A MESSAGE FROM OUR CHAIR

It goes without saying that 2013 was another busy year for the SoA. We were actively involved in a wide range of vital campaigns, hosted sell-out events and distributed over £200,000 in prizes, awards and grants. Our total membership continued to rise and of course we provided individual advice and contract vetting services. Through our website, newsletters and quarterly editions of The Author we alerted members to matters of interest and importance. You’ll have noticed a new look to our communications too, as rebranding was another project of 2013. I hope you will enjoy reading on to find out about our other activities and achievements over the course of the year.

NEW PRESIDENT, PHILIP PULLMAN

After 16 tireless years as the SoA’s President, P.D. James stepped down from the role on the eve of her 93rd birthday. We express, with pleasure, our sincere thanks for the generous donation of her time and considered attention to the issues confronting authors. Baroness James, who joined the SoA in 1979, handed over to Philip Pullman whom The Times named as one of the “50 greatest British writers since 1945”. He has been a member of the SoA since 1987 and was the Chair of the Management Committee in 2001/02.

CAMPAIGNS AND LOBBYING

Chief Executive Nicola Solomon was featured in The Bookseller’s annual listing of the 100 most influential people in the trade as the SoA campaigned strongly on the issues impacting on authors. As ebooks, the dominance of Amazon, and the growing ease and acceptability of self-publishing continued to affect every aspect of publishing and bookselling, the SoA maintained pressure on publishers and others, individually and collectively, to ensure fair terms for authors, public appreciation of the value of the creative industries, and the survival of high street bookshops.

Ebook Lending

The SoA continued to press publishers regarding the licensing of the right for libraries to lend ebooks. We are concerned that such licences are not being properly remunerated or accounted for and are urging for proper payments and clearer contracts. The Daily Telegraph quoted Philip Pullman’s explanation that publishers are “wrongly treating revenues from online libraries as one-off sales rather than licences.”

Public Lending Right

The publication of William Sieghart’s Independent Review of E-Lending in Public Libraries was welcome as it supported and addressed the concerns which the SoA had been lobbying on for some time, including the recommendation that PLR be extended to ebooks and audiobooks and that the fund be increased to reflect the wider remit.

Libel Reform Campaign

The passing into law of the Defamation Act 2013 was a welcome result of concerted efforts to effect reform of libel law. Since 2009, the SoA has been proud to lend its voice, support and lobbying power to the Libel Reform Campaign (Index on Censorship, English PEN and Sense about Science) which seeks to protect free expression for journalists, writers, bloggers and scientists in the UK.

The passing into law of the Defamation Act 2013 was a welcome result of concerted efforts to effect reform of libel law. Since 2009, the SoA has been proud to lend its voice, support and lobbying power to the Libel Reform Campaign (Index on Censorship, English PEN and Sense about Science) which seeks to protect free expression for journalists, writers, bloggers and scientists in the UK.

The passing into law of the Defamation Act 2013 was a welcome result of concerted efforts to effect reform of libel law. Since 2009, the SoA has been proud to lend its voice, support and lobbying power to the Libel Reform Campaign (Index on Censorship, English PEN and Sense about Science) which seeks to protect free expression for journalists, writers, bloggers and scientists in the UK.

The passing into law of the Defamation Act 2013 was a welcome result of concerted efforts to effect reform of libel law. Since 2009, the SoA has been proud to lend its voice, support and lobbying power to the Libel Reform Campaign (Index on Censorship, English PEN and Sense about Science) which seeks to protect free expression for journalists, writers, bloggers and scientists in the UK.

The passing into law of the Defamation Act 2013 was a welcome result of concerted efforts to effect reform of libel law. Since 2009, the SoA has been proud to lend its voice, support and lobbying power to the Libel Reform Campaign (Index on Censorship, English PEN and Sense about Science) which seeks to protect free expression for journalists, writers, bloggers and scientists in the UK.

