

The Royal Literary Fund

Trustees' report and financial statements

Registered Charity number 219952
31 March 2022

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Trustees' Annual Report

Her Late Majesty Queen Elizabeth

As these accounts were being prepared we received the sad news of the death of Her Majesty Queen Elizabeth II. Her Majesty was the Fund's patron throughout her reign, as were her predecessors since King George IV. We have been immensely grateful for Her Majesty's patronage and for the support she showed to literature and the arts in the United Kingdom and throughout the English-speaking world. The Royal Literary Fund has shared our condolences with His Majesty The King and all the members of the Royal Family.

Trustees' Report *(continued)*

When organisations such as the RLF step in to help a writer, they are, I humbly suggest, doing something for the culture we all share. The books of tomorrow become the culture we and our children, and their children, eventually inhabit.

Writer supported by the RLF

Introduction

In April 2021 the Fund welcomed a new Chief Executive, Edward Kemp, formerly Director of the Royal Academy of Dramatic Art and a playwright, dramaturg and translator.

Following Edward's arrival, Eileen Gunn retired from the RLF after 22 years as Secretary, later re-titled Chief Executive. Eileen leaves behind a remarkable legacy, having steered the RLF through a period when charitable expenditure more than doubled, from £2.5m in 1999 to £5.8m in 2021, and which included the creation of the Fellowship programme and the subsequent expansion of Education and Social Sector work; over 500 writers and their families have been the direct beneficiaries of RLF grants during Eileen's time: an impressive contribution to literature in the UK. Justine Palmer has taken on the role of Grants Manager on an interim basis while we conduct a review of our grant-giving activity and operation.

We also said farewell this year to two long-standing trustees, Bruce Hunter and Paula Johnson, both of whom, as Treasurer and Registrar respectively, have contributed many years of loyal service to the RLF. Joanna Trollope also stepped down as a trustee in this year. We welcomed new trustees, Nelle Andrew, Colin Ludlow and Judith Murray; George Graham became a Treasurer. Hilary Hale took on the role of Deputy President and chairs the General Committee when Ian Blatchford is unavailable.

The Fund's Regulations have been redrafted and several revisions are proposed to the Byelaws in order to bring the RLF's governance and operation in line with contemporary practice.

In April we launched WritersMosaic, a new initiative featuring contemporary writers who reflect the UK's widening literary culture. The editorial board of WritersMosaic, all of whom are former RLF university Fellows, operate under the leadership of Colin Grant, who has become a member of staff.

Two workshops were conducted in autumn 2021 to consider future direction and strategy. Facilitated by staff from RADA Business, these workshops were the first occasion that stakeholders from across the RLF – trustees, staff, beneficiaries and former Fellows – have come together to consider the Fund's work in totality.

Trustees' Report *(continued)*

The Covid-19 pandemic continued to have an impact on the RLF's activities. There was an increase in applications from writers, in particular playwrights, whose work had been directly impacted by the pandemic. The General Committee and Sub-committees met in-person, online and in hybrid format during the year. A significant number of RLF Fellows delivered their tutorials online, either for health reasons or due to the restrictions within the university; likewise, some Reading Round groups moved online where this was the preference of the participants or required by the venue.

Organisational Structure

The Fund was established in 1790. It was incorporated and granted a Charter in 1818 and in 1842 this was made a Royal Charter. Subsequently, the Charter has been revised by Order of the Privy Council in 1968, 2002 and 2006.

The Fund is governed by the General Committee chaired by the President, Sir Ian Blatchford, and in his absence by the Deputy President, Hilary Hale.

The General Committee defines the RLF's strategic direction and policies. Trustees ensure that the activities of the Fund are in accordance with its Royal Charter.

The Committee currently meets eleven times a year. Four of these meetings are nominated as 'Board' meetings when the committee consider the whole range of the RLF's activity, receiving and reviewing reports from sub-committees and considering the financial and strategic direction of the Fund, as well as grant-giving. The remaining seven meetings focus primarily on grant-giving activity.

The General Committee delegates discussion and consideration of some areas of policy and activity to sub-committees. These are currently:

Finance and Investment (including Remuneration) – reviews budgeting, financial and investment strategy, financial and investment performance.

Nominations – considers the appointment of trustees and co-opted advisors in collaboration with the Chief Executive and makes recommendations to the General Committee.

Education – reviews the work of the Education team, including the RLF Fellowships, Bridge, Reading Round and Social Sector. Oversees the appointment of RLF Fellows.

Executive decisions are delegated to the Chief Executive, the Director of Education and the Director of Digital in their respective areas of responsibility.

Trustees' Report *(continued)*

Charitable Objects

The Royal Charter (2006) delineates two charitable objects:

- (i) The relief of poor and distressed authors of published works of approved literary merit including important contributions to Periodical Literature and of the families of such deceased authors who are themselves in distress and in need of relief; and
- (ii) the advancement of public education and the improvement of the public taste in the field of literary work.

Public Benefit

When setting the objectives and planning the work of the charity for the year the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Grant-giving

I've been so grateful to receive this enormous help over the last few years. It still feels unreal that something like the RLF exists and I have been lucky enough to benefit from its benevolence.

Writer supported by the RLF

Writers who apply to the Fund for a grant must submit details of their published or performed works which meet the eligibility criteria and may be asked to provide samples of their work.

Where writers have provided samples of their work, these are read by two members of the General Committee, who then report at the monthly meeting and recommend whether the writer meets the appropriate criteria. Literary merit may on occasion be passed by acclaim where the trustees are confident of the writers' eminence in their field. Once literary merit has been passed, the writer's circumstances are considered and, if need is established, a grant is awarded.

Grants are usually one of three kinds: a one-off grant, a non-renewable recurring grant across two or three years, a recurring grant across five years which can be renewed. The last of these, formerly referred to as 'pensions', are inflation-indexed and generally only awarded to writers above pensionable age.

The total sum of grants made to beneficiaries during the year was £1,614,097. The total number of individual writers assisted between 01 April 2021 and 31 March 2022 was 225; of these 36 were new to the RLF and 189 had previously received grants.

At 31 March 2022, the Fund had a commitment to make five-year recurring grants to 118 beneficiaries. During the year, eight new recurring grants were awarded, 17 were renewed, and nine writers in receipt of these grants died.

