



**John Agard, poet**  
*Presenting the 2016 Authors Awards*

# 2016

## ANNUAL REPORT & ACCOUNTS

In 2016, our membership grew by 3.3% to 9,838, we campaigned successfully on festivals, contracts, PLR and more - and we put more members in touch with each other than ever.

### CAMPAIGNS & LOBBYING

Following our 2015 survey of UK literary festivals, our campaign to ensure authors are fairly treated and paid for appearances hit the headlines both at the beginning of the 2016, when Philip Pullman resigned as patron of Oxford Literary Festival, and towards the end, when the festival organisers announced they would in future pay £150 to authors speaking at their Festival. Ongoing discussions with organisers of other festivals led to many more making commitments to pay authors.

We had success with our CREATOR campaign for fair contracts, with an open letter to publishers in January leading to meetings with all the largest and many other key publishers, resulting in commitments to fairness and transparency.

We pressed the Government to ensure the Digital Economy Bill would work for creators, including better transparency and a 'bestseller clause' in contracts - terms also proposed, in September, in the EU Draft Directive on the Digital Single Market.

A core demand was our call for Public Lending Right (PLR) to be paid on remotely lent ebooks and audiobooks, pursued through meetings and correspondence with the Department for Culture, Media and Sport (DCMS), the PLR Office, the

Publishers Association, the Association of Authors' Agents, CILIP, publishers and others. Towards the end of 2016, the European Court made a ruling that removed the final barrier to applying PLR to ebooks. We ramped up our efforts to get consensus on wording from industry, winning a commitment from Culture Minister Matt Hancock to include PLR on ebooks in the Bill.

On copyright, we worked with the British Copyright Council, Creators' Rights Alliance, IPO and others in drafting responses to proposals around the Digital Single Market. We worked throughout the year with the British Library and other library representatives to create a model for author permissions on mass digitisation projects.

Many of our 2016 discussions were flavoured by the outcome of the referendum in June, as we assessed what Brexit would mean for the legislation that might impact our members - particularly as the EU continued to play such a core role in our work around PLR on ebooks and the Digital Single Market.

We continued our online awareness campaigns to ensure that translators and illustrators are properly credited for their work - #NameTheTranslator and #PicturesMeanBusiness. This included social media activity, sharing cases where credit has not been given, as well as publishing a blog by Sarah McIntyre on the crucial part played by book metadata.



Our groups were active in campaigning work, with members of the Educational Writers Group and the Children's Writers and Illustrators Group (CWIG) making a joint statement against the emphasis placed on and stress caused by primary school SATS.

CWIG chair Nicola Morgan raised concerns about school libraries with the Schools Minister Nick Gibb, and in December CWIG committee member James Mayhew wrote for us about his negative experiences of special sales – a story which was subsequently reported in the trade press – triggering conversations about fair terms for authors and our CREATOR campaign.

The Poetry and Spoken Word Group (PSWG) launched a survey on the experiences of poets invited to perform at events and festivals, aiming to address concerns over the lack of standard industry payment rates. We will use the results of the survey to publish a list of best practices and observed fees to be used both by poets and event organisers.

## EVENTS, TALKS & GROUPS

In 2016, we hosted 63 events and workshops across the UK. We launched our Authors Everywhere policy to better serve members who cannot attend events in London by organising more events outside the capital. Wherever possible, we live-streamed or recorded many of our London events, or re-ran them in the regions.

“You say your services aren't free – I pay an annual subscription in return. This is true, but what you provide goes far beyond a 'service' – you are someone the author can talk to when s/he feels badly let down by the publishers.”

Manuela Cook - author

And we continued to report on meetings for the benefit of all members, in the form of website blogs or Author articles.

Staff and Management Committee members also gave regular talks at trade conferences, including the Westminster Media Forum, the London International Book Fair and the CILIP conference, as well as universities, including Bath Spa and Glasgow.

We continued our focus on running practical events designed to help authors with their careers. These included Kristen Harrison's popular website and social media surgeries, the annual tax talks by accountants HW Fisher, as well as a video workshop by Shoo Rayner, interview training, and ebook sessions run by Ian Skillicorn.

Networking social events included A Midsummer Night's party at Waterstones Piccadilly in London, in association with Books Are My Bag; the Translators Association summer social, 'Not-Working' drinks in Birmingham and co-hosting the Writers in Oxford Party. Our new format AGM in November included a selection of panel sessions on topics including the publishing landscape, online promotion and self-promotion.

