

THE FRANCIS HEAD BEQUEST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 DECEMBER 2022

CHARITY No. 277018
THE FRANCIS HEAD BEQUEST

Charity Information

Trustees	The Management Committee of The Society of Authors
Charity Number	277018
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 FRANCIS HEAD BEQUEST

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REPORT OF THE TRUSTEES OF THE FRANCIS HEAD BEQUEST

YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and financial statements for the year ended 31st 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

The Management Committee of the Society of Authors is the permanent Trustee of the charity (the "Trustees") 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 main 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 the Will of the late Mary Francis Guelbi Head for the advancement of education generally and in particular to further and promote education by providing grants for the benefit and assistance of contemporary writers in the English language over the age of 35 who whether by reason of disablement or otherwise are in financial difficulty and who whether male or female were born in England, Scotland, Wales or Northern Ireland. The policy of the Francis Head Bequest continues to be to pay grants in accordance with the Trust Deed out of the income generated by the investments and donations.

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 31st December 2022 are attached and show a Net decrease in funds of £41,374 deficit (2021: £40,548 decrease) before adding the realised loss on sale of investments of £2,194 (2021: £4,143 gain) and unrealised decrease in the market value of investments of £118,312 (2021: £67,677 gain). Grants and awards totalling £48,000 (2021: £44,450) were paid in the year, helping 26 authors (2021: 28), and other expenditure incurred amounted to £19,781 (2021: £18,179). The investments appear in the Balance Sheet at their market value of £748,445 (2021: £901,000). The Accumulated Fund carried forward at the year-end stands at £761,883 (2021: £923,763) and the Trustees consider that the charity has sufficient income and capital to meet its obligations in the foreseeable future.

REPORT OF THE TRUSTEES OF THE FRANCIS HEAD BEQUEST

YEAR ENDED 31 DECEMBER 2022

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.

Approval

This report was approved by the Trustees on 18 May 2023 and signed on their behalf.

A handwritten signature in black ink, appearing to read 'Joanne Harris', is written over a faint, circular stamp or watermark.

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

THE FRANCIS HEAD BEQUEST

YEAR ENDED 31st DECEMBER 2022

Independent Examiner's Report to the Trustees of The Francis Head Bequest

I report to the trustees on my examination of the accounts of the Francis Head Bequest for the year ended 31st 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 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 which give 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 FCA
Knox Cropper LLP
Chartered Accountants
65 Leadenhall Street
EC3A 2AD

Date: 14 July 2023

THE FRANCIS HEAD BEQUEST
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31st DECEMBER 2022

		-----Unrestricted Funds-----	
	Notes	2022 £	2021 £
Income			
Investment Income - Dividends	2	26,389	22,081
- Bank Interest		18	-
Total Income		<u>26,407</u>	<u>22,081</u>
Expenditure:-			
Raising Funds:			
Investment Management Fees		3,954	4,454
Charitable Activities	3	63,827	58,175
Total Expenditure		<u>67,781</u>	<u>62,629</u>
Net Income/(expenditure) before Investment Gains/(losses)		<u>(41,374)</u>	<u>(40,548)</u>
Net gains/(losses) on investments	6	(120,506)	71,820
Net income/(expenditure)		<u>(161,880)</u>	<u>31,272</u>
Reconciliation of funds:			
Total funds brought forward		923,763	892,491
Total funds carried forward		<u><u>£761,883</u></u>	<u><u>£923,763</u></u>

THE FRANCIS HEAD BEQUEST

BALANCE SHEET

31st DECEMBER 2022

	Notes	£	2022	£	2021	£
FIXED ASSETS						
Quoted Investments – at Market Value	4			748,445		901,000
CURRENT ASSETS						
Cash held by Investment Managers		6,946			16,650	
Cash at bank		<u>9,148</u>			<u>8,885</u>	
		16,094			25,535	
CURRENT LIABILITIES						
Amounts due within one year	7	<u>(2,656)</u>			<u>(2,772)</u>	
Net Current Assets				13,438		22,763
TOTAL NET ASSETS				<u>£761,883</u>		<u>£923,763</u>
Represented by:						
ACCUMULATED FUND						
Unrestricted Funds				761,883		923,763
TOTAL UNRESTRICTED FUNDS				<u>£761,883</u>		<u>£923,763</u>

