

- DO NOT STAPLE
- PRINT ON ONE SIDE ONLY

FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	The Society of Authors
Year ended:	31 December 2017
List no:	577T
Head or Main Office:	84 Drayton Gardens London SW10 9SB
Website address (if available)	www.societyofauthors.org
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	Nicola Solomon
Telephone Number:	020 7373 6642
Contact name for queries regarding	Jon Andrewartha
Telephone Number:	020 7373 6642
E-mail:	jandrewartha@societyofauthors.org

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 0330 109 3602

The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

Certification Office for Trade Unions and Employers' Associations
Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX

For Unions based in Scotland:

Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised November 2017)

DIRECTORS:

Mr E Clark
Mr F Dennis
Mr D C P Donachie
Mr D Hahn
Dr J M S Harris
Ms M Hoffman
Ms A Klaushofer
Ms J Laurence
Ms C A Lee
Mr C Palliser
Ms C Rees
Mr P Womack

SECRETARY:

Ms N Solomon

REGISTERED OFFICE:

84 Drayton Gardens
London
SW10 9SB

REGISTERED NUMBER:

00019993 (England and Wales)

AUDITORS:

Knox Cropper
8/9 Well Court
London
EC4M 9DN

RETURN OF MEMBERS

(see notes 10 and 11)

	NUMBER OF MEMBERS AT THE END OF THE YEAR				
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
MALE	4,213	27	43	304	4,587
FEMALE	5,186	32	36	373	5,627
TOTAL	9,399	59	79	677	A 10,214

Number of members at end of year contributing to the General Fund

10,214

Number of members included in totals box 'A' above for whom no home or authorised address is held:

17

OFFICERS IN POST

(see note 12)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each person's office. *SEE ATTACHED ACCOUNTS PAGE 1*

RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
Director		Mr F Dennis	23 Nov 2017
Director	Dr P J Groves		23 Nov 2017
Director	Ms L A D Hawksley		23 Nov 2017
Director		Ms M Hoffman	23 Nov 2017
Director		Mr P Womack	23 Nov 2017

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		847,006
From Members: Other income from members (specify)		
Total other income from members		0
Total of all income from members		847,006
Investment income (as at page 12)		89,972
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	758,364	
Total of other income (as at page 4)		758,364
		TOTAL INCOME
		1,695,342
EXPENDITURE		
Benefits to members (as at page 5)		137,101
Administrative expenses (as at page 10)		1,182,655
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		
Taxation		35,126
		TOTAL EXPENDITURE
		1,354,882
Surplus (deficit) for year		340,460
Amount of general fund at beginning of year		4,189,245
Amount of general fund at end of year		4,529,705

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
Commissions on Royalty Collections	75,019	
Royalty Income	51,774	
Management Fees	151,172	
Other Income	33	
Donations and Legacies	302,617	
Investment Revaluation	176,690	
Profit on sale of fixed asset investments	1,059	
TOTAL OTHER INCOME		758,364
TOTAL OF ALL OTHER INCOME		758,364

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		brought forward	104,848
		Education and Training services	
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications			
Postage and Communications	24,028		
Printing and Stationery	12,349		
Publications and Guides	68,471	Salary Costs	
Advisory Services			
		Other Benefits and Grants (specify)	
		AGM and Events	9,082
Dispute Benefits		Group Activities	23,171
Other Cash Payments			
carried forward	104,848	Total (should agree with figure in General Fund)	137,101

(See notes 24 and 25)

FUND 2		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 3		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

(See notes 24 and 25)

FUND 4		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 5		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

(See notes 24 and 25)

FUND 6		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 7		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund	
		£	£
Income	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total income		
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		
	Surplus (deficit) for year		
	Amount of political fund at beginning of year		
	Amount of political fund at the end of year (as Balance Sheet)		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

POLITICAL FUND ACCOUNT 2		To be completed by trade unions which act as components of a central trade union	
		£	£
Income	Contributions and levies collected from members on behalf of central political fund		
	Funds received back from central political fund		
	Other income (specify)		
	Total other income as specified		
	Total income		
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		
	Surplus (deficit) for year		
	Amount held on behalf of trade union political fund at beginning of year		
	Amount remitted to central political fund		
	Amount held on behalf of central political fund at end of year		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