The Translators Association celebrated Anthea Bell's 80th birthday with a special event at Magdalene College, Cambridge including a Q&A with Anthea and contributions from the writers and publishers with whom she has worked. The TA continued its involvement in the Literary Translation Centre at the London Book Fair and the annual 'LBF-Minus One' translation seminar sold out its new, larger venue

at Free Word Centre. The TA also contributed to the programme for International Translation Day held at the British Library.

CWIG ran several workshops and conferences. These included Opportunities in Non-Fiction, at which Nicola Morgan chaired a panel of publishers talking about opportunities for authors in this tough market, and Diverse Voices, an important event on children's literature in translation.

The Educational Writers Group ran an all-day Spring Seminar with three talks, on the use of technology in the classroom, alternative avenues for educational publishing, and building an author brand. The focus for the EWG February Discussion Forum was self-promotion.

PSWG hosted Making a Living as a Poet, presented by poets Julia Bird (producer at Jaybird Live Literature), Tom Chivers (Director of Penned in the Margins) and group chair Tamar Yoseloff, a freelance tutor in creative writing.

In October, the Broadcasting Group ran an event on collaboration, looking at David Eldridge's TV adaptation of historian Hallie Rubenhold's book *The Scandalous Lady W*.

The Writers as Carers Group, formed in 2015 to help SoA members with caring responsibilities to keep writing and stay connected with the writing community, continued to grow steadily. Member activity was mainly through the private Facebook discussion group



Rhoda Baxter - romantic comedy author

and website forum, but the Group also had its first online meeting.

Authors North ran three well-attended events. The first Authors Everywhere event of 2016 was *The Authors' Compass* in Manchester – a full day of lively and practical talks designed to help members navigate the contemporary publishing landscape. Members gathered at Seven Stories in Newcastle for a children's publishing day entitled *Developing your Ideas: from Inspiration to Publication*. The day included a tour of the Michael Morpurgo exhibition, a manuscript-handling experience and an optional cartoon-drawing workshop. As the evenings grew shorter we ended the year with *A Ghostly Gathering* at the Bar Convent in York, with haunting talks on ghost writing, writing for the horror genre, one-to-one sessions with an agent or publisher, and a ghost tour of York.

The Society of Authors in Scotland held a range of events including a summer AGM and a Christmas party for its members. Other regional and local groups continued to thrive, with meetings in Dorset, Cornwall, New Forest, Surrey, Hampshire, Devon, Hertfordshire, Oxford, London, Gloucestershire and a new group in Warwickshire.

## ADVICE

Our team of advisors answered more than 3,200 queries and vetting nearly 900 contracts.

## OUTREACH

We continued to expand our reach throughout 2016, particularly online, enjoying regular coverage in both the industry and national press, highlighting our concerns about education, authors' incomes and creators' rights.

In September, we launched our redesigned website with a new structure and extra functionality for members, including private discussion forums.

We'll monitor site usage over time but the first few months of visitor statistics indicated that visitors were engaging more readily with the new site, viewing more pages per visit and staying longer to read them.

Our social media following increased on average by more than a fifth across all platforms, with the number of followers on Twitter increasing by more than a third to 33,267 by the end of 2016, and on Facebook by nearly a tenth to 6,963.

Our member-only and public email newsletters continued to outperform industry average open and click-through rates. While the member-only mailing lists continued to grow with our membership, our mailing list for non-members doubled throughout the year.



SoA staff Lisa Dowdeswell, Charlotte Buckley and Anna Ganley

We published four issues of The Author under the editorship of James McConnachie, with articles on all aspects of the author's life, including contract terms and finances, as well as specific topics ranging from televised sexual violence and political correctness to arguments both for and against encouraging children's use of 'exuberant language' and 'wow words' in schools.

## LITERARY ESTATES

The classic crime fiction of Freeman Wills Crofts and Anthony Berkeley remains ever popular, with a range of titles re-released under Collins' Detection Club series. These authors' royalties go to two of our grant-awarding charities, the Authors' Contingency Fund and the P D James Memorial Fund (formerly the Pension Fund) respectively.

Theatre highlights included a 'richly rewarding revival' (Independent) of Shaw's Saint Joan at the Donmar Warehouse; a West End run of L P Hartley's 'The Go-Between: A Musical' (Richard Taylor/David Wood) with Michael Crawford in the lead role; and two workshop readings – Harley Granville Barker's previously unperformed 'Agnes Colander' (at the National Theatre), and a new musical adaptation of Shaw's 'The Devil's Disciple' (Rebecca Applin/Susannah Pearse/Kate Ferguson).

