b>
<b>Net income/(expenditure) before Investment gains/(losses)</b>		<b>(22,851)</b>	<b>752</b>	<b>(22,099)</b>	<b>(10,415)</b>
Net gains/(losses) on investments	8	71,029	-	71,209	(24,467)
<b>Net income/(expenditure)</b>		<b>48,178</b>	<b>752</b>	<b>48,930</b>	<b>(34,882)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		554,872	1,128	556,000	590,882
<b>Total funds carried forward</b>		<b>£603,050</b>	<b>£1,880</b>	<b>£604,930</b>	<b>£556,000</b>

The notes form part of these Financial Statements

# THE AUTHORS' CONTINGENCY FUND

## BALANCE SHEET

31<sup>st</sup> DECEMBER 2019

	Notes	£	2019	£	£	2018	£
<b>FIXED ASSETS</b>							
Quoted Investments – at Market Value	6			570,090			512,061
<b>CURRENT ASSETS</b>							
Debtors and Prepayments	9	880				-	
Cash held by Investment Managers		15,474				10,033	
Cash at bank		21,044				36,248	
		<u>37,398</u>				<u>46,281</u>	
<b>CURRENT LIABILITIES</b>							
Amounts due within one year	10	<u>(2,558)</u>				<u>(2,342)</u>	
<b>Net Current Assets</b>				34,840			43,939
<b>TOTAL NET ASSETS</b>				<u>£604,930</u>			<u>£556,000</u>
Represented by:							
<b>ACCUMULATED FUNDS</b>							
Restricted Funds	11			1,880			1,128
Unrestricted Funds				603,050			554,872
<b>TOTAL FUNDS</b>	12			<u>£604,930</u>			<u>£556,000</u>

Approved by the Trustees on 14 May 2020 and signed on their behalf



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

The notes form part of these Financial Statements

**THE AUTHORS' CONTINGENCY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**1 ACCOUNTING POLICIES**

- a) These 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.  
The charity is a public benefit entity under FRS102.
- b) The income from Investments and Bank Interest received represents the actual income receivable in the years.
- c) Donations are accounted for as receivable by the charity.
- d) Awards paid include all amounts payable in the year in accordance with the terms of the Trust Deed.
- 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.
- g) Since the balance sheet date 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 reduced. 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.
- h) The Trustees have identified a grant received as restricted income in the year and have made a prior year adjustment to recognise the grant received from the same charitable trust in 2018 as also restricted, as disclosed in notes 2 and 11.

**2. LEGACIES AND DONATIONS**

	<b>2019</b>	<b>2018</b>
	£	£
<b>Restricted grant</b>		
The Francis W Reckitt Arts Trust	2,423	2,500
<b>Unrestricted donations</b>	5,180	4,645
<b>Total</b>	<u><u>£7,603</u></u>	<u><u>£7,145</u></u>

**THE AUTHORS' CONTINGENCY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**3. INVESTMENT INCOME**

	<b>Gross Income 2019 £</b>	<b>Gross Income 2018 £</b>
<b>NON GOVERNMENT BOND FUNDS</b>		
ASC (Offshore) Global Fixed Interest Fund Z Income	2,444	1,634
ASC (Offshore) Sterling Fixed Interest Fund Z Income	1,738	2,056
	<u>4,182</u>	<u>3,690</u>
<b>MULTI ASSET CHARITY INVESTMENTS</b>		
BNY Mellon Funds	12,525	12,157
<b>TOTAL</b>	<u><u>£16,707</u></u>	<u><u>£15,847</u></u>

**4. CHARITABLE ACTIVITIES**

	<b>2019 £</b>	<b>2018 £</b>
<b>DIRECT</b>		
Awards paid	45,987	29,185
<b>INDIRECT</b>		
Administration costs	7,938	7,560
Other expenses	83	53
<b>GOVERNANCE</b>		
Independent Examination Fee – current year	1,488	1,416
- prior year	-	36
	<u><u>£55,496</u></u>	<u><u>£38,250</u></u>

Awards paid in the year included £1,671 paid out of restricted funds (2018: £1,372).

