



# 2021 Member Statement & Accounts

## The SoA in 2021...

Covid-19 continued to impact many of our members' lives and livelihoods. Over half (56%) of respondents to our Authors in the Health Crisis survey in May reported that their income in 2021 was lower than in 2019, and almost half (48.8%) reported continuing to experience cancellations of events and other activities.

The SoA was there to assist. We continued to support authors facing financial hardship with £357,900 in grants from the Contingency Fund and £44,450 from the Francis Head Bequest.

Throughout the year, we answered more than 6,000 of your queries, from advising on contracts and recovering payments for engagements cancelled by Covid to advising on wills and estates.

After more than a year of online lockdown events, the need for a hybrid approach became increasingly important as the creative industries started to plan in-venue events again. We supported member Penny Batchelor's campaign to #KeepFestivalsHybrid. Meanwhile, our online SoA at Home festival reached 6,036 authors from over 20 countries, with 73 online events — from Professional Development workshops and industry insider panel discussions to Afternoon Teas and Feel-Good Friday sessions.

We were there to represent authors on the issues that affect them — calling for an increase in PLR, supporting industry action on climate change, condemning oppressive actions against freedom of expression in Belarus and Hungary, and lobbying against post-Brexit threats to the UK copyright regime. With translator Jennifer Croft and writer Mark Haddon, we campaigned to name #TranslatorsOnTheCover, publishing an open letter that was signed by 2,571 authors. And we helped to launch AuthorSHARE, a scheme from World of Books and Bookbarn to pay author royalties via ALCS on second-hand book sales.

We awarded £371,750 in grants for work in progress, supporting the creation of new works by 150 writers, and added the World of Books Impact Award to our stable of grants, to fund two books each year with 'the power to inspire progressive behavioural change'.

At the 2021 SoA Awards, presented online by Management Committee Chair Joanne Harris, we awarded over £100,000 in prizes and announced the launch of the Volcano Prize of £2,000 for a novel focusing on the experience of travel away from home. The prize was established in memory of Malcolm Lowry and endowed by his biographer Gordon Bowker and Ramdei Bowker, with the inaugural winner to be awarded at the 2022 SoA Awards.

We continued to grow our network of local groups, and by the end of 2021 a third of members had a local group near them. We supported the setup of 18 new local groups and enabled local organisers to run 265 events and meet-ups throughout the year.

Our literary estates continued to thrive, as we sold stage, film, TV, English language and translation licenses for Virginia Woolf, Rose Macaulay, and Bernard Shaw (to name a few); and we acquired two new estates — of Gerard Brenan and Gerda Meyer.

And we celebrated 700 members who have been with us for more than 25 years (70 of them for over 50) with commemorative badges delivered by mail.

**And we continued to grow, welcoming 306 authors to our union, ending the year with 11,746 members.**

## Thank you...

...to all the individuals and organisations who helped us make a difference in 2021.

- Members of the SoA Management Committee, Council and charity trustees
- Group and network committee members and local group organisers
- Our many contributors, presenters, prize judges and grant assessors
- Our partner organisations - ALCS, RLF, RSL, English PEN, the Booksellers Association, the Publishers Association, Arts Council England, Creative Scotland, the Literary Consultancy, and many others
- The journalists and media outlets who helped us tell our story
- All the individuals and organisations who donated so generously to the Authors' Contingency Fund
- Our 11,746 members for your ongoing support and community
- And to the SoA staff team who continued to innovate and transform the way we work.

## THE SOCIETY OF AUTHORS' STATEMENT TO MEMBERS FOR THE PERIOD ENDED 31 DECEMBER 2021

as required by section 32a of trade union and labour relations (consolidation) act 1992

### INCOME AND EXPENDITURE

The total income of the union for the period was £1,644,959. This amount included payments of £1,067,432 in respect of membership income of the union. The union's total expenditure for the period was £1,746,193.

### POLITICAL FUND

In respect of the union's political fund, its total income was £0 and total expenditure was £0.