## GRANTS, PRIZES & AWARDS

We distributed more than £430,000 to a wide range of authors at various stages of their careers.

The Authors' Foundation and K Blundell Trust gave out a total of £251,639, to help authors buy time and conduct research.

We gave grants to authors in financial difficulty totalling £32,100 from the Authors' Contingency Fund and the Francis Head Bequest, while the P D James Memorial Fund granted £34,850.

In February, we celebrated translation by distributing prizes worth £14,767 between translators of works from the Arabic, Dutch, German, French, Spanish, and Swedish.

At the Authors' Awards in June, John Agard presented a total of £86,000 to 25 writers of poetry, fiction and non-fiction.

We celebrated the best writing for audio drama, awarding the Imison Award to Eoin O'Connor for 30 Eggs and the Tinniswood (sponsored by ALCS) to Julian Simpson for Fugue State, while the ALCS prize also celebrated excellence in the field of educational writing, awarding £2,000 to Anna Weltman and illustrators Edward Cheverton and Ivan Hissey for This is Not a Maths Book.

"They worked hard to secure the best outcome for me as an author, providing hours of expert advice, and drawing on a wealth of experience. I am amazed that all this was available to me for a small membership fee."

Penny Boxall - poet

We administered the £5,000 Sunday Times/Peters Fraser + Dunlop Young Writer of the Year Award, and took over the management of two new awards, The Sunday Times EFG Short Story Award and the Baileys Women's Prize for Fiction.

From September to November we ran a public consultation on making the Somerset Maugham Awards, the Eric Gregory Awards and the Betty Trask Prize & Awards, currently limited by their original rules, more inclusive. Our goal is to reward as diverse a range of authors as possible for their contributions to our literary culture.

## THE SoA'S FUTURE PREMISES

84 Drayton Gardens has served us well for many years, but it is no longer fit for purpose as the SoA's offices – not least because it is not accessible for many members who would otherwise like to attend our events. We ran a consultation seeking members' views on a proposed relocation to more suitable premises.

As the year ended, we began our search for new premises.

# FINANCIAL REPORT 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

## PRINCIPAL ACTIVITY

The principal activity of the Society in the year under review was to protect the rights and further the interests of authors of all kinds of literary works and publications.

## DIVIDENDS

Under item IV of the Society's Memorandum of Association, no dividend may be paid by the Society.

Shareholders have no right to participate in any surplus either by way of dividends or on winding up, and as a result the shareholders interests are limited to the Called Up Share Capital.

## DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

- Mr E Clark
- Mr D C P Donachie
- Mr D Hahn
- Dr P J Groves
- Ms L A D Hawksley
- Ms A Klaushofer
- Ms J Laurence
- Mr C Palliser

Other changes in directors holding office are as follows:

- Dr J M S Harris - appointed 22 November 2016
- Ms C A Lee - appointed 22 November 2016
- Ms C Rees - appointed 22 November 2016
- Mrs N C Beauman - resigned 22 November 2016
- Mr J W Horwood - resigned 21 March 2016
- Ms N Leyshon - resigned 22 November 2016
- Mr A M D Lycett - resigned 22 November 2016

## 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.

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

We have audited the financial statements of The Society Of Authors for the year ended 31 December 2016. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the directors 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 an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

## OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.

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

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
<b>INCOME</b>			
Operating Income		1,066,149	994,394
Investment and Rental Income		85,575	95,020
Donations and Other Income		50,664	3,301
<b>Total Income</b>		<b>1,202,388</b>	<b>1,092,715</b>
<b>EXPENDITURE</b>			
Operating Expenditure		1,267,620	1,162,396
<b>Operating Loss</b>	4	<b>(65,232)</b>	<b>(69,681)</b>
Gain on Investments		184,416	32,118
<b>Profit/(Loss) before Taxation</b>		<b>119,184</b>	<b>(37,563)</b>
Tax on Profit/(Loss)	13	36,883	9,517
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>82,301</b>	<b>(47,080)</b>

