

THE AUTHORS' CONTINGENCY FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31 DECEMBER 2021

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 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 Bow Bells House 1 Bread Street London EC4M 9HH

THE AUTHORS' CONTINGENCY FUND

Contents

	Page
Trustees' Report	1 - 2
Independent Examiner's Report	3
Statement of Financial Activities	4
Balance Sheet	5
Notes to the Financial Statements	6 - 12

REPORT OF THE TRUSTEES OF THE AUTHORS' CONTINGENCY FUND

YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and financial statements for the year ended 31st December 2021. 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 corporate 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.

Achievements and Performance of the charity

Since 2020, Covid19 has had a significant and detrimental impact on the earnings of all kinds of writers. The Society of Authors' Contingency Fund has huge experience and robust, speedy processes in dealing with applicants suffering financial hardship and the Contingency Fund has continued to receive donations in 2021 from The Royal Literary Fund (£150,000), Amazon (£25,000), Authors' Licensing and Collecting Society (£20,000), World of Books (£18,250), Random House Group (£10,000), Bloomsbury Publishing (£5,000), Linbury Trust (£4,000) as well as donations from trusts and individuals (£57,778) to help support these writers. The charity would like to thank everyone who has generously donated.

The criteria for these grants was to provide provision for the relief of Authors who were suffering financial difficulties and due to the effect of the Covid19 pandemic, the number of applicants for these grants had significantly increased and the above generous donations enabled The Society of Authors' Contingency Fund to support more writers in this time of need. The agreed small grants, typically in the region of £1,000-£2,000 were to provide quick emergency relief to these authors. All grants were assessed on the basis of an application form and covering statement supplied by the applicant, these were all sifted by staff for eligibility and where necessary additional information was requested. All eligible applications were then forwarded to assessors to read and review. The Assessors then did a final review at regular meetings (always two assessors and one member of staff) where the final decision and the amount to be awarded was recorded. While the pandemic is still going on the aim of the Authors' Contingency Fund is to continue to fundraise and support writers whose earnings are still being impacted.

REPORT OF THE TRUSTEES OF THE AUTHORS' CONTINGENCY FUND

YEAR ENDED 31 DECEMBER 2021

Financial Review

The results for the year ended 31st December 2021 are attached and show a Net decrease in funds of £55,482 (2020: £93,146 increase) after including grants and donations received of £289,836 (2020: £1,343,326) and paying Charitable Grants of £357,900 (2020: £1,266,777) helping 287 authors during the year (2020: 890). The realised surplus on the disposal of investments this year was £2,237 (2020: £nil) and the unrealised increase in market value of investments this year amounted to £46,874 (2020: £2,043 increase). The investments appear in the Balance Sheet at their market value at of £619,902 (2020: £572,133). As a result, the Total Funds carried forward at the year-end amount to £693,748 (2020: £700,119) comprising restricted funds of £1,880 and unrestricted funds of £691,868 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 charity continues to support authors and other writers affected by the pandemic. The Fund was very successful and in all 287 grants have been awarded.

The Covid19 pandemic has increased the number of applications to the Authors' Contingency Fund which has resulted in increased administration for the Contingency Fund as the number of successful grants increased from 63 in 2019 (pre-pandemic) to 287 in 2021, an increase of over 350%. The Society of Authors did not increase the Management Fee charged to The Contingency Fund as The Society of Authors aim was to distribute all the extra funds raised by the charity as grants to writers and not to increase administration costs to the charity.

The ordinary work of the charity funded from investment income was also affected. The value of the charity's investment portfolio has recovered the losses suffered in March/April 2020 and has increased in value over the course of the whole year before disposals as set out in the notes to the financial statements. The Covid19 pandemic has raised awareness of this fund and the charity anticipates that applications will be higher than 2019 levels and the charity is aiming to continue to fundraise where necessary to provide additional support where required.

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 26 May 2022 and signed on their behalf by:



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

THE AUTHORS' CONTINGENCY FUND

YEAR ENDED 31st DECEMBER 2021

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 2021.

