

THE AUTHORS' CONTINGENCY FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31 DECEMBER 2018

CHARITY No. 212406
THE AUTHORS' CONTINGENCY FUND

Charity Information

Trustees	The Society of Authors
Charity Number	212406
Charity Offices	24 Bedford Row London WC1R 4EH
Independent Accountants	Knox Cropper LLP 65 Leadenhall Street London EC3A 2AD
Bankers	HSBC The Peak 333 Vauxhall Bridge Road Victoria London. SW1V 1EJ
Investment Advisors	Standard Life Wealth, 30 St. Mary Axe, London. EC3A 8EP

THE AUTHORS' CONTINGENCY FUND

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REPORT OF THE TRUSTEES OF THE AUTHORS' CONTINGENCY FUND YEAR ENDED 31 DECEMBER 2018

The Trustees present their report and financial statements for the year ended 31st December 2018. 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).

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 21st July 1960, amended on 28th 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 31st December 2018 are attached and show a Net Movement in funds of £10,415 deficit (2017: (£498 deficit) after including donations received of £7,145 (2017: £8,134) and paying Charitable Grants of £29,185 (2017: £30,305) helping 31 authors during the year (2017: 32). The realised surplus on the disposal of investments this year was £129 (2017: £Nil) and the unrealised decrease in market value of investments this year amounted to £24,596 (2018: £41,962). The investments appear in the Balance Sheet at their market value at of £512,061 (2017: £541,109). As a result, the Accumulated Fund carried forward at the year-end amounts to £556,000 (2017: £590,882) and the Trustees consider that the charity has sufficient income and capital to meet its obligations 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.

Audit Committee

An independent audit committee was established during the year to review the finances of all charitable trusts on which The Society of Authors acts as a corporate trustee.

INDEPENDENT EXAMINER

On 31st March 2019, Knox Cropper, the Charity's independent Examiner, transferred its business to Knox Cropper LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Trustees have consented to treating the appointment of Knox Cropper as extending to Knox Cropper LLP.

Approved by the board of Trustees on 23/5/19 May 2019 and signed on their behalf by:

David Donachie - Society of Authors Trustees

THE AUTHORS' CONTINGENCY FUND

YEAR ENDED 31st DECEMBER 2018

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 31st December 2018.

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.

Kevin Lally

Kevin Lally FCA
Knox Cropper LLP
65 Leadenhall Street
London
EC3A 2AD

Date: 23rd May 2019

THE AUTHORS' CONTINGENCY FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2018

		-----Unrestricted Funds-----	
	Notes	2018 £	2017 £
Income			
Donations and Legacies	2	7,145	8,134
Investment Income - dividends	3	15,847	15,596
- bank Interest		3	-
Other income	5	9,210	18,695
Total		32,205	42,425
Expenditure			
Raising funds:			
Investment Management Fees		4,370	3,982
Charitable activities	4	38,250	38,941
Other		-	-
Total		42,620	42,923
Net income/(expenditure) before Investment gains/(losses)		(10,415)	(498)
Net gains/(losses) on investments		(24,467)	41,962
Net income/(expenditure)		(34,882)	41,464
Reconciliation of funds:			
Total funds brought forward		590,882	549,418
Total funds carried forward		556,000	590,882

The notes form part of these Financial Statements

THE AUTHORS' CONTINGENCY FUND

BALANCE SHEET

31st DECEMBER 2018

	Notes	£	2018	£	£	2017	£
FIXED ASSETS							
Quoted Investments – at Market Value	6			512,061			541,109
CURRENT ASSETS							
Debtors and Prepayments	9		-			-	
Cash held by Investment Managers			10,033			13,974	
Cash at bank			36,248			38,105	
			<u>46,281</u>			<u>52,079</u>	
CURRENT LIABILITIES							
Amounts due within one year	10		<u>(2,342)</u>			<u>(2,306)</u>	
Net Current Assets				43,939			49,773
TOTAL NET ASSETS				<u>556,000</u>			<u>590,882</u>
Represented by:							
ACCUMULATED FUND							
Unrestricted Funds				556,000			590,882
TOTAL UNRESTRICTED FUNDS				<u>556,000</u>			<u>590,882</u>

Approved by the Trustees on

David Donachie

May 2019 and signed on their behalf

David Donachie – Society of Authors Trustees

David Donachie

The notes form part of these Financial Statements

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

1 ACCOUNTING POLICIES

(a) These financial statements have been prepared in accordance with the Financial Reporting Standard 102 and the Charities SORP (FRS102) 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.