### GENERAL SECRETARY SALARY AND OTHER BENEFITS

The General Secretary of the union was paid £109,793 in respect of salary and £11,463 in respect of benefits (£9,971 in pension contributions and £1,492 in medical insurance).

### IRREGULARITY STATEMENT

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 the rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, they should consider obtaining independent legal advice.

### AUDITOR'S REPORT

The auditor's report for this period is included with the Financial Report that follows.

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

## PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was as the UK trade union for writers, illustrators and literary translators.

## DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report:

- J M S Harris
- P Womack
- M H P Roberts
- V Fox O'Loughlin
- A M Longstaff
- S P Cann
- D Koomson
- A Rooney
- M E Skea

Other changes in directors holding office are as follows:

- S J Collett - resigned 19 November 2021
- W Phoenix - resigned 19 November 2021
- K Quarmby - resigned 9 September 2021
- C H Harris - appointed 19 November 2021
- J E Souch - appointed 19 November 2021
- T J F Tate - appointed 19 November 2021

## 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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:



**J M S Harris - Director**

**Date: 26 May 2022**

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE SOCIETY OF AUTHORS

We have audited the financial statements of The Society of Authors (the 'company') for the year ended 31 December 2021 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 Financial Reporting Standard 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 company's affairs as at 31 December 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of sections 28,32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

## 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

In auditing the financial statements, we have concluded that the directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

## 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, 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## OPINIONS 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.

## AUDITORS' RESPONSIBILITY 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, the Corporation Tax Act 2010 and the Trade Union and Labour Relations (consolidation) Act 1992.
- We understood how the Company is complying with those frameworks via communication with those charged with governance, together with the review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. These included risks associated with Revenue Recognition and Management override of Controls, which were discussed and agreed by the audit team.
- Our approach included the review of journal entries processed in the accounting records and the investigation of significant and unusual transactions identified from our review of the accounting records.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

## USE OF OUR REPORT

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.



**Simon Goodridge (Senior Statutory Auditor)  
for and on behalf of Knox Cropper LLP**

**65 Leadenhall Street  
London  
EC3A 2AD**

**Date: 30 May 2022**

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

|   | Notes | 2021<br>£        | 2020<br>£        |
|---|-------|------------------|------------------|
| <b>INCOME</b>                               |       |                  |                  |
| Members Annual Subscriptions                |       | 1,067,432        | 989,650          |
| Commissions on Royalties                    |       | 51,307           | 43,195           |
| Royalty Income                              |       | 50,505           | 41,535           |
| Management Fees                             |       | 172,842          | 164,681          |
| Other Income                                |       | 29,283           | 2,772            |
| Donations and Legacies                      |       | 145,341          | 80               |
| Other Grants and Project Income             |       | -                | 15,000           |
| Net Rents Received                          |       | 81,374           | 66,022           |
| Investment Income                           |       | 46,875           | 47,602           |
| Total Income                                |       | <u>1,644,959</u> | <u>1,370,537</u> |
| <b>EXPENDITURE</b>                          |       |                  |                  |
| Operating Expenditure                       |       | 1,746,193        | 1,710,228        |
| <b>Operating Loss</b>                       | 4     | <u>(101,234)</u> | <u>(339,691)</u> |
| Gain/(Loss) on Investments                  |       | 213,340          | 184,774          |
| <b>Profit/(Loss) before Taxation</b>        |       | 112,106          | 154,917          |
| Tax on Profit/(Loss)                        | 5     | 30,708           | 36,121           |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b> |       | <u>81,398</u>    | <u>(191,038)</u> |
| Retained earnings at beginning of year      |       | 9,623,140        | 9,814,178        |
| <b>RETAINED EARNINGS AT END OF YEAR</b>     |       | <u>9,704,538</u> | <u>9,623,140</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2022 and were signed on its behalf by:



