

THE AUTHORS' CONTINGENCY FUND

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31 DECEMBER 2022

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 280 Bishopsgate London EC2M 4AG

THE AUTHORS' CONTINGENCY FUND

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REPORT OF THE TRUSTEES OF THE AUTHORS' CONTINGENCY FUND

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 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

Prior to the pandemic about £40,000 a year was paid out in grants but when Covid-19 struck, and many authors' incomes dried up overnight we launched an appeal and with the help of many supporters we paid out over £1.4 Million in 2020 followed by £415,000 in 2021 and just under £300,000 in 2022, funded by donations received from trusts and individuals including The Royal Literary Fund (£100,000), Authors' Licensing and Collecting Society (£37,500), World of Books (£16,750). 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 due to the after effect of the Covid19 pandemic combined with the cost of living crisis, the number of applicants for these grants has remained high and the above generous donations have 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. The Authors' Contingency Fund is now more widely known and with the current squeeze on income due to the cost of living crisis the aim of the Authors' Contingency Fund is to continue to fundraise and support writers who are suffering financial hardship.

At the end of 2022 the charity received a grant of £300,000 from the Hawthornden Literary Retreat to fund an increase in grantmaking to help writers in need in 2023.

REPORT OF THE TRUSTEES OF THE AUTHORS' CONTINGENCY FUND

YEAR ENDED 31 DECEMBER 2022

Financial Review

The results for the year ended 31st December 2022 are attached and show a Net increase in funds of £204,863 (2021: £55,482 decrease) after including grants and donations received of £478,005 (2021: £300,418) and paying Charitable Grants of £276,430 (2021: £357,900) helping 181 authors during the year (2021: 287). The realised deficit on the disposal of investments this year was £602 (2021: £2,237 gain) and the unrealised decrease in market value of investments this year amounted to £82,157 (2021: £46,874 increase). The investments appear in the Balance Sheet at their market value at of £521,642 (2021: £619,902). As a result, the Total Funds carried forward at the year-end amount to £815,852 (2021: £693,748) comprising restricted funds of £300,000 (2021: £1,880) and unrestricted funds of £515,852 (2021: £691,868) 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.

Approved by the board of Trustees on 18 May 2023 and signed on their behalf by:

A handwritten signature in dark ink, appearing to be 'Joanne Harris', written over a faint, illegible stamp or background.

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

THE AUTHORS' CONTINGENCY FUND

YEAR ENDED 31st DECEMBER 2022

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 2022.

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: 14 July 2023

THE AUTHORS' CONTINGENCY FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Income					
Grants and Donations	2	178,005	300,000	478,005	300,418
Investment Income - Dividends	3	18,113	-	18,113	14,907
- Bank Interest		95	-	95	192
Other income	4	11,133	-	11,133	9,720
Total		<u>207,346</u>	<u>300,000</u>	<u>507,346</u>	<u>325,237</u>
Expenditure					
Raising funds:					
Investment Management Fees		2,752	-	2,752	3,063
Charitable activities	5	298,441	1,290	299,731	377,656
Total		<u>301,193</u>	<u>1,290</u>	<u>302,483</u>	<u>380,719</u>
Net income/(expenditure) before gains/(losses) on investments		<u>(93,847)</u>	<u>298,710</u>	<u>204,863</u>	<u>(55,482)</u>
Net gains/(losses) on investments	8	(82,759)	-	(82,759)	49,111
Net income/(expenditure)		<u>(176,606)</u>	<u>298,710</u>	<u>122,104</u>	<u>(6,371)</u>
Transfers between funds		590	(590)	-	-
Net movement in funds		<u>(176,016)</u>	<u>298,120</u>	<u>122,104</u>	<u>(6,371)</u>
Reconciliation of funds:					
Total funds brought forward		691,868	1,880	693,748	700,119
Total funds carried forward		<u>£515,852</u>	<u>£300,000</u>	<u>£815,852</u>	<u>£693,748</u>