The passing into law of the Defamation Act 2013 was a welcome result of concerted efforts to effect reform of libel law. Since 2009, the SoA has been proud to lend its voice, support and lobbying power to the Libel Reform Campaign (Index on Censorship, English PEN and Sense about Science) which seeks to protect free expression for journalists, writers, bloggers and scientists in the UK.

The passing into law of the Defamation Act 2013 was a welcome result of concerted efforts to effect reform of libel law. Since 2009, the SoA has been proud to lend its voice, support and lobbying power to the Libel Reform Campaign (Index on Censorship, English PEN and Sense about Science) which seeks to protect free expression for journalists, writers, bloggers and scientists in the UK.

The passing into law of the Defamation Act 2013 was a welcome result of concerted efforts to effect reform of libel law. Since 2009, the SoA has been proud to lend its voice, support and lobbying power to the Libel Reform Campaign (Index on Censorship, English PEN and Sense about Science) which seeks to protect free expression for journalists, writers, bloggers and scientists in the UK.
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income for the year</td>
<td>1,062,304</td>
<td>999,480</td>
</tr>
<tr>
<td>Tangible Fixed Assets and Other Operating Charges</td>
<td>1,051,190</td>
<td>1,025,443</td>
</tr>
<tr>
<td><strong>TOTAL SURPLUS for the year</strong></td>
<td>11,194</td>
<td>(25,963)</td>
</tr>
</tbody>
</table>

**Notes**

1. **ACCOUNTING POLICIES**

The Financial Statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The following assets at 31 December 2013 are recorded at cost.

- Property, Plant and Equipment
- Intangible Assets
- Investments
- Shareholding in Associated Companies

2. **TAXATION**

Corporation Tax payable for the year at 20% (2012: 20%) £91

3. **SHARE CAPITAL**

There are no restrictions affecting the entire share capital.

4. **NOTES TO THE FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

The financial statements of the company have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**2. SHARE CAPITAL**

There are no restrictions affecting the entire share capital.

**3. FOUNDATION FUND**

In 1968, the Society established a Foundation Fund to receive donations or loans for the benefit of the Society. Separate financial statements are prepared to the Issued Share Capital.

**4. CHARTERED FUND**

The Society is responsible for the administration of various Charitable Trust Funds for the benefit of authors for which separate financial statements are prepared.

**5. TAXATION**

Corporation Tax payable for the year at 20% (2012: 20%) £91

**6. TANGIBLE FIXED ASSETS**

The following assets at 31 December 2013 are recorded at cost.

- Property, Plant and Equipment
- Intangible Assets
- Investments
- Shareholding in Associated Companies

**7. NET BOOK VALUE**

At 31 December 2013 £266,725

- Ordinary Shares £254,468
- Retained Surplus £12,257
NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7. CAPITAL RESERVES

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brought forward</td>
<td>141,482</td>
</tr>
<tr>
<td></td>
<td>141,482</td>
</tr>
</tbody>
</table>

8. QUOTED INVESTMENTS

(i) The cost and market value of Quoted Investments at 31 December 2013 (and 2012) are as follows:

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>Market Value</td>
</tr>
<tr>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>General Fund – Cost brought forward</td>
<td>749,225</td>
</tr>
<tr>
<td>Additions (less disposals)</td>
<td>(597)</td>
</tr>
<tr>
<td>Less: Provision for Fall in Value of certain investments</td>
<td></td>
</tr>
<tr>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>748,628</td>
<td>1,069</td>
</tr>
<tr>
<td>714,648</td>
<td>34,577</td>
</tr>
<tr>
<td>1,069</td>
<td>34,577</td>
</tr>
<tr>
<td>725,590</td>
<td>749,225</td>
</tr>
<tr>
<td>714,648</td>
<td>34,577</td>
</tr>
<tr>
<td>1,069</td>
<td>34,577</td>
</tr>
<tr>
<td>725,590</td>
<td>749,225</td>
</tr>
<tr>
<td>714,648</td>
<td>34,577</td>
</tr>
</tbody>
</table>

The Surplus for the year after Taxation is £6,744 (2012 £5,183) which includes a deficit on the sale of investments £2,031 (2012 £1,537) which included surpluses from the sales of investments and property. The surplus for the year is transferred to the General Fund.