**J M S Harris - Director**

## BALANCE SHEET 31 DECEMBER 2021

|  | Notes | 2021<br>£               | 2020<br>£        |
|--|-------|-------------------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                         |                  |
| Intangible assets                            | 6     | 15,606                  | -                |
| Tangible assets                              | 7     | 5,058,329               | 5,231,289        |
| Investments                                  | 8     | 2,547,881               | 2,340,148        |
| Investment property                          | 9     | <u>2,446,548</u>        | <u>2,446,548</u> |
|  |       | <b>10,068,364</b>       | 10,017,985       |
| <b>CURRENT ASSETS</b>                        |       |                         |                  |
| Debtors                                      | 10    | 105,315                 | 103,541          |
| Cash in hand                                 |       | <u>632,170</u>          | <u>512,615</u>   |
|  |       | <b>737,485</b>          | 616,156          |
| <b>CREDITORS</b>                             |       |                         |                  |
| Amounts falling due within one year          | 11    | <u>823,764</u>          | <u>764,162</u>   |
| <b>NET CURRENT LIABILITIES</b>               |       | <u>(86,279)</u>         | <u>(148,006)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>9,982,085</b>        | 9,869,979        |
| <b>PROVISIONS FOR LIABILITIES</b>            | 13    | <u>277,475</u>          | <u>246,767</u>   |
| <b>NET ASSETS</b>                            |       | <u><b>9,704,610</b></u> | <u>9,623,212</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                         |                  |
| Called up share capital                      |       | 72                      | 72               |
| Retained earnings                            |       | <u>9,704,538</u>        | <u>9,623,140</u> |
|  |       | <b>9,704,610</b>        | <u>9,623,212</u> |

# NOTES TO THE FINANCIAL STATEMENTS FOR Y/E 31 DECEMBER 2021

## 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 page 11.

## 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.

### Preparation of consolidated financial statements

The company is a parent company subject to the small companies regime. The company and its subsidiary trust comprise a small group. The company is therefore not required to and has not chosen to prepare group accounts.

### 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.

### Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of five years.

### Tangible fixed assets

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

- Freehold buildings - 2% on cost
- Plant and machinery - 5% on cost
- Office improvements - 10% on cost
- Fixtures, fittings and IT equipment - 20% to 33% on cost

Freehold land is not depreciated.

### Investment property

Investment property is shown at valuation. The directors valuation of the investment property is estimated based on the proportion of 24 Bedford Row let to third parties and an estimate of the proportion of the purchase and refurbishment costs relating to those elements of the building. 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 Statement of Income and Retained Earnings, 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 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.

### 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.

### 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.

### Going concern

The directors 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 company to continue as a going concern. In forming this opinion, they have considered the impact of the COVID-19 pandemic on both its income and expenditure for at least a period of twelve months from the date of approval of these financial statements.

The directors have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### Investments

Quoted investments are stated at market value. Any gains or losses on revaluation are recognised in profit or loss.

## 3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 28 (2020 - 26).

## 4. OPERATING PROFIT / (LOSS)

The operating profit (2020 - operating loss) is stated after charging:

|                                | 2021    | 2020    |
|--------------------------------|---------|---------|
|                                | £       | £       |
| Depreciation - owned assets    | 180,732 | 172,735 |
| Computer software amortisation | 1,734   | -       |
| Auditors' remuneration         | 10,975  | 8,900   |

## 5. TAXATION

The tax (credit)/charge on the profit for the year was as follows:

|                      | 2021   | 2020   |
|----------------------|--------|--------|
|                      | £      | £      |
| Deferred tax         | 30,708 | 36,121 |
| Tax on profit/(loss) | 30,708 | 36,121 |

## 6. INTANGIBLE FIXED ASSETS

|                       | Other intangible assets |
|-----------------------|-------------------------|
|                       | £                       |
| <b>COST</b>           |                         |
| Additions             | 17,340                  |
| At 31 December 2021   | 17,340                  |
| <b>AMORTISATION</b>   |                         |
| Charge for year       | 1,734                   |
| At 31 December 2021   | 1,734                   |
| <b>NET BOOK VALUE</b> |                         |
| At 31 December 2021   | 15,606                  |