Trustees' Report *(continued)*

Five-year renewable grants are committed to beneficiaries for a minimum period of five years. Beneficiaries are contacted annually to confirm there is still a need and there has been no material change of circumstances. Consequently, the accounting treatment in the Statement of Financial Activities in accordance with the requirements of the relevant statement of recommended practice for charities means that the full five-year charge is recognised in the statements in the year in which the grant is first awarded. The annual cash expenditure on pension grants for the year was £477,670.

RLF Education

RLF University Fellowships

Thank you so much for the opportunity of this wonderful job again during this difficult year. I'm really not sure what I would have done without it, and am immensely grateful for the time to write, and finish my PhD, at the same time as supporting my children as a single parent. (I was pleased to be able to write to my agent last week to say that my novel should be finished by the autumn!) The job itself has given me valuable experience and enabled me to develop specific skills that will be of use in future work.

RLF University Fellow

The RLF Fellowships, first established in autumn 1999, offer professional writers the opportunity to work for one or two days a week in a university helping students to develop their academic writing skills.

In its 23rd year, the Fellowship scheme took on 40 new recruits:

Nathalie Abi-Ezzi, Ian Ayris, Mark Blayney, Michael Bond, Sita Brahmachari, Thomas Bunstead, Anne Caldwell, Elizabeth Cook, Christy Ducker, Ruth Dugdall, Shanta Everington, Juliet Gilkes Romero, Guinevere Glasfurd-Brown, Ed Harris, Rosalind Harvey, Katie Hickman, Andrew Jackson, Sarah Jasmon, Alan Jenkins, Frances Larson, Amber Lee Dodd, Alison MacLeod, Simon Mason, Martine McDonagh, Beth Miller, Lottie Moggach, Barbara Norden, Peter Oswald, Julianne Pachico, Simon Robson, C D Rose, William Ryan, Pamela Scobie, Nikki Sheehan, C J Skuse, Malachy Tallack, Menna van Praag, Vitali Vitaliev, Sarah Ward, Anna C Wilson.

They were joined by seven former Fellows returning to the scheme and 64 others continuing from a previous year. In total, 111 writers worked as RLF Fellows at 81 university/college postings, three of which were new: City University, Kingston University, Suffolk University.

To help Fellows and students work around continuing disruption caused by lockdown restrictions the online conferencing systems introduced in autumn 2020 were maintained.

Trustees' Report *(continued)*

Consultant Fellows

While the primary focus of the university Fellowship scheme is working one-to-one with students, writers can play a larger role by bringing a fresh perspective to facilitating writing development with groups of undergraduates and postgraduates and enhancing the professional development of researchers and other staff. The writers on the Consultant Fellows Register have worked for at least two years as RLF university Fellows and then undergo intensive training, during which they design and facilitate group activities for students.

This year Dr Trevor Day retired from his role as Director of the Consultant Fellowship programme; under Trevor's guidance, the Consultant Fellows have evolved into a successful community of practice who support each other through monthly online meetings. Katie Grant has taken over as co-ordinator of the programme. Consultant Fellows worked extensively with over 35 universities and doctoral training partnerships, providing writing development interventions both online and in person.

Bridge

I feel much more confident about how to plan out, structure and edit an essay and I think I'll enjoy writing an essay better the next time I write one.

Bridge participant

Bridge expands the principles of the university Fellowship into secondary schools, using a structured series of workshops led by former RLF university Fellows to assist pupils with essay writing.

Bridge Fellows predominantly delivered a streamlined offer of online writing workshops to young people because of the challenging circumstances that schools continued to face. Pupils' enthusiasm was undimmed, however, saying after the workshops they felt:

'More confident and assured...'

'More comfortable allowing myself to draft and edit, slowly developing quality.'

'I feel less intimidated and more prepared.'

'I have a better idea on how to break up the essay to make it more manageable to write'.

Some Fellows did make it into the classroom and we will aim to prioritise a return to face-to-face delivery. A new cohort of Fellows was trained to expand the areas in which we can offer workshops. We strengthened our partnerships with LEAPS, the British Library and the Creative Education Trust, and are seeking out new strategic partnerships to develop the reach of Bridge.

Trustees' Report *(continued)*

Social Sector

It has opened up a new world where, in my imagination, I can go anywhere.

Expressive Writing Participant

Social Sector projects are delivered by writers who have previously worked as university Fellows.

During this period we worked with 35 writers and 40 partner organisations. The work divides into three categories:

- Expressive Writing – in which we run workshops to enable people in community organisations to write about their experience and plans in creative and coherent ways;
- Writing Development – writers work with groups in the workplace to help them write more skilfully in their professional lives;
- An adaptation of the Reading Round model for refugee and asylum-seeker groups, and occasionally in Child and Adolescent Mental Health Units.

We have developed excellent relationships with institutions within the NHS, and we have a writer placed two days a week at University College London Hospital (UCLH) on a similar model to the university Fellowship. Her work has been extraordinarily varied, and provided a springboard for other NHS projects, ranging from helping staff tell their Covid Stories, to Writing Development Skills workshops, to support for individuals writing for publication. UCLH is funding a research project to assess the impact of our work there, and the RLF Fellow has been nominated for the Excellence in Education Award in the 2022 Celebrating Excellence Awards.

Our work with trade unions has also broadened, through links with the TUC, and through wide-reaching webinars. Community groups have ranged from a Trauma Centre in Northern Ireland to work in Approved Premises and groups for marginalised women. We have developed a programme of workshops from Writing for Publication to Responding to Complaints, and an induction and mentoring programme for writers new to our work.

Expressive Writing workshops were run with a variety of groups, including with health care professionals and a group concerned with trauma victims. From participants in an Expressive Writing workshop:

'We can all be achievers in our own right.'

'So positive and reassuring – you've provided a safe space. You've given everyone equal time.'

'The input from other people, others' experiences, has been amazing to hear. We're all survivors of something.'

'A remarkably safe space to be while being, at the same time, stimulating and surprisingly fertile. The reading material was inspiring and accessible – I felt totally safe throughout the whole process.'

Trustees' Report *(continued)*

Reading Round

I have learnt to really listen, and value other perspectives. The experience will be routed into my conscious and unconscious to enhance my further reading. Thank you.

Reading Round Participant

Reading Round is a network of reading groups, each led by a former RLF university Fellow, known as a 'Lector', who selects material to read and offers an 'insider's' perspective' on the texts under discussion.