**5. OTHER INCOME**

	<b>2019 £</b>	<b>2018 £</b>
Other income	-	52
Royalties	13,534	9,158
	<u><u>£13,534</u></u>	<u><u>£9,210</u></u>

**THE AUTHORS' CONTINGENCY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**6. INVESTMENTS**

	<b>Cost</b>	<b>Market Value</b>
	£	£
<b>NON GOVERNMENT BOND FUNDS</b>		
ASC (Offshore) Global Fixed Interest Fund Z Income	53,452	55,089
ASC (Offshore) Sterling Fixed Interest Fund Z Income	51,143	56,189
	<u>104,595</u>	<u>111,278</u>
<b>CHARITY INVESTMENT</b>		
BNY Mellon Funds	<u>215,424</u>	<u>458,812</u>
Totals at – 31 <sup>st</sup> December 2019	<u>£320,019</u>	<u>£570,090</u>
31 <sup>st</sup> December 2018	<u>£326,419</u>	<u>£512,061</u>

Following the fall in world stock markets in March 2020 as a result of the Covid-19 pandemic, the value of the charity's investment portfolio as at 31 March 2020 was £487,775.

**7. MOVEMENT IN COST ON INVESTMENTS**

	<b>2019</b>	<b>2018</b>
	£	£
COST PRICE at 1 January 2019	326,419	322,299
ADDITIONS		
ASC (Offshore) Global Fixed Interest Fund Z Income	-	7,452
ASC (Offshore) Sterling Fixed Interest Fund Z Income	<u>-</u>	<u>5,967</u>
		13,419
DISPOSALS AT COSTS		
BNY Mellon Funds	<u>(6,400)</u>	<u>(9,299)</u>
	<u>(6,400)</u>	<u>(9,299)</u>
COST PRICE 31 December 2019	<u>£320,019</u>	<u>£326,419</u>

**THE AUTHORS' CONTINGENCY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**8. MOVEMENT IN MARKET VALUES OF INVESTMENTS**

	<b>2019</b>	<b>2018</b>
	£	£
Market Value at the beginning of the year	512,061	541,109
Cost of Additions	-	13,419
Disposal Proceeds	(13,000)	(18,000)
Investment Gains/(losses)	<u>71,029</u>	<u>(24,467)</u>
	58,029	(29,048)
<b>Market value at year end</b>	<b><u>£570,090</u></b>	<b><u>£512,061</u></b>
Realised gains/(losses)	1,208	129
Unrealised gains/(losses)	69,821	(24,596)
	<u>£71,029</u>	<u>£(24,467)</u>

**9. DEBTORS AND PREPAYMENTS**

	<b>2019</b>	<b>2018</b>
	£	£
Debtors	880	-
	<u>£880</u>	<u>-</u>

**10. CREDITORS AND ACCRUALS**

	<b>2019</b>	<b>2018</b>
	£	£
Investment Managers' Fees	1,106	926
Professional Fees	1,452	1,416
	<u>£2,558</u>	<u>£2,342</u>

**11. RESTRICTED FUNDS**

	<b>2019</b>	<b>2018</b>
	£	£
<b>The Francis W Reckitt Arts Trust</b>		
Grant received	2,423	2,500
Awards paid	(1,671)	(1,372)
Net income/(expenditure) in the year	752	1,128
Funds bfwd	1,128	-
Funds cfwd	<u>£1,880</u>	<u>£1,128</u>

These grants are provided to fund residential stays for professional writers.

**THE AUTHORS' CONTINGENCY FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**12. NET ASSETS**

	Unrestricted	Restricted	<b>2019</b> Total
	£	£	£
Fixed asset investments	570,090	-	570,090
Net current assets	32,960	1,880	34,840
	<u>£603,050</u>	<u>£1,880</u>	<u>£604,930</u>
	Unrestricted	Restricted	<b>2018</b> Total
	£	£	£
Fixed asset investments	512,061	-	512,061
Net current assets	42,811	1,128	43,939
	<u>£554,872</u>	<u>£1,128</u>	<u>£556,000</u>

**13. RELATED PARTY DISCLOSURES**

The Society of Authors, which is the corporate Trustee of the charity, carried out management services for the charity and charged a management fee for the year amounting to £7,938 (2018: £7,560).