Approved by the Trustees on 18 May 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 FRANCIS HEAD BEQUEST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2022

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 represent the actual income receivable in the year.
- c) Awards paid include all amounts payable in the year in accordance with the terms of the Trust Deed.
- d) Other expenditure is included on the basis of amounts payable for the year.
- e) The quoted investments are included in the Financial Statements at market value to comply with the Statement of Recommended Practice.
- f) The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events and 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

	2022 Gross Income £	2021 Gross Income £
NON GOVERNMENT BOND FUNDS		
ASC (Offshore) Global Fixed Interest Fund Z Income	3,777	3,606
ASC (Offshore) Sterling Fixed Interest Fund Z Income	2,251	2,359
MULTI ASSET CHARITY INVESTMENT FUNDS		
ASC Income Fund Z	20,361	13,012
BNY Mellon Funds	-	3,104
TOTAL	<u>£26,389</u>	<u>£22,081</u>

THE FRANCIS HEAD BEQUEST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2022

3. CHARITABLE ACTIVITIES

	2022	2021
	£	£
Direct		
Awards paid	48,000	44,450
Indirect		
Judges fees	3,000	3,000
Administration Costs	10,440	9,104
Other	677	-
Governance		
Independent Examination Fee	1,710	1,621
	<u>£63,827</u>	<u>£58,175</u>

4. INVESTMENTS

	Cost	Market Value
	£	£
NON GOVERNMENT BOND FUNDS		
ASC (Offshore) Global Fixed Interest Fund Z Income	78,985	62,946
ASC (Offshore) Sterling Fixed Interest Fund Z Income	72,304	61,915
	<u>151,289</u>	<u>124,861</u>
MULTI ASSET CHARITY INVESTMENT FUNDS		
ASC Income Fund Z	635,230	623,584
	<u>£786,519</u>	<u>£748,445</u>
Totals at – 31 st December 2022		
	<u>£817,273</u>	<u>£901,000</u>
31 st December 2021		

5. MOVEMENT IN COST OF INVESTMENTS

	2022	2021
	£	£
Cost at 1 January 2022	817,273	514,396
Additions		
ASC Income Fund Z	-	687,906
	-	687,906
Disposals		
ASC (Offshore) Global Fixed Interest Fund Z Income	-	(2,633)
ASC (Offshore) Sterling Fixed Interest Fund Z Income	-	(1,974)
ASC Income Fund Z	(30,754)	(21,921)
BNY Mellon Funds	-	(358,501)
	(30,754)	(385,029)
Cost at 31 December 2022	<u>£786,519</u>	<u>£817,273</u>

THE FRANCIS HEAD BEQUEST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2022

6. MOVEMENT IN MARKET VALUES OF INVESTMENTS

	2022	2021
	£	£
Market Value at the beginning of the year	901,000	876,131
Additions	-	687,906
Disposal Proceeds	(32,049)	(734,857)
Investment Gains	<u>(120,506)</u>	<u>71,820</u>
	(152,555)	24,869
Market Value at End of Year	<u>£748,445</u>	<u>£901,000</u>
Realised gains/(losses)	(2,194)	4,143
Unrealised gains/(losses)	(118,312)	67,677
	<u>£(120,506)</u>	<u>£71,820</u>

7. CREDITORS AND ACCRUALS

	2022	2021
	£	£
Investment Managers' Fees	946	1,152
Professional Fees	1,710	1,620
	<u>£2,656</u>	<u>£2,772</u>

8. 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 £10,440 (2021 £9,104). There were no other related party transactions in the year.

9. 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 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 and are waiting to hear back with their response.