Covid-19 was a significant feature of Reading Round in this year – all the groups had to be moved online, and writers had to be flexible about returning to face-to-face groups, depending on local circumstances. In order to open up the possibilities for participation, we have for the first time asked writers to recruit new groups for their second year as Lectors, from September 2022, and we ran discussion sessions to help them make the change. The sessions also explored different approaches to choosing texts, and how to deal with changing sensibilities in relation to the values explored and language used in (especially) pre 21st Century texts.

Martina Evans, who has provided superb support in running the scheme, not least in developing the Text Bank and working tirelessly on the Forum, will be leaving Reading Round this summer.

What I found was a group of lovely people, yes, certainly all more literate than I, but inclusive and full of interesting ideas, guided by an enthusiastic, knowledgeable and warm facilitator who led us through a wide range of short stories and poems with lightness of touch and sensitivity.

Reading Round Participant

WritersMosaic

WritersMosaic's rich and insightful content is wholly indispensable to our understanding of ourselves at this crucial time.

Carol Leeming

WritersMosaic launched in April 2021. A platform for new writing, the initiative exists chiefly as a website focusing on fledgling and established writers of the global majority. WritersMosaic's board members, all Fellows of the RLF, profile authors whose work spans myriad genres, including fiction, non-fiction, poetry, crime, playwriting and children's writing. WritersMosaic writers are nurtured through paid work – commissions to write features and to undertake interviews about their writing practices that are also recorded and updated on the site every two weeks.

The platform also brings other authors into the fold through themed guest editions, commissions to write reviews every week, and long form essays.

Trustees' Report *(continued)*

In addition, WritersMosaic is raising its and the RLF's profile through the appearance of its writers at literary festivals, participating in a programme of bespoke WritersMosaic Live events, short films, collaborations with organisations such as 5x15 and the London Review of Books bookshop, and through journals which republish the commissioned work of its writers.

Just a year on, WritersMosaic is finding its audience and establishing its identity. We aim to consolidate the site in the next year.

As a first-time writer I was challenged by the writing and editing process, and have benefited greatly from the support offered by the team at Writers Mosaic. This experience has allowed me to explore my own voice and how this resonates amongst other writers of shared and complementary practices.

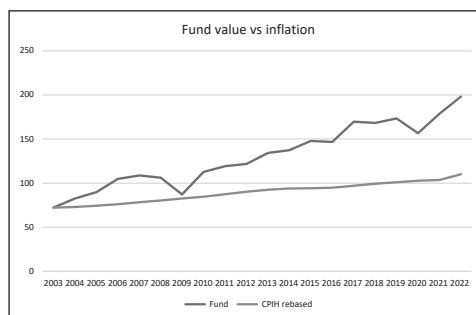
Yassmin Foster

Grants to other organisations

Following last year's grant to the Covid Emergency Fund administered by the Society of Authors, a further grant of £100,000 was made to this same fund in January 2022.

Financial Review

The Fund's investment portfolio, which is its principal source of income, grew by 15% in the year ending March 31, 2022, to £186.1 million, as financial markets continued to recover from the effects of the Covid-19 pandemic. Investment performance benefited from strong returns in global equity and property markets, with weaker returns in UK equities and losses in fixed income and emerging markets equities.



The portfolio is managed as expendable endowment funds on a total return basis, so that charitable expenditure is supported both by investment income, such as dividends and bond coupons, and by capital gains harvested from the growing portfolio. The Fund has structured its investments with the objective of supporting a target spending rate of 3 ¼% of the average asset value over the three preceding years while at the same time growing the real value of the investments over the long term. The chart above shows that over the last 20 years the Fund's investments have grown faster than inflation, as measured by the UK CPIH index, although in any given year values may fall.

Trustees' Report *(continued)*

During the 2021-22 financial year investment income totalled £4.47 million, compared with £2.83 million in the previous year. Investment management fees, classed in the accounts as "Raising Funds", totalled £1.26 million, up from £1.16 million in the previous year, reflecting the growth in the value of the fund. As a result, and as anticipated in the current environment of low interest rates and bond yields, net expenditure before gains on investments represented a deficit of £2.02 million.

The Trustees review their investment policy annually to ensure that the target rate of spending remains appropriate, that investment risk remains within their appetite, and that the portfolio is appropriately structured and diversified to deliver the resources needed to meet the Fund's commitments. They have been advised by Cambridge Associates, a firm of investment consultants, on investment strategy.

At the end of the financial year asset allocation was:

Equity	54%
Fixed income	15%
Property	9%
Non-marketable alternatives	15%
Cash	7%
Total	100%

In the course of the year, one of the Fund's longest-serving managers, Cedar Rock, closed its fund and returned cash to investors. This cash has been placed with BlackRock, another of our existing managers, to maintain our exposure to equities. The Fund also began a review of its long-term investment arrangements with the aim of ensuring that the portfolio is appropriately structured and administered. The Trustees expect to conclude this review by the end of 2022.

Reserves

The majority of the Fund's reserves are held as an investment fund to produce income to fund its activities, and are recorded as expendable endowment funds. The trustees have set the Fund's Investment policy with the aim of supporting anticipated spending on current and future beneficiaries while maintaining the real value of the Investment fund over the long term.

The trustees aim to retain free reserves to ensure that the Fund is able to meet the needs of its beneficiaries, take advantage of strategic opportunities and weather risks such as large fluctuations in the market value of its Investment fund. In general the Fund will therefore seek to retain between 6 and 12 months expenditure in cash or readily liquidated funds.

At 31st March 2022 the net assets of the Fund totalled £195.7 million, comprising £190.28 million of expendable endowment and £5.42 million of unrestricted funds, or free reserves.

Trustees' Report *(continued)*

Risk Management Statement

Risk is managed by the trustees and senior staff. A Risk Register indicating likelihood, impact and mitigating actions is reviewed regularly by the General Committee and separate sub-registers for particular areas of activity reviewed by relevant sub-committees.

Remuneration

Remuneration is considered annually by the Finance and Investment Sub-committee. It takes advice from the Chief Executive, who provides current figures and relevant information for all key management personnel. The sub-committee determines pension arrangements and other benefits, and ensures that contractual terms on termination are fair to the individual and the charity, and that poor performance is not rewarded. It recommends its decisions to the General Committee for approval.