2. LEGACIES AND DONATIONS

	2018	2017
	£	£
Legacies	-	-
Donations	7,145	8,134
Total	<u>7,145</u>	<u>8,134</u>

3. INVESTMENT INCOME

	Gross Income 2018	Gross Income 2017
	£	£
NON GOVERNMENT BOND FUNDS		
SLW (Offshore) Global Fixed Interest Fund Z Income	1,634	1,723
SLW (Offshore) Sterling Fixed Interest Fund Z Income	<u>2,056</u>	<u>2,133</u>
	3,690	3,856
MULTI ASSET CHARITY INVESTMENTS		
BNY Mellon Funds	12,157	11,740
TOTAL	<u>15,847</u>	<u>15,596</u>

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

4. CHARITABLE ACTIVITIES

	2018	2017
	£	£
DIRECT		
Awards paid	29,185	30,305
INDIRECT		
Administration costs	7,560	6,975
Other expenses	53	51
GOVERNANCE		
Independent Examination Fee – current year	1,416	1,380
- prior year	36	230
	<u>38,250</u>	<u>38,941</u>

5. OTHER INCOME

Other income	52	-
Royalties	<u>9,158</u>	<u>18,695</u>
	<u>9,210</u>	<u>18,695</u>

6. INVESTMENTS

	Cost	Market Value
	£	£
NON GOVERNMENT BOND FUNDS		
SLW (Offshore) Global Fixed Interest Fund Z Income	53,452	51,212
SLW (Offshore) Sterling Fixed Interest Fund Z Income	<u>51,144</u>	<u>52,111</u>
	<u>104,596</u>	<u>103,323</u>
CHARITY INVESTMENT		
BNY Mellon Funds	<u>221,823</u>	<u>408,738</u>
Totals at – 31 st December 2018	<u>326,419</u>	<u>512,061</u>
31 st December 2017	<u>322,299</u>	<u>541,109</u>

7. MOVEMENT IN COST ON INVESTMENTS

	2018	2017
	£	£
COST PRICE at 1 January 2018	322,299	322,299
ADDITIONS		
(Offshore) Global Fixed Interest Fund Z Income	7,452	-
(Offshore) Sterling Fixed Interest Fund Z Income	<u>5,967</u>	<u>-</u>
	13,419	-
DISPOSALS AT COSTS		
BNY Mellon Funds	<u>(9,299)</u>	<u>-</u>
	<u>(9,299)</u>	<u>-</u>
COST PRICE 31 December 2018	<u>326,419</u>	<u>322,299</u>

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

8. MOVEMENT IN MARKET VALUES OF INVESTMENTS

	2018	2017
	£	£
Market Value at the beginning of the year	541,109	499,147
Cost of Additions	13,419	-
Disposal Proceeds	(18,000)	-
Investment Gains/(losses)	<u>(24,467)</u>	<u>41,962</u>
	<u>(29,048)</u>	<u>41,962</u>
Market value at year end	<u><u>512,061</u></u>	<u><u>541,109</u></u>
Realised gains/(losses)	129	-
Unrealised gains/(losses)	(24,596)	41,962
	<u><u>(24,467)</u></u>	<u><u>41,962</u></u>

9. DEBTORS AND PREPAYMENTS

	2018	2017
	£	£
Debtors	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

10. CREDITORS AND ACCRUALS

	2018	2017
	£	£
Investment Managers' Fees	926	926
Professional Fees	1,416	1,380
	<u><u>2,342</u></u>	<u><u>2,306</u></u>

11. 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 £7,560 (2017: £6,975).