Responsibilities and basis of report

As the charity 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

Since the Trust's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I can confirm that I am qualified to undertake the examination because I am a registered member of the Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

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
London
EC3A 2AD

Date: 30 May 2022

THE AUTHORS' CONTINGENCY FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Income					
Grants and Donations	2	289,836	-	289,836	1,343,326
Investment Income - Dividends	3	14,907	-	14,907	12,854
- Bank Interest		192	-	192	30
Other income	5	20,302	-	20,302	26,415
Total		<u>325,237</u>	<u>-</u>	<u>325,237</u>	<u>1,382,625</u>
Expenditure					
Raising funds:					
Investment Management Fees		3,063	-	3,063	3,674
Charitable activities	4	377,656	-	377,656	1,285,805
Total		<u>380,719</u>	<u>-</u>	<u>380,719</u>	<u>1,289,479</u>
Net income/(expenditure) before investment gains/(losses)		<u>(55,482)</u>	<u>-</u>	<u>(55,482)</u>	<u>93,146</u>
Net gains/(losses) on investments	8	49,111	-	49,111	2,043
Net income/(expenditure)		<u>(6,371)</u>	<u>-</u>	<u>(6,371)</u>	<u>95,189</u>
Reconciliation of funds:					
Total funds brought forward		698,239	1,880	700,119	604,930
Total funds carried forward		<u>£691,868</u>	<u>£1,880</u>	<u>£693,748</u>	<u>£700,119</u>

The notes form part of these Financial Statements

THE AUTHORS' CONTINGENCY FUND

BALANCE SHEET

31st DECEMBER 2021

	Notes	£	2021	£	£	2020	£
FIXED ASSETS							
Quoted Investments – at Market Value	6			619,902			572,133
CURRENT ASSETS							
Debtors and Prepayments	9	18,250				13,029	
Cash held by Investment Managers		11,530				8,395	
Cash at bank		<u>47,258</u>				<u>119,754</u>	
		77,038				141,178	
CURRENT LIABILITIES							
Amounts due within one year	10	<u>(3,192)</u>				<u>(13,192)</u>	
Net Current Assets				73,846			127,986
TOTAL NET ASSETS	13			<u>£693,748</u>			<u>£700,119</u>
Represented by:							
ACCUMULATED FUNDS							
Restricted Funds	11			1,880			1,880
Unrestricted Funds	12			691,868			698,239
TOTAL FUNDS				<u>£693,748</u>			<u>£700,119</u>

Approved by the Trustees on 26 May 2022 and signed on their behalf



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 2021

1 ACCOUNTING POLICIES

- a) These financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention. They have been prepared in accordance with applicable United Kingdom accounting standards, the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities', in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) and the Charities Act 2011. The presentational currency of the financial statements is Pound Sterling (£).

- b) General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

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 purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

- c) Grants and donations are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specific future period, in which case they are deferred. All other incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Investment income is recognised on an accruals basis.
- d) All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Support costs, including governance costs, which cannot be directly attributed to particular activities, have been apportioned proportionately to the direct costs allocated to the activities.
- e) Awards paid include all amounts payable in the year in accordance with the terms of the Trust Deed.
- f) Investments are a form of basis financial investment and are initially recognised at their transaction value and subsequently measured at fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.
- g) The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

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 recovered the losses suffered in March/April 2020. The trustees believe that its investments will continue to provide sufficient resources in the foreseeable future to enable the charity to maintain its ordinary activities and have concluded that there are no material uncertainties about the Trust's ability to continue as a going concern.