In determining the RLF's remuneration policy, the Sub-committee takes into account that as an organisation it has few employees; it wishes therefore to recognise the broader than normal range of skills and competencies required in many roles.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other charities and/or Higher Education roles, ensuring the RLF remains sensitive to the broader issues, eg pay and employment conditions elsewhere.

Future Plans

Building on the strategy and identity work done with RADA Business in November 2021, a communications audit has been undertaken and the RLF is now in the process of appointing our first-ever Head of Marketing and Communications, who will lead on the development of a new visual identity for the Fund and the creation and implementation of comprehensive communications strategy.

Subject to Privy Council approval, the revised Royal Charter and Byelaws will permit a greater delegation of authority by the General Committee to its sub-committees, which will enable a more strategic scrutiny and support of the RLF's activity by trustees.

A review is under way of grant-giving activity, to ensure that the RLF's aid is available to the widest range of professional writers and that the process is accessible, transparent and equitable. It is expected that a clarification of the various strands of RLF financial support will result from this review. A research project has been commissioned to understand the needs of writers in the 2020s.

Trustees' Report *(continued)*

In Education, the university Fellowship scheme will be expanded to take account of an increase in quality applicants in particular regions. 20 additional Fellows will be trained to deliver Bridge from October 2022 to expand the scope of the programme and address the pressing needs of school pupils. The training programme for Social Sector writers is being developed and a portfolio of long-term partner organisations identified to make the programme fully sustainable.

Reading Round will recruit 20 new writers to begin work in September 2023, and serve as Lectors for one year only. Half of these writers will previously have been university Fellows, others will be recruited from WritersMosaic or alternative routes. We hope thereby to recruit a more diverse cohort of Lectors and to enable more writers access to RLF post-Fellowship work. We will adapt our existing induction programme and mentoring scheme to fit this new cohort.

WritersMosaic plans to expand its collaborations with organisations such as the British Library and festivals such as Hay, taking on a role in bespoke programming. WritersMosaic also aims to reach younger audiences in collaborations with sixth forms, and to devise other formats for its website, strengthening its appeal.

Trustees' Report *(continued)*

Auditor

The trustees who held office at the date of approval of this trustees' annual report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's Auditor is unaware. Each trustee has been made aware of the relevant audit information and it has been established that the Charity's Auditor is aware of that information.

By order of the board

George Graham

Treasurer

8th December 2022

3 Johnson's Court

off Fleet Street

London EC4A 3EA

Statement of trustees' responsibilities in respect of the trustees' annual report and financial statements

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in England and Wales 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 the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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 and the Charity (Accounts and Reports) Regulations 2008. 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.

Independent auditor's report to the trustees of The Royal Literary Fund

Opinion

We have audited the financial statements of The Royal Literary Fund for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the trustees of The Royal Literary Fund *(continued)*

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the trustees of The Royal Literary Fund *(continued)*

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity complies with these requirements by discussions with management.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Independent auditor's report to the trustees of The Royal Literary Fund *(continued)*

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report to the trustees of The Royal Literary Fund *(continued)*

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Statutory auditor

9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Date:

The Royal Literary Fund

Statement of financial activities

for the year ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Expendable Endowment funds £	2022 Total funds £
Income					
<i>Income from:</i>					
Donations and legacies	3	14,605	—	—	14,605
Royalties	4	230,157	—	—	230,157
Investments	2	4,469,345	2,486	—	4,471,831
Total Income		<u>4,714,107</u>	<u>2,486</u>	<u>—</u>	<u>4,716,593</u>
Expenditure					
<i>Expenditure on</i>					
Raising Funds	7	—	—	(1,257,628)	(1,257,628)
Charitable activities	8	(5,394,708)	(85,342)	—	(5,480,050)
Total Expenditure		<u>(5,394,708)</u>	<u>(85,342)</u>	<u>(1,257,628)</u>	<u>(6,737,678)</u>
Net Expenditure before gains on investments		(680,601)	(82,856)	(1,257,628)	(2,021,085)
Exchange gains/(losses)		—	—	2,155,856	2,155,856
Net gains on investments		—	—	13,852,105	13,852,105
Net (expenditure)/income	5	<u>(680,601)</u>	<u>(82,856)</u>	<u>14,750,333</u>	<u>13,986,876</u>
Transfers between funds		<u>1,000,000</u>	<u>—</u>	<u>(1,000,000)</u>	<u>—</u>
Net movement in funds		319,399	(82,856)	13,750,333	13,986,876
Fund balances brought forward		5,101,301	82,856	176,528,753	181,712,910
Fund balances carried forward		<u>5,420,700</u>	<u>—</u>	<u>190,279,086</u>	<u>195,699,786</u>

The incoming resources and resulting net movement in funds arise from continuing operations. The charity has no recognised gains or losses other than the net movement in funds in the year.

The Royal Literary Fund

Statement of financial activities

for the year ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Expendable Endowment funds £	2021 Total funds £
Income					
<i>Income from:</i>					
Donations and legacies	3	7,880	—	—	7,880
Royalties	4	218,304	—	—	218,304
Investments	2	2,821,774	3,260	—	2,825,034
Total Income		<u>3,047,958</u>	<u>3,260</u>	<u>—</u>	<u>3,051,218</u>
Expenditure					
<i>Expenditure on</i>					
Raising Funds	7	—	—	(1,161,631)	(1,161,631)
Charitable activities	8	(5,457,501)	(29,100)	—	(5,486,601)
Total Expenditure		<u>(5,457,501)</u>	<u>(29,100)</u>	<u>(1,161,631)</u>	<u>(6,648,232)</u>
Net Expenditure before gains on investments		(2,409,543)	(25,840)	(1,161,631)	(3,597,014)
Exchange losses		—	—	(3,410,398)	(3,410,398)
Net gains on investments		—	—	31,764,725	31,764,725
Net (expenditure)/income	5	<u>(2,409,543)</u>	<u>(25,840)</u>	<u>27,192,696</u>	<u>24,757,313</u>
Transfers between funds		<u>2,500,000</u>	<u>—</u>	<u>(2,500,000)</u>	<u>—</u>
Net movement in funds		90,457	(25,840)	24,692,696	24,757,313
Fund balances brought forward		5,010,844	108,696	151,836,057	156,955,597
Fund balances carried forward		<u>5,101,301</u>	<u>82,856</u>	<u>176,528,753</u>	<u>181,712,910</u>

The incoming resources and resulting net movement in funds arise from continuing operations. The charity has no recognised gains or losses other than the net movement in funds in the year.