The Net Current Assets of the Society have increased by about £14,000 (2012: £3,000) and the Fixed Assets have decreased during the year by £70,000 (2012: increased by £25,000), making the total assets of the Society £812,000 (2012: £850,000). The market value of the investments at the year-end exceeded the cost price by £52,000 (2012: £420,000).

REPORT OF THE INDEPENDENT AUDITORS

We have audited the financial statements of The Society of Authors for the year ended 31 December 2013. The financial reporting framework that has been applied in their preparation is the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

The report is made solely to the society’s members, as a body, in accordance with Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). Our audit work has been undertaken so that we might state to the society’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 union members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Trustees’ Responsibilities, the union trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes obtaining evidence about the going concern status of the society. In our opinion, the financial statements and the report of the trustees give a true and fair view of the society’s financial position as at 31 December 2013 and of its financial performance and its cash flows for the year then ended, and have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) 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 officers’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the officers were not entitled to prepare the financial statements in accordance with the small companies’ exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Martin Ades (Senior Statutory Auditor)
for and on behalf of Michael Martin Partnership Limited
3 Queen Street
Ashford
Kent
TN23 1RF
Date: 17 July 2014

STATEMENT TO MEMBERS

We are required by law to state that:

- 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 investigate further the obtaining clarification and, if necessary, securing regulation 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 constitution 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 contends that there is contempt of the Act or the obtaining of a criminal conviction of the union or the auditor or auditors of the union, or the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.

- “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 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 contends that there is contempt of the Act or the obtaining of a criminal conviction of the union or the auditor or auditors of the union, or the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.”

REVIEW OF BUSINESS

Movements in the 2013 year compared to the 2012 year together with the movements in the 2012 year compared to the 2011 year, were as follows:-

<table>
<thead>
<tr>
<th>2013 compared to 2012</th>
<th>2012 compared to 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ Annual Subscriptions</td>
<td>Increase 23,572</td>
</tr>
<tr>
<td>Commissions on Royalty Collections</td>
<td>Decrease 13,695</td>
</tr>
<tr>
<td>Royalty Income</td>
<td>Increase 466</td>
</tr>
<tr>
<td>Income from Investments and Interest</td>
<td>Increase 852</td>
</tr>
<tr>
<td>Other Income</td>
<td>Increase 37,434</td>
</tr>
<tr>
<td>Management Fees</td>
<td>Increase 11,604</td>
</tr>
<tr>
<td>Rents Receivable</td>
<td>Decrease 2,151</td>
</tr>
<tr>
<td>Total Income</td>
<td>Increase 62,824</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>Decrease 25,667</td>
</tr>
</tbody>
</table>

In our opinion the financial statements:

- give a true and fair view of the state of the union’s affairs as at 31 December 2013 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).
It is impossible to thank all those who so generously devote their time and expertise to the work of the SoA, not least every member who lends their support to our causes. More specifically we would like to extend our thanks to those who fulfilled particular roles during 2013:

**The Management Committee**: Patrick Barwise (retired), Alison Baverstock, Nicola Beauman, Andrew Crofts, Gregor Dallas, Juliet Gardiner, Philip Gross, Daniel Hahn, David Kynaston (retired), Neil Leyshon, Andrew Lycett, Charles Palliser, Ball Rai (retired), James Runcie, our Honorary Treasurer, Barry Kernon, and especially our Chair Anne Sebba.

**The Broadcasting Group Committee**: John Taylor (Chair), Ruth Brandon, Lucy Caldwell (retired), Christopher William Hill, Alison Joseph (retired), Marcy Kahan, Annette Kobak, Michelle Lipton, Jane Thynne, Stephen Wakelam, Mike Walker, Elizabeth-Anne Wheal.