## 7. TANGIBLE FIXED ASSETS

|                       | Land and buildings | Plant and machinery etc | Total     |
|-----------------------|--------------------|-------------------------|-----------|
|                       | £                  | £                       | £         |
| <b>COST</b>           |                    |                         |           |
| At 1 January 2021     | 5,412,390          | 95,504                  | 5,507,894 |
| Additions             | -                  | 7,772                   | 7,772     |
| At 31 December 2021   | 5,412,390          | 103,276                 | 5,515,666 |
| <b>DEPRECIATION</b>   |                    |                         |           |
| At 1 January 2021     | 225,772            | 50,833                  | 276,605   |
| Charge for year       | 149,207            | 31,525                  | 180,732   |
| At 31 December 2021   | 374,979            | 82,358                  | 457,337   |
| <b>NET BOOK VALUE</b> |                    |                         |           |
| At 31 December 2021   | 5,037,411          | 20,918                  | 5,058,329 |
| At 31 December 2020   | 5,186,618          | 44,671                  | 5,231,289 |



Land and Buildings comprise Freehold Land & Buildings. Components of the redeveloped freehold property relating to the office improvements and plant & machinery are depreciated at the rates set out in the accounting policies..

## 8. FIXED ASSET INVESTMENTS

|                                  | 2021<br>£        | 2020<br>£        |
|----------------------------------|------------------|------------------|
| <b>COST OR VALUATION</b>         |                  |                  |
| Investment portfolio             |                  |                  |
| At 1 January 2021                | 2,334,190        | 2,161,416        |
| Disposals                        | (4,916)          | (12,000)         |
| Revaluation                      | 213,340          | 184,774          |
|                                  | <u>2,542,614</u> | <u>2,334,190</u> |
| At 31 December 2021              |                  |                  |
| Cash held by investment managers | 5,267            | 5,958            |
|                                  | <u>2,547,881</u> | <u>2,340,148</u> |
| TOTAL                            |                  |                  |

### THE FOUNDATION FUND

The Society is the sole trustee of a non-charitable trust, known as The Foundation Fund, which was established to support the Society. The trust is controlled by the company. The company and trust together make up a small group and so there is no requirement to prepare consolidated accounts.

At the year end the total net assets held by the trust amounted to £291,421 (2020 - £269,585). The trust's net income for the year was £21,836 (2020 - £31,049 net income).

## 9. INVESTMENT PROPERTY

|                          | 2021<br>£        |
|--------------------------|------------------|
| <b>COST OR VALUATION</b> |                  |
| At 1 January 2021        | <u>2,446,548</u> |
| At 31 December 2021      | <u>2,446,548</u> |

## 10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|               | 2021<br>£      | 2020<br>£      |
|---------------|----------------|----------------|
| Other debtors | <u>105,315</u> | <u>103,541</u> |

## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                              | 2021<br>£      | 2020<br>£      |
|------------------------------|----------------|----------------|
| Taxation and social security | 43,940         | 34,835         |
| Other creditors              | <u>779,824</u> | <u>729,327</u> |
|                              | <u>823,764</u> | <u>764,162</u> |

## 12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

|                 | 2021<br>£  | 2020<br>£    |
|-----------------|------------|--------------|
| Within one year | <u>270</u> | <u>4,666</u> |

## 13. PROVISIONS FOR LIABILITIES

|                             | 2021<br>£      | 2020<br>£           |
|-----------------------------|----------------|---------------------|
| Deferred tax                | <u>277,475</u> | <u>246,767</u>      |
|                             |                | <b>Deferred tax</b> |
|                             |                | <b>£</b>            |
| Balance at 1 January 2020   |                | <u>246,767</u>      |
| Provided during year        |                | <u>30,708</u>       |
|                             |                | <u>277,475</u>      |
| Balance at 31 December 2020 |                | <u>277,475</u>      |

## 14. 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 2021 amounted to £144,117 (2020 : £127,785).

Margaret Skea, a member of the Management committee of the Society, was a recipient of a grant of £1,500 in the prior year from The Authors' Contingency Fund, one of the charitable trusts of which the Society is a Trustee. The grant application was made as part of the Authors Emergency Fund and was considered at arms length as part of the usual grant assessment process.