The Royal Literary Fund

Balance sheet

at 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Tangible fixed assets	10		409,910		371,423
Investments	12		186,111,860		162,146,444
			<u>186,521,770</u>		<u>162,517,867</u>
Current Assets					
Debtors	13	777,875		762,532	
Cash at bank and in hand		10,276,299		20,475,002	
		<u>11,054,174</u>		<u>21,237,534</u>	
Creditors: Amounts falling due within one year	14	<u>(902,286)</u>		<u>(988,715)</u>	
Net Current Assets			<u>10,151,888</u>		<u>20,248,819</u>
Total Assets less Current Liabilities			196,673,658		182,766,686
Creditors: Amounts falling due in more than one year	15		<u>(973,872)</u>		<u>(1,053,776)</u>
Net Assets	19		<u>195,699,786</u>		<u>181,712,910</u>
Funds					
Restricted funds			—		82,856
Unrestricted funds			5,420,700		5,101,301
Expendable endowment funds			190,279,086		176,528,753
	19		<u>195,699,786</u>		<u>181,712,910</u>

The financial statements were approved by the General Committee on the 8th December 2022 and signed on its behalf by:

George Graham
Treasurer

Edward Kemp
Chief Executive Officer

The Royal Literary Fund

Cash flow statement

for the year ended 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Net cash used in operating activities			(639,321)		(3,017,367)
Cash flows from investing activities					
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(97,327)		(4,463)	
Purchase of fixed asset investments		(52,519,208)		(33,664,003)	
Proceeds of sale from fixed assets		18,593		17,004	
Proceeds from sale of investments		43,195,465		34,583,661	
Net cash provided by investing activities			(9,402,477)		932,199
Change in cash and cash equivalents in the reporting period	20		(10,041,798)		(2,085,168)
Change in cash and cash equivalents at the beginning of the year			(10,041,798)		(2,085,168)
Net cash at the start of the year	20		20,593,488		22,678,656
Net cash at the end of the year	20		10,551,690		20,593,488

Reconciliation of changes in net expenses before other recognised gains and losses to net cash flow

Net expenses before other recognised gains and losses	(2,021,085)	(3,597,014)
Depreciation	42,312	29,858
(Gain) on disposal of fixed assets	(2,064)	(46)
Investment management fees	1,241,336	1,076,813
Foreign exchange movements	133,057	(356,948)
Decrease/(Increase)/in debtors	133,456	(106,874)
(Decrease) in creditors	(166,333)	(63,156)
Net cash outflow from operating activities	(639,321)	(3,017,367)

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022

1 Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The Royal Literary Fund meets the definition of a public benefit entity under FRS 102 and is a registered charity. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries and considering the impact of Covid 19, 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 financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statement are rounded to the nearest pound.

Incoming resources

All income is included when the charity has entitlement to the income, there is probability of receipt and the amount can be measured. Donations are recognised on a receipts basis unless the donor specifies that the donation relates to a future period or that certain pre-conditions must be fulfilled before use. Interest income is included on a receivable basis.

Expenditure

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the financial statements. Resources expended are included in the Statement of Financial Activities (SOFA) on an accruals basis..

Charitable activities comprise direct expenditure including direct staff costs attributable to the activity. Support costs, including governance costs, have been allocated to activities based on the average staff time spent.

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

1 Accounting Policies (continued)

Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets, except freehold land, by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	2% of cost per annum
Fixtures and fittings	25% of written down value per annum
Office equipment	25% of written down value per annum
Motor vehicles	25% of written down value per annum

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Three and five year grants

Liabilities for three and five year grants are recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. One off grants are recognised when they are awarded. Instalment three and five year grants are awarded over a three and five year period respectively. Annual payments are made based on the initial award on application. Five year grants are reviewed for renewal after the five year period.

Operating leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

Post-retirement benefits

The amount charged against profits represents the contributions payable to employees' private pension schemes in respect of the accounting period.

Funds

Unrestricted funds

These funds are used to satisfy the provision of the charter of The Royal Literary Fund and are used at the discretion of the Trustees.

Income for the fund is generated through donations, but is mainly derived from the expendable endowment fund.

Designated funds

The income funds of the charity include designated funds, which have been set aside out of general unrestricted funds. These funds are used for the same purposes as general funds.

Restricted funds

The JB Priestley fund is the only restricted fund. From the fund, both capital and income, allotments of grants are made to writers of promise, as specified by the donor. Awards are made on an occasional basis, when a suitable candidate applies to the Fund for a grant.

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

1 Accounting Policies (continued)

Expendable endowment funds

From funds obtained from the sale of its share of the commercial rights to Winnie the Pooh received from AA Milne Estate, the Fund invested money in an investment portfolio. It is from this portfolio that income is generated every year to fund the majority of the grant making programme.

The Trustees have the power to release the expendable endowment funds to the Fund's unrestricted income funds, which may be spent on charitable activities.

Investments

Investments are shown at market value in accordance with Statement of Recommended Practice "Accounting and Reporting by Charities".

Realised gains or losses on the sale of investments represent sale proceeds, less market value brought forward and investment management fees and commissions.

Unrealised gains or losses represent the movement between the brought forward and carried forward market value of the investments in the period.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 13,14 and 15 for the debtor and creditor notes.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

1 Accounting Policies (continued)

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful Economic Lives – The annual depreciation charge for fixed assets is sensitive to change in the estimated useful economic lives and residual value of the assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are included within fixed asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year.

Foreign currencies

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Monetary assets and liabilities are translated into sterling at the exchange rate on the balance sheet date. Exchange differences are recognised through the statement of financial activities. The charity does not own any non-monetary assets abroad.

2	Investment Income	2022 £	2021 £
	Income from fixed interest securities	3,215,720	1,070,1096
	Income from managed or unitised funds	1,254,524	1,750,116
	Interest on cash deposits held by investment managers	447	3
	Interest on other cash deposits	1,140	4,806
		<u>4,471,831</u>	<u>2,825,034</u>

All investment income is held as unrestricted income except for £2,486 (2021: £3,260) which has been classified as restricted income relating to income from managed or unitised funds.