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

2. GRANTS AND DONATIONS

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Grants and donations				
Authors Emergency Fund				
Arts Council England	-	-		400,000
Creative Scotland	-	-		207,695
Other donations	289,836	-	289,836	735,631
	<u>£289,836</u>	<u>-</u>	<u>£289,836</u>	<u>£1,343,326</u>

3. INVESTMENT INCOME

	Gross Income 2021 £	Gross Income 2020 £
NON GOVERNMENT BOND FUNDS		
ASC (Offshore) Global Fixed Interest Fund Z Income	2,423	2,196
ASC (Offshore) Sterling Fixed Interest Fund Z Income	1,612	1,692
	<u>4,035</u>	<u>3,888</u>
MULTI ASSET CHARITY INVESTMENT FUNDS		
BNY Mellon Funds	2,013	8,966
ASC Income Fund Z	8,859	-
TOTAL	<u>£14,907</u>	<u>£12,854</u>

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

4. CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2021 Total £
DIRECT			
Awards paid	357,900	-	357,900
INDIRECT			
Assessors fees	8,750	-	8,750
Administration costs	8,585	-	8,585
Other expenses	21	-	21
GOVERNANCE			
Independent Examiner's fee	2,400	-	2,400
	<u>£377,656</u>	<u>-</u>	<u>£377,656</u>

Comparative year

	Unrestricted £	Restricted £	2020 Total £
DIRECT			
Awards paid	661,082	605,695	1,266,777
INDIRECT			
Assessors fees	4,060	2,000	6,060
Administration costs	8,335	-	8,335
Other expenses	85	-	85
GOVERNANCE			
Audit fee	4,548	-	4,548
	<u>£678,110</u>	<u>£607,695</u>	<u>£1,285,805</u>

5. OTHER INCOME

	2021 £	2020 £
Other income	10,582	16,179
Royalties	9,720	10,236
	<u>£20,302</u>	<u>£26,415</u>

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

6. INVESTMENTS

	Cost	Market Value
	£	£
NON GOVERNMENT BOND FUNDS		
ASC (Offshore) Global Fixed Interest Fund Z Income	53,452	53,730
ASC (Offshore) Sterling Fixed Interest Fund Z Income	49,402	54,662
	<u>102,854</u>	<u>108,392</u>
MULTI ASSET CHARITY INVESTMENT FUNDS		
ASC Income Fund Z	<u>459,285</u>	<u>511,510</u>
Totals at – 31 st December 2021	<u>£562,139</u>	<u>£619,902</u>
31 st December 2020	<u>£320,019</u>	<u>£572,133</u>

7. MOVEMENT IN COST ON INVESTMENTS

	2021	2020
	£	£
Cost at 1 January 2021	320,019	320,019
Additions		
ASC Income Fund Z	<u>459,923</u>	
	459,923	
Disposals		
ASC (Offshore) Sterling Fixed Interest	(1,741)	
BNY Mellon Funds	(215,424)	
ASC Income Fund Z	<u>(638)</u>	-
	<u>(217,803)</u>	-
Cost at 31 December 2021	<u>£562,139</u>	<u>£320,019</u>

8. MOVEMENT IN MARKET VALUES OF INVESTMENTS

	2021	2020
	£	£
Market Value at the beginning of the year	572,133	570,090
Additions	459,923	-
Disposal Proceeds	(461,265)	
Investment Gains/(losses)	<u>49,111</u>	<u>2,043</u>
Market value at year end	<u>£619,902</u>	<u>£572,133</u>
Realised gains/(losses)	2,237	-
Unrealised gains/(losses)	<u>46,874</u>	<u>2,043</u>
	<u>£49,111</u>	<u>£2,043</u>

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

9. DEBTORS AND PREPAYMENTS

	2021	2020
	£	£
Debtors	-	11,029
Other debtors	18,250	2,000
	<u>£18,250</u>	<u>£13,029</u>

10. CREDITORS AND ACCRUALS

	2021	2020
	£	£
Investment Managers' Fees	792	842
Professional Fees	2,400	4,500
Accruals	-	7,850
	<u>£3,192</u>	<u>£13,192</u>

11. RESTRICTED FUNDS

	Balance at 1 January 2021	Income	Expenditure	Transfers	Balance at 31 December 2021
	£	£	£	£	£
The Francis W Reckitt Arts Trust	1,880	-	-	-	1,880
Total	<u>£1,880</u>	<u>£-</u>	<u>£-</u>	<u>£-</u>	<u>£1,880</u>

Grants from The Francis W Reckitt Arts Trust were provided to fund residential stays for professional writers.