The Society is also trustee of a non-charitable trust, the purpose of which is to support the Society. The Society received grants totalling £9,421 from the Trust in 2021 (2020 : £82).

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

|                                 | 2021      |           | 2020    |           |   | 2021      |         | 2020      |           |
|---------------------------------|-----------|-----------|---------|-----------|---|-----------|---------|-----------|-----------|
|                                 | £         | £         | £       | £         |   | £         | £       | £         | £         |
| <b>INCOME</b>                   |           |           |         |           | <b>EXPENDITURE (CONT.)</b>              |           |         |           |           |
| Members' Annual Subscriptions   | 1,067,432 |           | 989,650 |           | Events & AGM net of income              | 16,722    |         | 14,953    |           |
| Commissions on Royalties        | 51,307    |           | 43,195  |           | Group Activities                        | 10,390    |         | 10,826    |           |
| Royalty Income                  | 50,505    |           | 41,535  |           | Computer and IT costs                   | 84,110    |         | 81,721    |           |
| Management Fees                 | 172,842   |           | 164,681 |           | Sundry Expenses                         | 4,900     |         | 4,088     |           |
| Other Income                    | 29,283    |           | 2,772   |           | Training Costs                          | 4,773     |         | 2,565     |           |
| Donations and Legacies          | 145,341   |           | 80      |           | Affiliation Fees                        | 7,695     |         | 7,270     |           |
| Other Grants and Project Income | -         |           | 15,000  |           | Investment Manager Fees                 | 13,612    |         | 17,112    |           |
| Net Rents Received              | 81,374    |           | 66,022  |           | Professional Fees                       | 9,364     |         | 24,890    |           |
| Investment Income               | 46,875    |           | 47,602  |           | Royalty accountants                     | 19,760    |         | 17,880    |           |
|                                 |           | 1,644,959 |         | 1,370,537 | Irrecoverable VAT                       | 18,240    |         | 22,691    |           |
|                                 |           |           |         |           | Auditors' Remuneration                  | 10,975    |         | 8,900     |           |
| <b>OTHER INCOME</b>             |           |           |         |           | Depreciation of Tangible Fixed Assets   |           |         |           |           |
| Investment Revaluation          |           | 213,340   |         | 184,774   | Freehold property                       | 149,207   |         | 144,587   |           |
|                                 |           | 1,858,299 |         | 1,555,311 | Plant and machinery                     | 31,525    |         | 28,148    |           |
|                                 |           |           |         |           | Amortisation of intangible fixed assets | 1,734     |         | -         |           |
| <b>EXPENDITURE</b>              |           |           |         |           |   | 1,742,373 |         | 1,706,945 |           |
| Salaries                        | 942,695   |           | 924,095 |           |   | 115,926   |         | (151,634) |           |
| National Insurance              | 95,937    |           | 91,224  |           | <b>FINANCE COSTS</b>                    |           |         |           |           |
| Pension Contributions           | 58,069    |           | 54,367  |           | Bank Charges                            |           | 3,820   |           | 3,283     |
| Employee Benefits               | 22,556    |           | 21,829  |           |   |           |         |           |           |
| Postage and Communications      | 25,014    |           | 26,699  |           | <b>NET PROFIT/(LOSS)</b>                |           | 112,106 |           | (154,917) |
| Printing and Stationery         | 2,055     |           | 4,973   |           |   |           |         |           |           |
| Advertising and Marketing       | 1,822     |           | 549     |           |   |           |         |           |           |
| Travelling and Entertaining     | 875       |           | 2,303   |           |   |           |         |           |           |
| Publications and Guides         | 89,428    |           | 84,160  |           |   |           |         |           |           |
| Rates and Insurance             | 67,326    |           | 53,820  |           |   |           |         |           |           |
| Cleaning, Heating and Lighting  | 17,012    |           | 13,367  |           |   |           |         |           |           |
| Repairs and renewals            | 34,616    |           | 42,101  |           |   |           |         |           |           |
| Books, Papers and Subscriptions | 1,961     |           | 1,827   |           |   |           |         |           |           |

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