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

3	Donations & legacies	2022	2021
		£	£
	<i>Legacies</i>		
	PMC Whinnie	–	1,000
	A Hill	12,975	–
		<u>12,975</u>	<u>1,000</u>
	<i>Donations</i>		
	The Kington Oliphant of Gask Trust	1,065	1,104
	Other donations under £500	565	776
		<u>1,630</u>	<u>1,880</u>
	Total	<u>14,605</u>	<u>2,880</u>
4	Royalties	2022	2021
		£	£
	<i>Royalties</i>		
	E Marsh	206	92
	Rupert Brooke	171	16
	Patrick Hamilton	2,092	30,267
	W Somerset Maugham	51,357	44,695
	GK Chesterton	8,236	5,845
	LE Collis	–	5,000
	Pooh Properties Trust	135,000	93,750
	Arthur Ransome	27,664	37,954
	Eden Philpotts	–	1,139
	Henry Reed	180	111
	Hugh Whitmore	–	47
	Colin Maclnnes	1,243	1,154
	Anon	2,069	1,806
	Lawson	135	77
	NF Simpson	86	119
	M Robson	27	58
	P Clough	1,143	900
	A Wilson	253	–
	T Faulkner	228	–
	A Brodie	67	–
	M Hocking	–	274
		<u>230,157</u>	<u>223,304</u>

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

5	Net incoming resources is stated after charging	2022	2021
		£	£
	Depreciation	42,312	29,858
	Payments under operating leases	1,688	1,688
	Amounts paid to auditor		
	Audit fee – current year	17,000	16,500
	Audit fee – prior year under/(over) accrual	<u>480</u>	<u>(300)</u>
6	Taxation		
	The Royal Literary Fund, as a registered charity, is exempt from taxation on its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.		
7	Raising Funds	2022	2021
		£	£
	Investment management fees	1,257,628	1,161,631
		<u>1,257,628</u>	<u>1,161,631</u>

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

8	Charitable Activities	2022		2021	
		Education £	Grant Making £	Education £	Grant Making £
	Direct costs				
	Fellowships	2,949,333	—	2,916,727	—
	Staff costs	307,799	118,310	273,241	125,936
	Temporary staff	—	—	—	7,389
	Advertising	—	25,039	—	82,062
	Outright grants	—	614,707	—	555,251
	Three Year Instalment grants	—	483,192	—	314,500
	Five Year Grants – total commitments payable	—	436,388	—	737,571
	Office costs	(4,231)	3,714	7,671	1,996
	The Society of Authors	—	100,000	—	200,000
	Support costs				
	<i>Governance costs</i>				
	Audit fees	8,740	8,740	8,100	8,100
	Professional fees	36,318	36,318	18,880	18,880
	<i>Other support costs</i>				
	Staff costs	53,083	57,004	—	23,919
	Recruitment & temporary staff	9,907	9,907	6,000	6,000
	Office expenses	49,223	49,223	32,315	32,315
	Postage, printing, stationery, Telephone & IT	12,152	12,152	9,945	9,945
	Website	30,360	30,360	30,000	30,000
	Depreciation	21,156	21,156	14,929	14,929
	Total charitable activity costs by sector	<u>3,473,840</u>	<u>2,006,210</u>	<u>3,317,808</u>	<u>2,168,793</u>

All grants given in the year were to provide support to those classified as having literary merit by the trustees.

Grants Paid to Individuals

The aggregate amount of three and five year grants awarded to individuals during the year was £1,614,097 (2021- £1,509,506). The total number of grants awarded to other charities was 1 (2021 – 1). At the year end £1,764,768 (2021 – £1,897,988) of three and five year grants were committed and a liability has been recognised in the accounts to reflect this. (See notes 14 and 15).

The total number of three year grants awarded and paid to individuals in the year was 112 (2021 – 229).

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

9 Employees

The average number of employees during the year was 7.25 (2021: 5)

	2022	2021
Education	5.00	3
Grant Making	2.25	2
	<u>7.25</u>	<u>5</u>
	2022	2021
	£	£
Staff costs:		
Wages, salaries and benefits	430,919	337,411
Social security costs	46,055	39,102
Other pension costs (see note 17)	59,222	46,582
	<u>536,196</u>	<u>423,095</u>

The Charity considers its key management personnel comprise the Chief Executive Officer (two employees held this office during the year), the Director of Education and the Director of Digital. The total management benefits including employer pension contributions of the key management personnel were £359,523 (2021: £353,726).

No employees (2021:1) earned between £90,000 and £100,000 per annum. Total employer pension contributions for this individual was £0 (2021: £13,890).

2 employees (2021: 2) earned between £80,000 and £90,000 per annum. Total employer pension contributions for these individuals were £25,043 (2021: £24,995).

1 employee (2021: 0) earned between £70,000 and £80,000 per annum. Total employer pension contributions for this individual was £11,753 (2021: £0).

1 employee (2021: 0) earned between £60,000 and £70,000 per annum. Total employer pension contributions for these individuals were £10,401 (2021: £0).

Reimbursement of out of pocket expenses totalling £1,088 were made to 3 trustees in 2022. No reimbursements were made in 2021. These expenses related to travel costs incurred in relation to work carried out for the charity.

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

10	Tangible Fixed Assets					
		Freehold Buildings £	Fixtures and Fittings £	Office Equipment £	Motor Vehicles £	Total £
	Cost					
	At 1 April 2021	613,020	77,622	39,495	55,485	785,622
	Additions	–	–	6,805	90,522	97,327
	Disposals	–	–	–	(55,485)	(55,485)
	At 31 March 2022	<u>613,020</u>	<u>77,622</u>	<u>46,300</u>	<u>90,522</u>	<u>827,464</u>
	Depreciation					
	At 1 April 2021	281,004	66,057	28,181	38,957	414,199
	Charge for the year	12,260	2,892	4,530	22,630	42,312
	Disposals	–	–	–	(38,957)	(38,957)
	At 31 March 2022	<u>293,264</u>	<u>68,949</u>	<u>32,711</u>	<u>22,630</u>	<u>417,554</u>
	Net Book Value					
	At 31 March 2022	<u>319,756</u>	<u>8,673</u>	<u>13,589</u>	<u>67,892</u>	<u>409,910</u>
	At 1 April 2021	<u>332,016</u>	<u>11,565</u>	<u>11,314</u>	<u>16,528</u>	<u>371,423</u>

11 Intangible Fixed Assets

The Fund owns the copyright to the works of several authors. The Committee does not consider it practical to place a value on these copyrights, so they are not shown in the balance sheet.