<i>Prior year</i>	Balance at 1 January 2020	Income	Expenditure	Transfers	Balance at 31 December 2020
	£	£	£	£	£
The Francis W Reckitt Arts Trust	1,880	-	-	-	1,880
Authors Emergency Fund					
Arts Council England	-	400,000	(400,000)	-	-
Creative Scotland	-	207,695	(207,695)	-	-
Total	<u>£1,880</u>	<u>£607,695</u>	<u>£(607,695)</u>	<u>-</u>	<u>£1,880</u>

The Authors' Emergency Fund was set up in response to the significant and detrimental impact Covid19 has had on the earnings of all kinds of writers with the aim of providing an industry wide Emergency Fund to be administered through the Society of Authors' Contingency Fund as the Contingency Fund already had huge experience and robust, speedy processes to process applicants. The Authors Emergency Fund was set up to funnel and distribute donations from various organisations and individuals. The funding from Arts Council England and Creative Scotland was restricted to particular applicants. The other funds raised have been treated as unrestricted (see note 12) as they can be used in accordance with the general objects of the charity which are to pay grants to authors in financial need.

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

12. UNRESTRICTED FUNDS

	Balance at 1 January 2021	Income	Expenditure	Balance at 31 December 2021
	£	£	£	£
Unrestricted Fund	698,239	374,348	(380,719)	691,868
	<u>£698,239</u>	<u>£374,348</u>	<u>£(380,719)</u>	<u>£691,868</u>
<i>Prior year</i>	Balance at 1 January 2020	Income	Expenditure	Balance at 31 December 2020
	£	£	£	£
Unrestricted Fund	603,050	776,973	(681,784)	698,239
	<u>£603,050</u>	<u>£776,973</u>	<u>£(681,784)</u>	<u>£698,239</u>

13. NET ASSETS

	Unrestricted	Restricted	2021 Total
	£	£	£
Fixed asset investments	619,902	-	619,902
Net current assets	71,966	1,880	73,846
	<u>£691,868</u>	<u>1,880</u>	<u>£693,748</u>
<i>Prior year</i>	Unrestricted	Restricted	2020 Total
	£	£	£
Fixed asset investments	572,133	-	572,133
Net current assets	126,106	1,880	127,986
	<u>£698,239</u>	<u>£1,880</u>	<u>£700,119</u>

14. TRUSTEES REMUNERATION

No Trustee received any remuneration in respect of their services as trustees during the year (2020: £-).
No trustees were reimbursed for out of pocket travelling expenses in the year (2020: £-).

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

15. 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 £8,585 (2020: £8,335). Margaret Skea, a member of the Management committee of the Society of Authors, was a recipient of a grant of £1,500 in the prior year. The grant application was made as part of the Authors Emergency Fund and was considered at arms length as part of the usual grant assessment process. There were no other related party transactions in either period.

16. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted £	Restricted £	2020 Total £
Income			
Donations and Legacies	735,631	607,695	1,343,326
Investment Income - Dividends	12,854	-	12,854
- Bank Interest	30	-	30
Other income	26,415	-	26,415
Total	774,930	607,695	1,382,625
Expenditure			
Raising funds:			
Investment Management Fees	3,674	-	3,674
Charitable activities	678,110	607,695	1,285,805
Total	681,784	607,695	1,289,479
Net income/(expenditure) before Investment gains/(losses)	93,146	-	93,146
Net gains/(losses) on investments	2,043	-	2,043
Net income/(expenditure)	95,189	-	95,189
Reconciliation of funds:			
Total funds brought forward	603,050	1,880	604,930
Total funds carried forward	£698,239	£1,880	£700,119