		£
Administrative Expenses		
Remuneration and expenses of staff		921,245
Salaries and Wages included in above	£735,026	
Auditors' fees		6,200
Legal and Professional fees		18,757
Occupancy costs		52,255
Stationery, printing, postage, telephone, etc.		66,194
Expenses of Executive Committee (Head Office)		11,035
Expenses of conferences		
Other administrative expenses (specify)		
Affiliation Fees		7,024
Grants and Donations		212
Repairs and Maintenance		25,568
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		20,642
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Irrecoverable VAT		53,523
	Total	1,182,655
Charged to:	General Fund (Page 3)	1,182,655
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Total	1,182,655

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary	Employers N.I. contributions	Benefits			Total
			Pension Contribution s £	Other Benefits		
				Description	Value £	
Secretary	£ 98,215	£ 12,429	7,080	Medical insurance	1,222	£ 118,946

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			58,803
Dividends (gross) from:			
Equities (e.g. shares)			31,091
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			78
Other investment income (specify)			
		Total investment income	89,972
		Credited to:	
		General Fund (Page 3)	89,972
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	89,972

BALANCE SHEET as at 31 December 2017

(see notes 47 to 50)

Previous Year		£	£
3,530,032	Fixed Assets (at page 14)		3,518,946
	Investments (as per analysis on page 15)		
1,523,187	Quoted (Market value £ 1,699,878)		1,699,878
	Unquoted		
5,053,219	Total Investments		5,218,824
	Other Assets		
	Loans to other trade unions		
40,605	Sundry debtors		90,284
200,753	Cash at bank and in hand		409,842
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
241,358	Total of other assets		500,126
	TOTAL ASSETS		5,718,950
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
105,246	Bank overdraft		0
28,839	Tax payable		120,592
	Sundry creditors		
	Accrued expenses		
426,840	Provisions		461,966
544,407	Other liabilities		606,687
1,105,332	TOTAL LIABILITIES		1,189,245
4,189,245	TOTAL ASSETS		4,529,705

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold old £	Leasehold £				
Cost or Valuation						
At start of year	285,499		279,273		3,225,000	3,789,772
Additions			9,555			9,555
Disposals						
Revaluation/Transfer s						
At end of year	285,499		288,828		3,225,000	3,799,327
Accumulated Depreciation						
At start of year	39,386		220,354		0	259,740
Charges for year	2,785		17,856			20,641
Disposals						
Revaluation/Transfer s						
At end of year	42,171		238,210		0	280,381
Net book value at end of year	243,328		50,618		3,225,000	3,518,946
Net book value at end of previous year	246,113		58,919		3,225,000	3,530,032

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED		All Funds Except Political Funds £	Political Fund £
	Equities (e.g. Shares)		
	Shares	165,063	
	Government Securities (Gilts)		
	Gilts	44,285	
	Other quoted securities (to be specified)		
	Managed funds	1,487,390	
	Cash	3,140	
	TOTAL QUOTED (as Balance Sheet)	1,699,878	
	Market Value of Quoted Investment	1,699,878	
UNQUOTED	Equities		
	Government Securities (Gilts)		
	Mortgages		
	Bank and Building Societies		
	Other unquoted investments (to be specified)		
	TOTAL UNQUOTED (as Balance Sheet)		
	Market Value of Unquoted Investments		

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	847,006		847,006
From Investments	89,972		89,972
Other Income (including increases by revaluation of assets)	758,364		758,364
Total Income	1,695,342		1,695,342
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	1,354,882		1,354,882
Funds at beginning of year (including reserves)	4,189,245		4,189,245
Funds at end of year (including reserves)	4,529,705		4,529,705
ASSETS			
Fixed Assets			293,946
Investment Assets			4,924,878
Other Assets			500,126
		Total Assets	5,718,950
LIABILITIES		Total Liabilities	1,189,245
NET ASSETS (Total Assets less Total Liabilities)			4,529,705

NOTES TO THE ACCOUNTS

(see notes 72 and 73)

All notes to the accounts must be entered on or attached to this part of the return.