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

## BALANCE SHEET 31 DECEMBER 2016

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	5	<b>305,032</b>	272,951
Investments	6	<b>1,523,187</b>	1,338,771
Investment property	7	<b>3,225,000</b>	3,225,000
		<b>5,053,219</b>	4,836,722
<b>CURRENT ASSETS</b>			
Debtors	8	<b>40,605</b>	91,993
Cash in hand		<b>200,753</b>	134,963
		<b>241,358</b>	226,956
<b>CREDITORS</b>			
Amounts falling due within one year	9	<b>678,492</b>	566,778
<b>NET CURRENT LIABILITIES</b>		<b>(437,134)</b>	<b>(339,822)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,616,085</b>	4,496,900
<b>PROVISIONS FOR LIABILITIES</b>	10	<b>426,840</b>	389,957
<b>NET ASSETS</b>		<b>4,189,245</b>	4,106,943
<b>CAPITAL AND RESERVES</b>			
Called up share capital		<b>72</b>	72
Capital Reserve		<b>141,482</b>	141,482
Retained earnings		<b>4,047,691</b>	3,965,389
		<b>4,189,245</b>	4,106,943

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 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 back 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.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of 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. 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.

#### 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.

#### 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 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.

#### 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 number of employees during the year was 19. The Directors did not receive any remuneration during the year. The total remuneration of key management personnel amounted to £101,488.

## 4. OPERATING PROFIT / (LOSS)

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation - owned assets	17,643	12,554
Auditors' remuneration	7,200	7,850
Lease costs	20,956	20,956

## 5. TANGIBLE FIXED ASSETS

	Land and property £	Fixtures, fittings & equipment £	Totals £
<b>COST</b>			
At 1 January 2016	285,499	254,378	539,877
Additions	-	49,724	49,724
Disposals	-	(24,829)	(24,829)
At 31 December 2016	285,499	279,273	564,772
<b>DEPRECIATION</b>			
At 1 January 2016	36,601	230,325	266,926
Charge for year	2,785	14,858	17,643
Eliminated on disposal	-	(24,829)	(24,829)
At 31 December 2016	39,386	220,354	259,740
<b>NET BOOK VALUE</b>			
At 31 December 2016	246,113	58,919	305,032
At 31 December 2015	248,898	24,053	272,951

## 6. FIXED ASSET INVESTMENTS

	Other investments £
<b>COST OR VALUATION</b>	
At 1 January 2016	1,338,771
Revaluations	184,416
At 31 December 2016	1,523,187
<b>NET BOOK VALUE</b>	
At 31 December 2016	1,523,187
At 31 December 2015	1,338,771

Cost or valuation at 31 December 2016 is represented by:

	Other investments £
Valuation in 2013	524,962
Valuation in 2014	39,778
Valuation in 2015	32,118
Valuation in 2016	184,416
Cost	741,913
	1,523,187

## 7. INVESTMENT PROPERTY

	Total £
<b>FAIR VALUE</b>	
At 1 January 2016 and 31 December 2016	3,225,000
<b>NET BOOK VALUE</b>	
At 31 December 2016	3,225,000
At 31 December 2015	3,225,000

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

	2016 £	2015 £
Other debtors	40,605	91,993

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

	2016 £	2015 £
Bank loans and overdrafts	105,246	67,447
Taxation and social security	28,839	46,829
Other creditors	544,407	452,502
	678,492	566,778

## 10. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax	426,840	389,957
		Deferred tax £
Balance at 1 January 2016		389,957
Provided during year		36,883
Balance at 31 December 2016		426,840

## 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 2016 amounted to £100,566.

## 12. OPERATING LEASE COMMITMENTS

At 31 December 2016 the following operating lease payments are committed to be paid.

	2016 £	2015 £
Expiring:		
Within 1 year	20,956	20,956
Within 2 -5 years	44,669	65,625
	<u>65,625</u>	<u>86,581</u>

## 13. TAX ON PROFIT/(LOSS)

	2016 £	2015 £
Current Year Corporation Tax Charge	-	-
Movement on Deferred Tax Provision	<u>36,883</u>	<u>9,517</u>

## 14. PRIOR YEAR ADJUSTMENT

Adjustments following the adoption of FRS 102:

### 1. Recognition of Investment Property

Of the two buildings that Society of Authors own, part of one building comprises three residential flats which are rented out on a commercial basis. The buildings have been valued and the value of the residential flats has been included as an investment property. There has been no adjustment to this value between 2015 and 2016. In addition, deferred tax has been calculated on the revalued amount.