**The Children’s Writers and Illustrators Group Committee**: John Dougherty (Chair), Patrice Aggs, Sarah McIntyre (retired), Michaela Morgan (retired), Nicola Morgan, Miriam Moss, Mal Peet, Helena Pielichaty (retired), Nicola Smee (retired), Annemarie Young.

**The Educational Writers Group Committee**: Chris Barker (Chair), Marie-Thérèse Bougard (retired), Danièle Bourdais, Elaine Boyd, John Butterworth, Anita Ganeri, Philip Prowse (retired), Anne Rooney, Nicholas Tims and Jenny Vaughan (retired).

**The Committee of the Society of Authors in Scotland**: Lin Anderson (Chair), Iain Gale, Catherine Czerkawska, Caroline Deacon, Jonathan Falla, Michael Malone, Cathy MacPhail, Gillian Philip, Sara Sheridan (retired), Linda Strachan.

**The Translators Association Committee**: Maureen Freely (Chair), Robert Chandler (retired), Howard Curtis, Roland Glasser, Daniel Hahn, Nicky Harman (retired), Rosalind Harvey, Anna Holmwood (retired), Jamie Lee Searle, Antonia Lloyd-Jones (retired), Samantha Schnee, Ros Schwartz, Trista Selous, Stefan Tobler (retired), Ruth Urbom, Shaun Whiteside, Helen Wang.

**The Committee of Authors North**: John Rice (Chair), Clare Dudman (retired), Gill James, Rebecca Jenkins and Colin Shelbourn.

**James McConnachie** who took on the role of Editor of The Author, following a successful period as acting editor.

**Michael Ridpath**, who has now stepped down from the Finance Committee after many years’ invaluable advice.

Our various prizes, grants and awards also rely on the hard work and dedication of our many judges and assessors, including: Hassan Abdulrazzak, Fleur Adcock, Naomi Alderman, Moniza Alvi, Claire Armitstead, Paul Bailey, Rajeev Balasubramaniamy, Emily Berry, Bidisha, Paul Binding, Ruth Brandon, Elizabeth Buchan, Lucy Caldwell, Ian Carter, Lewis Dartnell, Humphrey Davis, Maura Dooley, Louise Doughty, Elanor Dymott, Roy Foster, Antonia Fraser, Flora Fraser, Sam Garrett, Mike Gayle, David Gilmour, John Greening, Philip Gross, Naomi Gryn, Christopher William Hill, Sue Howarth, Aamer Hussain, Andrew Hussey, Emily Jeremiah, Alison Joseph, Alan Judd, Marcy Kahan, Johannes Kaminiski, Peter Kemp, Mimi Khalvati, John King, Annette Kobak, Lee Langley, Mark Le Fanu, Michelle Lipton, Julie Loy, Fiona MacKenzie, Adam Mars-Jones, William Marshall, Ian McGrath, Caroline Moorehead, Ann Mutlow, Daljit Nagra, Sue Nelson, Adam O’Riordan, Ian Patterson, Yaron Peleg, Christopher Potter, David Pownall, Munro Price, Martin Redfern, Michèle Roberts, Carol Rumens, Fiona Sampson, Lucy Silver, Adam Sisman, Steve Skidmore, David Slingsby, Connie St Louis, Tom Sutcliffe, Michael Swan, Michael Symmons Roberts, John Taylor, Roma Tearne, Jane Thynne, Joanna Trollope, Paul Vincent, Stephen Wakelam, Fay Weldon, Elizabeth-Anne Wheal, Jason Wilson, Leon Yudkin, Meike Ziervogel.

**President** Philip Pullman
**Chair** Anne Sebba
**Chief Executive** Nicola Solomon

The Society of Authors is a company registered in England No. 19993 and an independent trade union