The archives of the Fund from 1790 up to 1939 have been placed at the British Library on indefinite loan. The archives consist of the records of cases, minutes, annual reports and matters of administration and are of considerable interest to scholars and researchers.

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

12	Fixed Asset Investments	2022 £	2021 £
	Fixed interest securities	30,122,855	29,577,972
	Managed or unithised funds	155,862,413	132,449,986
		<u>185,985,268</u>	<u>162,027,958</u>
	Cash deposits held by investment managers	126,592	118,486
		<u>186,111,860</u>	<u>162,146,444</u>
	<i>Quoted investments</i>		
	Market value as at 1 April 2021	162,027,958	135,313,154
	Additions	52,519,208	33,664,003
	Disposals	(43,195,465)	(34,583,661)
	Net gains	13,852,104	31,764,725
	Investment management fees	(1,241,336)	(1,076,813)
	Exchange gain	2,022,799	(3,053,450)
		<u>185,985,268</u>	<u>162,027,958</u>
	Market value as at 31 March 2022	<u>185,985,268</u>	<u>162,027,958</u>
	Historical cost as at 31 March 2022	<u>143,080,758</u>	<u>102,700,206</u>
	Geographical Analysis		
	United Kingdom	117,895,932	102,586,215
	Overseas	68,364,727	59,560,229
		<u>186,260,659</u>	<u>162,146,444</u>

The following investments represent more than 5% of the value of the portfolio. Their year end market values have also been stated for clarity. Blackrock Midcap UK Equity, £15,826,116 (2021: £16,075,043); Blackrock MSCI, £54,627,734 (2021: £13,794,025); Stewart Investors Global Emerging Markets, £17,090,828 (2021: £17,708,849); Loomis Sayles Global Opp Bond Fund, £20,768,272 (2021: £19,694,428); Overstone Global Equity Fund, £19,373,434 (2021: £17,864,371); Cedar Rock Capital Fund, £0 (2021: £32,998,567); Charities Property Fund, £16,428,152 (2021: £8,754,947) and Pantheon RLF 2014 Fund £11,833,767 (2021: £9,145,537).

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

13	Debtors	2022	2021
		£	£
	Employees' expense float	6,000	6,000
	Prepayments and accrued income	771,875	756,532
		<u>777,875</u>	<u>762,532</u>

All debtors fall due within one year.

14	Creditors: amounts falling due within one year	2022	2021
		£	£
	Accrued expenditure	67,815	53,281
	Tax and social security	43,011	16,130
	Other creditors	564	2
	Accrued grants and pension commitments	790,896	919,302
		<u>902,286</u>	<u>988,715</u>

15	Creditors: amounts falling due in more than one year	2022	2021
		£	£
	Accrued three and five year grant commitments	<u>973,872</u>	<u>1,053,776</u>

The trustees have accrued for three and five year grants awarded in the year, which are payable over a three and five year period, respectively. Although all payments are subject to an annual review, the Fund accepts a 'no changes in circumstances' return. Since the assessment of the beneficiary's financial well being is outside the Fund's control, a full accrual for this commitment has been made this year.

16 Commitments

Annual commitments under other non-cancellable operating leases are as follows:

	2022	2021
	£	£
Minimum lease payments due in:		
– less than one year	<u>–</u>	<u>–</u>

17 Pension Scheme

The company operates a defined contribution pension scheme. Contributions of £59,222 (2021: £46,582) were charged to the profit and loss account as they became payable in accordance with the rules of the scheme. Contributions of £10,587 (2021: nil) remained outstanding at the year end.

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

18 Analysis of Movements on the Funds

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2022
	General £	JB Priestley Fund £	General £	Total £
Opening funds	5,101,301	82,856	176,528,753	181,712,910
Income	4,714,107	2,486	—	4,716,593
Expenditure	(5,394,708)	(85,342)	(1,257,628)	(6,737,678)
	4,420,700	—	175,271,125	179,691,825
Fund transfers	1,000,000	—	(1,000,000)	—
Other net recognised gains	—	—	16,007,961	16,007,961
Closing value of funds	5,420,700	—	190,279,086	195,699,786

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2021
	General £	JB Priestley Fund £	General £	Total £
Opening funds	5,010,844	108,696	151,836,057	156,955,597
Income	3,047,958	3,260	—	3,051,218
Expenditure	(5,457,501)	(29,100)	(1,161,631)	(6,648,232)
	2,601,301	82,856	150,674,426	153,358,583
Fund transfers	2,500,000	—	(2,500,000)	—
Other net recognised gains	—	—	28,354,327	28,354,327
Closing value of funds	5,101,301	82,856	176,528,753	181,712,910

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

18 Analysis of Movements on the Funds (continued)

The general fund and designated funds are unrestricted and are used to satisfy the provision of the charter of The Royal Literary Fund. There are sufficient funds to enable this to occur.

The JB Priestley Fund is restricted to be spent on young writers of promise. All funds under this bequest have now been allocated.

The designated funds above are in relation to substantial legacies received from the above named individuals which can be spent on general use to help writers. They have been designated as a mark of gratitude for the substantial sums of money these individuals have contributed.

The transfer from the expendable endowment to general unrestricted has been made in order that free reserves are maintained at a level of between 6 and 12 months expenditure as per the reserves policy.

19 Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2022
	General £	JB Priestley Fund £	General £	Total £
Fixed assets	409,910	—	—	409,910
Investments	—	—	186,111,860	186,111,860
Net current assets	5,984,662	—	4,167,226	10,151,888
Creditors due in more than one year	(973,872)	—	—	(973,872)
Closing value of funds	<u>5,420,700</u>	<u>—</u>	<u>190,279,086</u>	<u>195,699,786</u>

Within expendable endowment funds is included £155,748,303 (2021: £135,835,767) of material investments, as disclosed in note 12.

The Royal Literary Fund

Notes to the Financial Statements

for the year ended 31 March 2022 (continued)

19 Analysis of Net Assets between Funds (continued)

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2021
	General £	Priestley Fund £	General £	Total £
Fixed assets	371,423	—	—	371,423
Investments	—	108,696	162,037,748	162,146,444
Net current assets	5,783,654	(25,840)	14,491,005	20,248,819
Creditors due in more than one year	(1,053,776)	—	—	(1,053,776)
Closing value of funds	<u>5,101,301</u>	<u>82,856</u>	<u>176,528,753</u>	<u>181,712,910</u>

Within expendable endowment funds is included £135,835,767 of material investments, as disclosed in note 12.