The notes form part of these Financial Statements

THE AUTHORS' CONTINGENCY FUND

BALANCE SHEET

31st DECEMBER 2022

	Notes	£	2022	£	£	2021	£
FIXED ASSETS							
Quoted Investments – at Market Value	6			521,642			619,902
CURRENT ASSETS							
Debtors and Prepayments	9		665			18,250	
Cash held by Investment Managers			4,279			11,530	
Cash at bank			<u>292,444</u>			<u>47,258</u>	
			297,388			77,038	
CURRENT LIABILITIES							
Amounts due within one year	10		<u>(3,178)</u>			<u>(3,192)</u>	
Net Current Assets				294,210			73,846
TOTAL NET ASSETS	13			<u>£815,852</u>			<u>£693,748</u>
Represented by:							
ACCUMULATED FUNDS							
Restricted Funds	11			300,000			1,880
Unrestricted Funds	12			515,852			691,868
TOTAL FUNDS				<u>£815,852</u>			<u>£693,748</u>

Approved by the Trustees on 18 May 2023 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 2022

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 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.

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

2. GRANTS AND DONATIONS

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Grants – Hawthornden Literary Retreat	-	300,000	300,000	-
Other donations	176,421	-	176,421	289,836
Gift aid – tax reclaimed	1,584	-	1,584	10,582
	<u>£178,005</u>	<u>£300,000</u>	<u>£478,005</u>	<u>£300,418</u>

3. INVESTMENT INCOME

	Unrestricted £	Restricted £	Gross Income 2022 £	Gross Income 2021 £
NON GOVERNMENT BOND FUNDS				
ASC (Offshore) Global Fixed Interest Fund Z Income	2,558	-	2,558	2,423
ASC (Offshore) Sterling Fixed Interest Fund Z Income	1,535	-	1,535	1,612
	<u>4,093</u>	<u>-</u>	<u>4,093</u>	<u>4,035</u>
MULTI ASSET CHARITY INVESTMENT FUNDS				
BNY Mellon Funds	-	-	-	2,013
ASC Income Fund Z	14,020	-	14,020	8,859
TOTAL	<u>£18,113</u>	<u>£-</u>	<u>£18,113</u>	<u>£14,907</u>

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

4. OTHER INCOME

	2022 £	2021 £
Royalties	11,133	9,720
	<u>£11,133</u>	<u>£9,720</u>

5. CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2022 Total £
DIRECT			
Awards paid	275,140	1,290	276,430
INDIRECT			
Assessors fees	6,250	-	6,250
Administration costs	14,400	-	14,400
Other expenses	131	-	131
GOVERNANCE			
Independent Examiner's fee	2,520	-	2,520
	<u>£298,441</u>	<u>£1,290</u>	<u>£299,731</u>

Comparative year

	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>

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

6. INVESTMENTS

	Cost	Market Value
	£	£
NON GOVERNMENT BOND FUNDS		
ASC (Offshore) Global Fixed Interest Fund Z Income	53,452	42,634
ASC (Offshore) Sterling Fixed Interest Fund Z Income	49,402	42,233
	<u>102,854</u>	<u>84,867</u>
MULTI ASSET CHARITY INVESTMENT FUNDS		
ASC Income Fund Z	<u>444,827</u>	<u>436,775</u>
Totals at – 31 st December 2022	<u>£547,681</u>	<u>£521,642</u>
31 st December 2021	<u>£562,139</u>	<u>£619,902</u>

7. MOVEMENT IN COST ON INVESTMENTS

	2022	2021
	£	£
Cost at 1 January 2022	562,139	320,019
Additions		
ASC Income Fund Z	<u>-</u>	<u>459,923</u>
	-	459,923
Disposals		
ASC (Offshore) Sterling Fixed Interest	-	(1,741)
BNY Mellon Funds	-	(215,424)
ASC Income Fund Z	<u>(14,458)</u>	<u>(638)</u>
	(14,458)	(217,803)
Cost at 31 December 2022	<u>£547,681</u>	<u>£562,139</u>