### 2. Reconciliation of prior year adjustment

Reconciliation of (loss) for the year ended 31 December 2015

	At 31 December 2015 £
As previously reported	(47,080)
Movement in property valuation	-
<b>As reported under FRS102</b>	<b>(47,080)</b>

	At 31 December 2015	At 31 December 2016
<b>Reconciliation of capital and reserves</b>		
As previously reported	1,152,528	1,234,830
Recognition of investment property	3,225,000	3,225,000
Deferred tax provision on investment property	(270,585)	(270,585)
<b>As reported under FRS102</b>	<b>4,106,943</b>	<b>4,189,245</b>

# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016

	2016		2015	
	£	£	£	£
<b>INCOME</b>				
Members Annual Subscriptions	821,405		745,077	
Commissions on Royalty Collections	83,500		80,844	
Royalty Income	49,354		56,769	
Management Fees	111,890		111,704	
Other Income	306		3,295	
Donations and Legacies	50,358		6	
Rents Received Less Expenses	55,806		57,971	
Investment Income	29,769		37,049	
	<u>1,202,388</u>		<u>1,092,715</u>	
<b>OTHER INCOME</b>				
Investment Revaluation		184,416		32,118
		<u>1,386,804</u>		<u>1,124,833</u>
<b>EXPENDITURE</b>				
Salaries	710,116		639,884	
Fees	27,555		38,497	
Employee Benefits	19,994		17,775	
National Insurance Contributions	74,673		67,934	
Pension Contributions	49,572		48,786	
Postage and Communications	26,952		33,376	
Printing and Stationery	11,287		10,685	
Advertising and Marketing	3,763		4,912	
Travelling and Entertaining	10,377		10,310	
Publications and Guides	74,346		78,634	
Rates and Insurance	36,296		35,570	

	2016		2015	
	£	£	£	£
<b>EXPENDITURE (CONT.)</b>				
Cleaning, Heating and Lighting	12,106		17,742	
Repairs and Maintenance	37,004		33,904	
Books, Papers and Subscriptions	4,225		4,064	
AGM and Events	9,541		4,303	
Group Activities	19,824		19,277	
Computer and IT	60,705		51,936	
Sundry Expenses	2,850		2,364	
Affiliation Fees	5,540		4,423	
Professional Fees	23,226		10,389	
Irrecoverable VAT	16,335		-	
Auditors' Remuneration	7,200		7,850	
Grants and Donations	175		350	
Depreciation of Tangible Fixed Assets	17,643		12,554	
Profit/Loss on Sale of Tangible Fixed Assets	-		62	
	<u>1,261,315</u>		<u>1,155,581</u>	
<b>FINANCE COSTS</b>				
Bank and Card Charges		6,304		6,815
<b>NET PROFIT/(LOSS)</b>		119,185		(37,563)
<b>Tax on Profit/Loss</b>		<u>36,883</u>		<u>9,517</u>
		<u>82,301</u>		<u>(47,080)</u>

## AND LAST, BUT NOT LEAST... THANK YOU!

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**Our prizes, grants and awards rely on the hard work and dedication of our many judges and assessors, including:**

Karin Altenberg, Moniza Alvi, Paul Bailey, Paul Binding, Simon Brett, Elizabeth Buchan, Jeremy Cameron, David Colmer, Wendy Cope, Richard Davenport-Hines, Maura Dooley, B.J. Epstein, Roy Foster, Antonia Fraser, Flora Fraser, Frances Fyfield, Judy Garton-Sprenger, David Gilmour, John Greening, James Hamilton, Joanne Harris, Philip Hensher, Andrew Holgate, Aamer Hussein, Andrew Hussey, Helen Ivory, Emily Jeremiah, Alan Judd, Joanna Kavenna, Samira Kavar, Mimi Khalvati, John King, Christina Koning, Lee Langley, Jonathan Lomas, Andrew Lycett, David McKay, Rod Mengham, Nicola Morgan, Daljit Nagra, James Naughtie, Alistair Niven, Adam O'Riordan, Robin Ostle, Pascale Petit, Christopher Potter, Munro Price, Sameer Raheem, Nicky Ransley, Jane Ridley, Michèle Roberts, Carol Rumens, Benedict Schofield, Peter Stothard, Bob Swarup, Michael Symmons-Roberts, Susannah Tarbush, Sara Taylor, Stella Tillyard, Ahren Warner and Jason Wilson.

**We are extremely grateful for the many generous donations we received throughout 2016, supporting our work and helping us to spread the benefits to authors of our annual programme of grants and prizes.**

**Photographs:** Adrian Cope (front cover) and John Rice (interior)

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