20 Net Cash

	Cash b/fwd £	Cash £	Cash c/fwd £
Cash in hand, at bank	20,475,002	(10,198,703)	10,276,299
Cash deposits held by Investment Managers	118,486	8,106	126,592
Total	<u>20,593,488</u>	<u>(10,190,597)</u>	<u>10,402,891</u>

21 Capital commitments

There were no capital commitments at 31 March 2022 (2021: Nil).

22 Related party transactions

There were no related party transactions in the year. (2021: Nil)

Administrative Information

The Royal Literary Fund

Registered Charity 219952

Patron

Her Late Majesty Queen Elizabeth II

President and Chair

Sir Ian Blatchford

General Committee (as at 31 March 2022)

Nelle Andrew (joined January 2022)

Terence Blacker

Dan Franklin – *Registrar*

Brenda Gardner

George Graham – *Treasurer* (elected November 2021)

Hilary Hale – *Deputy President & Registrar*

Bruce Hunter (retired November 2021)

Paula Johnson (retired November 2021)

Mark Lawson

Mark Le Fanu OBE – *Treasurer*

Colin Ludlow (from July 2021)

Colin Luke – *Treasurer*

Dreda Say Mitchell MBE

Judith Murray (joined January 2022)

Michael Symmons Roberts

Fiona Sampson MBE

Joanna Trollope CBE (retired November 2021)

Marianne Velmans

Ellah P Wakatama OBE

Sub-committees

Finance and Investment

Ian Blatchford, George Graham, Bruce Hunter (retired November 2021),

Mark Le Fanu, Colin Luke

Nominations

Ian Blatchford, Hilary Hale, Mark Lawson, Mark Le Fanu, Dreda Say Mitchell,

Fiona Sampson

Education

Paula Johnson (Chair until November 2021), Colin Luke (Chair from November 2021), Dreda Say Mitchell, Michael Symmons Roberts, Ellah P Wakatama

Administrative Information *(continued)*

Auditor

Moore Kingston Smith LLP
9 Appold Street
London EC2A 2AP

Accountants

Taxing Matters
54 Park Lane
Reigate RH2 8JX

Solicitors

Farrer & Co
66 Lincoln's Inns Fields
London WC2A 3LH

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Staff

Steve Cook
Director of Education

Colin Grant
Director, WritersMosaic

Vanessa Holt
Grants Assistant

Edward Kemp
Chief Executive

Katharine McMahon
Head of Outreach

Justine Palmer
Grants Manager (Interim)

David Swinburne
Director of Digital

Some applicants helped during the year

Amongst those awarded grants during the year:

- An award-winning writer of non-fiction had experienced a dramatic drop in earnings after an international book tour was cancelled due to the Covid-19 pandemic.
- A radio dramatist had seen a reduction in commissioned work following the pandemic. As the principal family earner, raising two young children, the writer approached the RLF for support whilst searching for new work opportunities. The trustees made a grant and helped clear credit card debt.
- A nature writer had his writing interrupted during the pandemic as nurseries closed and he became the main carer for two very young children. As the restrictions eased the family's financial situation remained impacted.
- An award-winning playwright had accumulated debt as she juggled work commitments and caring for her sick and dying father during the pandemic.
- A biographer was made redundant from his part-time job at the beginning of the pandemic and his supporting writing work had also suffered. He was receiving Universal Credit but was struggling to pay bills as the cost of living increased.
- An award-winning travel writer with a young family had his work interrupted during the pandemic as the world entered lockdown. He was behind with writing his next book and in need of financial help to support his family.
- A novelist approached the RLF after a storm had caused substantial damage to the roof of his house. The RLF made a grant to cover the cost of the repair work.
- A writer of Young Adult fiction had lost earnings following a series of surgeries and hospital stays for a chronic condition.
- The widow of a novelist and playwright applied to the RLF as she was struggling to cover bills following the sudden death of her husband.
- A novelist's financial circumstances had deteriorated following her husband's ill health and the delay in publication of her latest book. The couple had run up debt which they were struggling to repay. The committee awarded a grant to help clear the debts.

Extracts from thank you letters

I can sleep at night because I'm not worrying about how we will pay the bills. Your decision to pay off my credit cards was beyond any hope or expectation I might have had when I applied to the RLF. You have given me and my family a clean financial slate and we're very grateful. Thank you for the amazing work that you do and for your considerable support. It feels like a miracle that you exist.

I wanted to again extend my deepest thanks for making the process so transparent and accessible, and to the entire committee for this transformative support and championing my work in such a huge way. The grant has been significant in enabling me to continue creating and has already changed the trajectory of what has been a deeply difficult year.

I wish to thank you for the incredible financial support you've given me over three difficult years. It has made all the difference, not just financially, though that was crucial, but also emotionally, knowing that you are there and care about the welfare of authors in difficulty, about my welfare... The Royal Literary Fund is an extraordinary organisation. Thank you for being there for writers, for your kindness and generosity.

Members

as at 31 March 2022

Sir Alan Ayckbourn

David Bacon

Antonia Barber

Janet Barber

Nicholas Baring*

M Bernstein

Philippa Blake-Roberts

Sir Hugo Brunner KCVO

Michael Bunting

Fiona Clark*

Andrew Crawshaw

Peter Daniels

Dame Margaret Drabble*

Miss EJ Fenwick

Michael Frayn

Ingrid Freebairn

Charles Goodman

Mrs Susan Goodman

EA Greey

I Gundry

Celia Haddon

Duff Hart-Davis

Lady Selina Hastings

Sir Max Hastings

Sir Michael Holroyd*

Bruce Hunter

Sir Kazuo Ishiguro

Mrs Catherine M Lambert

David Lodge CBE

Mark Le Fanu OBE

Rupert Murdoch

Stephen Maitland-Lewis

Michelle Magorian

P O'Leary

Derek Parker*

Betty Parvin

Kate Pool*

Mrs B Quartermaine

Michael Ridpath

Mike Shaw

Katherine Scholfield

Hilary Spurling*

Andrew Taylor

Judy Taylor MBE

Claire Tomalin*

Peter Troughton CBE

DFJ van der Vat

Lady Jane Willoughby de Eresby

Philip Ziegler CVO*

**Honorary Member*