See attached accounts

ACCOUNTING POLICIES

(see notes 74 and 75)

See attached accounts

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>NS</u> Name: <u>Nicola Solomon</u> Date: <u>25/7/18</u>	Chairman's Signature: <u>J. Andrewartha</u> <small>(or other official whose position should be stated)</small> Name: <u>JON ANDREWARTHA</u> Date: <u>25/7/18</u>
--	--

CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? <small>(see Page 2 and Note 12)</small>	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? <small>(see Page 2 and Note 12)</small>	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? <small>(see Pages 19 and 21 and Notes 76 and 77)</small>	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? <small>(see Pages 20 and 21 and Notes 2 and 77)</small>	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? <small>(see Notes 8 and 78)</small>	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: <small>(see Note 80)</small>	ENCLOSED	<input checked="" type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED <small>(see Page 17 and Notes 7 and 59)</small>	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED <small>(See Pages 23 and 24 and Notes 88 to 94)</small>	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES/NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
(See section 36(3) of the 1992 Act, set out in note 83)

YES/NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
(See section 36(4) of the 1992 Act set out in rule 83)

YES/NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 85)

SEE ATTACHED ACCOUNTS

AUDITOR'S REPORT (section one)

Our full audit report is set out in the attached financial statements which are prepared in accordance with the requirements of the Companies Act 2006.

In addition, in our opinion the financial statements:

- have been prepared in accordance with the requirements of the section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

Signature(s) of auditor or auditors:

Knox Cropper

Name(s):

Knox Cropper

Profession(s) or Calling(s):

Statutory Auditor

Address(es):

8/9 Well Court
London
EC4M 9DN

Date:

25 July 2018

Contact name and telephone number:

Kevin Lally
020 7332 6400

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

made in accordance with section 24ZD of the
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

YES/NO

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21.

MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer

1. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES/NO

2. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES/NO

If the answer to **either** questions 1 or 2 above is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) **send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.**

MEMBERSHIP AUDIT CERTIFICATE

SECTION TWO

For a trade union with no more than 10,000 members at the end of the reporting period preceding the one to which this audit relates.

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

YES/NO

If "NO" Please explain below:

Signature	<i>Knox Cropper</i>
Name	Knox Cropper
Office held	Statutory Auditor
Date	<i>25th July 2018</i>

Signed

**Report of the Directors and
Financial Statements for the Year Ended 31 December 2017
for
The Society Of Authors**

**Contents of the Financial Statements
for the Year Ended 31 December 2017**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Income Statement	6
Balance Sheet	7
Notes to the Financial Statements	8
Profit and Loss Account	12

**Report of the Directors
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report, except where stated.

Mr E Clark
Mr F Dennis (elected November 2017)
Mr D C P Donachie
Mr D Hahn
Dr P J Groves (retired November 2017)
Dr J M S Harris
Ms L A D Hawksley (retired November 2017)
Ms M Hoffman (elected November 2017)
Ms A Klaushofer
Ms J Laurence
Ms C A Lee
Mr C Palliser
Ms C Rees
Mr P Womack (elected November 2017)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

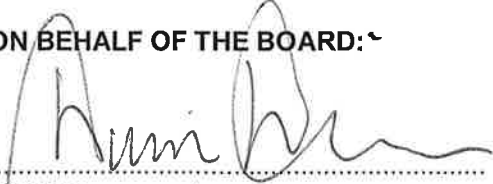
AUDITORS

The auditors, Knox Cropper, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**Report of the Directors
for the Year Ended 31 December 2017**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD: ~


.....
Director

DAVID DONACHIE

Date: 17/5/2018
.....