8. MOVEMENT IN MARKET VALUES OF INVESTMENTS

	2022	2021
	£	£
Market Value at the beginning of the year	619,902	572,133
Additions	-	459,923
Disposal Proceeds	(15,501)	(461,265)
Investment Gains/(losses)	<u>(82,759)</u>	<u>49,111</u>
	(98,260)	47,769
Market value at year end	<u>£521,642</u>	<u>£619,902</u>
Realised gains/(losses)	(602)	2,237
Unrealised gains/(losses)	<u>(82,157)</u>	<u>46,874</u>
	<u>£(82,759)</u>	<u>£49,111</u>

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

9. DEBTORS AND PREPAYMENTS

	2022	2021
	£	£
Other debtors	665	18,250
	<u>£665</u>	<u>£18,250</u>

10. CREDITORS AND ACCRUALS

	2022	2021
	£	£
Investment Managers' Fees	658	792
Professional Fees	2,520	2,400
	<u>£3,178</u>	<u>£3,192</u>

11. RESTRICTED FUNDS

	Balance at 1 January 2022	Income	Expenditure	Transfers	Balance at 31 December 2022
	£	£	£	£	£
The Francis W Reckitt Arts Trust	1,880	-	(1,290)	(590)	-
Hawthornden Literary Retreat	-	300,000	-	-	300,000
Total	<u>£1,880</u>	<u>£300,000</u>	<u>£(1,290)</u>	<u>£(590)</u>	<u>£300,000</u>

Grants from The Francis W Reckitt Arts Trust were provided to fund residential stays for professional writers. The Hawthornden Literary Retreat grant is to fund an increase in grant-making in 2023.

Prior year

	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>

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

12. UNRESTRICTED FUNDS

	Balance at 1 January 2022	Income	Expenditure	Investment Gains/ (Losses)	Transfers	Balance at 31 December 2022
	£	£	£	£	£	£
Unrestricted Fund	691,868	207,346	(301,193)	(82,759)	590	515,852
	<u>£691,868</u>	<u>£207,346</u>	<u>£(301,193)</u>	<u>£(82,759)</u>	<u>£590</u>	<u>£515,852</u>
<i>Prior year</i>	Balance at 1 January 2021	Income	Expenditure	Investment Gains/ (Losses)	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£
Unrestricted Fund	698,239	325,237	(380,719)	49,111	-	691,868
	<u>£698,239</u>	<u>£325,237</u>	<u>£(380,719)</u>	<u>£49,111</u>	<u>£ -</u>	<u>£691,868</u>

13. NET ASSETS

	Unrestricted	Restricted	2022 Total
	£	£	£
Fixed asset investments	521,642	-	521,642
Net current assets	(5,790)	300,000	294,210
	<u>£515,852</u>	<u>£300,000</u>	<u>£815,852</u>
<i>Prior year</i>	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>

14. TRUSTEES REMUNERATION

No Trustee received any remuneration in respect of their services as trustees during the year (2021: £-).
No trustees were reimbursed for out of pocket travelling expenses in the year (2021: £-).

THE AUTHORS' CONTINGENCY FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

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 £14,400 (2021: £8,585).

The Hawthornden Literary Retreat grant of £300,000 was received by The Society of Authors from CAF America and regrant to the charity.

16. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted £	Restricted £	2021 Total £
Income			
Donations and Legacies	300,418	-	300,418
Investment Income - Dividends	14,907	-	14,907
- Bank Interest	192	-	192
Other income	9,720	-	9,720
Total	325,237	-	325,237
Expenditure			
Raising funds:			
Investment Management Fees	3,063	-	3,063
Charitable activities	377,656	-	377,656
Total	380,719	-	380,719
Net income/(expenditure) before Investment gains/(losses)	(55,482)	-	(55,482)
Net gains/(losses) on investments	49,111	-	49,111
Net income/(expenditure)	(6,371)	-	(6,371)
Reconciliation of funds:			
Total funds brought forward	698,239	1,880	700,119
Total funds carried forward	£691,868	£1,880	£693,748