Opinion

We have audited the financial statements of The Society Of Authors (the 'company') for the year ended 31 December 2017 on pages six to eleven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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 Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors 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 directors determine 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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 a Report of the Auditors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Kevin Lally

Kevin Lally (Senior Statutory Auditor)
for and on behalf of Knox Cropper
8/9 Well Court
London
EC4M 9DN

Date: *17th May 2018*

**Income Statement
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
INCOME			
Operating Income		1,124,971	1,066,149
Investment and Rental Income		91,031	85,575
Donations, Legacies and Other Income		302,650	50,664
Total Income		<u>1,518,652</u>	<u>1,202,388</u>
EXPENDITURE			
Operating Expenditure		1,319,756	1,267,620
Operating Profit/(Loss)	4	<u>198,896</u>	<u>(65,232)</u>
Gain on Investments		176,690	184,416
Profit/(Loss) before Taxation		<u>375,586</u>	<u>119,184</u>
Tax on Profit/(Loss)	13	35,126	36,883
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>340,460</u>	<u>82,301</u>


The notes form part of these financial statements

Balance Sheet
31 December 2017

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		293,946		305,032
Investments	6		1,699,878		1,523,187
Investment property	7		<u>3,225,000</u>		<u>3,225,000</u>
			5,218,824		5,053,219
CURRENT ASSETS					
Debtors	8	90,284		40,605	
Cash in hand		<u>409,842</u>		<u>200,753</u>	
		500,126		241,358	
CREDITORS					
Amounts falling due within one year	9		<u>727,279</u>		<u>678,492</u>
NET CURRENT LIABILITIES			<u>(227,153)</u>		<u>(437,134)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,991,671		4,616,085
PROVISIONS FOR LIABILITIES	10		<u>461,966</u>		<u>426,840</u>
NET ASSETS			<u>4,529,705</u>		<u>4,189,245</u>
CAPITAL AND RESERVES					
Called up share capital			72		72
Capital Reserve	14		-		141,482
Retained earnings	14		<u>4,529,633</u>		<u>4,047,691</u>
			<u>4,529,705</u>		<u>4,189,245</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 17/5/18 and were signed on its behalf by:


.....
Director
DAVID DONACHIE

**Notes to the Financial Statements
for the Year Ended 31 December 2017**

1. **STATUTORY INFORMATION**

The Society Of Authors is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Income

Income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Members subscriptions are annual payments due at varying dates throughout the year. The amount of subscriptions applicable to any period after the year end is treated as prepaid by the Society and is included in creditors shown in the notes. Other income is also included on the basis of amounts receivable in the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on cost
Fixtures, fittings and equipment	- 20% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income, including unrealised investment gains, and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

3. EMPLOYEES AND DIRECTORS

The average monthly number of employees during the year was 20 (2016 – 19). The Directors did not receive any remuneration during the year. The total employee benefits of key management personnel amounted to £118,946.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation - owned assets	20,641	17,643
Auditors' remuneration	6,200	7,200
Lease costs	<u>20,920</u>	<u>20,956</u>

5. TANGIBLE FIXED ASSETS

	Land and property £	Fixtures, fittings & equipment £	Totals £
COST			
At 1 January 2017	285,499	279,273	564,772
Additions	<u>-</u>	<u>9,555</u>	<u>9,555</u>
At 31 December 2017	<u>285,499</u>	<u>288,828</u>	<u>574,327</u>
DEPRECIATION			
At 1 January 2017	39,386	220,354	259,740
Charge for year	<u>2,785</u>	<u>17,856</u>	<u>20,641</u>
At 31 December 2017	<u>42,171</u>	<u>238,210</u>	<u>280,381</u>
NET BOOK VALUE			
At 31 December 2017	<u>243,328</u>	<u>50,618</u>	<u>293,946</u>
At 31 December 2016	<u>246,113</u>	<u>58,919</u>	<u>305,032</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

6. FIXED ASSET INVESTMENTS

	Other investments £
COST OR VALUATION	
At 1 January 2017	1,523,187
Revaluations	<u>176,691</u>
At 31 December 2017	<u>1,699,878</u>
NET BOOK VALUE	
At 31 December 2017	<u>1,699,878</u>
<i>At 31 December 2016</i>	<u>1,523,187</u>
Cost or valuation at 31 December 2017 is represented by:	
	£
Valuation in 2013	524,962
Valuation in 2014	39,778
Valuation in 2015	32,118
Valuation in 2016	184,416
Valuation in 2017	176,691
Cost	<u>741,913</u>
	<u>1,699,878</u>

7. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2017 and 31 December 2017	<u>3,225,000</u>
NET BOOK VALUE	
At 31 December 2017	<u>3,225,000</u>
<i>At 31 December 2016</i>	<u>3,225,000</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other debtors	<u>90,284</u>	<u>40,605</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2017	2016
	£	£
Bank loans and overdrafts	-	105,246
Taxation and social security	120,592	28,839
Other creditors	606,687	544,407
	<u>727,279</u>	<u>678,492</u>
10. PROVISIONS FOR LIABILITIES		
	2017	2016
	£	£
Deferred tax	461,966	426,840
		Deferred tax
		£
Balance at 1 January 2017		426,840
Provided during year		35,126
Balance at 31 December 2017		<u>461,966</u>
11. RELATED PARTY DISCLOSURES		
The Society of Authors is trustee for a number of charitable trusts for which it carries out management services. A management fee is charged which in 2017 amounted to £101,439.		
12. OPERATING LEASE COMMITMENTS		
At 31 December 2017 the following operating lease payments are committed to be paid		
	2017	2016
Expiring:		
Within 1 year	20,956	20,956
Within 2 -5 years	23,713	44,669
	<u>44,669</u>	<u>65,625</u>
13. TAX ON PROFIT/(LOSS)		
	2017	2016
	£	£
Current Year Corporation Tax Charge	-	-
Movement on Deferred Tax Provision	35,126	36,883
14. RESERVES		
	Capital Reserve	Retained earnings
At 1 January 2017	141,482	4,047,691
Profit for the financial year	-	340,460
Release to Retained earnings	(141,482)	141,482
At 31 December 2017	<u>-</u>	<u>4,529,633</u>

The Society Of Authors

**Profit and Loss Account
for the Year Ended 31 December 2017**

	2017		2016	
	£	£	£	£
Income				
Members Annual Subscriptions	847,006		821,405	
Commissions on Royalty Collections	75,019		83,500	
Royalty Income	51,774		49,354	
Management Fees	151,172		111,890	
Other Income	33		306	
Donations and Legacies	302,617		50,358	
Net Rents Received	58,803		55,806	
Investment Income	31,169		29,769	
		1,517,593		1,202,388
Other income				
Investment Revaluation	176,690		184,416	
Profit on sale of fixed asset investments	1,059		-	
		177,749		184,416
		1,695,342		1,386,804
Expenditure				
Salaries	735,026		710,116	
Fees	30,872		27,555	
Employee Benefits	17,530		19,994	
National Insurance	78,625		74,673	
Pension Contributions	59,192		49,572	
Postage and Communications	24,028		26,962	
Printing and Stationery	12,349		11,287	
Advertising and Marketing	3,672		3,763	
Travelling and Entertaining	11,035		10,377	
Publications and Guides	68,471		74,346	
Rates and Insurance	40,893		36,296	
Cleaning, Heating and Lighting	11,362		12,106	
Repairs and Maintenance	25,568		37,004	
Books, Papers and Subscriptions	3,821		4,225	
AGM and Events	9,082		9,541	
Group Activities	23,171		19,824	
Computer and IT	50,836		60,705	
Sundry Expenses	2,337		2,850	
Affiliation Fees	7,024		5,540	
Professional Fees	18,757		23,226	
Irrecoverable VAT	53,523		16,335	
Auditors' Remuneration	6,200		7,200	
Grants and Donations	212		175	
Depreciation of Tangible Fixed Assets	20,642		17,643	
		1,314,228		1,261,315
		381,114		125,489
Finance costs				
Bank and Card Charges		5,528		6,304
NET PROFIT		375,586		119,185

Statement to Members

We are required by law to state:

"A member who is concerned that some irregularity may be occurring, or have occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.

"The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.

"Where a member believes that the financial affairs of the union have been or are being conducted in breach of the law or in breach of rules of the union and contemplates bringing civil proceedings against the union or responsible officers or trustees, he should consider obtaining independent legal advice."