The Royal Literary Fund

Trustees' report and financial statements

Registered Charity number 219952 31 March 2020

3 Johnson's Court off Fleet Street London EC4A 3EA

Telephone: 020 7353 7159 E-mail: eileen.gunn@rlf.org.uk

www.rlf.org.uk

Contents

Reference and administrative information	1
Trustees' annual report	3
Statement of trustees' responsibilities in respect of the trustees' annual report and financial statements	12
Independent auditor's report to the trustees of The Royal Literary Fund	13
Statement of financial activities	17
Balance sheet	19
Cash flow statement	20
Notes to the financial statements	21
Some applicants helped during the year	34
Extracts from thank you letters from recent beneficiaries	36
Members	37

The Royal Literary Fund Registered Charity 219952

Reference and administrative information

	Founder and Resident Visitor
1790-1816	The Reverend David Williams
	Past Presidents
1799-1801	The Marquess of Bute
1801-1838	The Duke of Somerset KG
1838-1863	The Marquess of Lansdowne кG
1863-1875	The Earl Stanhope FRS
1875-1893	The Earl of Derby KG FRS
1894-1903	The Marquess of Crewe кG
1903	The Rt. Hon. W E H Lecky ом
1904-1922	The Lord Tennyson GCMG
1922-1940	The Earl of Crawford and Balcarres кт
1941-1951	The Earl of Ilchester GBE
1951-1962	The Lord Gorell CBE MC
1962-1966	Frank Swinnerton
1966-1976	John Lehmann CBE FRSL
1976-1984	Janet Adam Smith ове
1984-1990	Arthur Crook
1990-2003	Sir Stephen Tumim
2004-2005	Peter Janson-Smith
2005-2015	Sir Ronald Harwood
2015-2018	Tracy Chevalier
	Patron
	Her Majesty The Queen
	4 / P // 10/1
2010	Acting President and Chair
2018	Philip Gwyn Jones
	II
1992	Honorary Members Nicholas Baring
1992	Dame Margaret Drabble
1997	Sir Michael Holroyd
2000	Claire Tomalin
2000	Philip Ziegler CVO

2007 Derek Parker 2007 Fiona Clark 2007 Jill Black 2008 Kate Pool

2008 Hilary Spurling CBE

Reference and administrative information (continued)

	General Committee		Registrars
	as at 31st March 2020	2010	Frances Fyfield
2011	Philip Gwyn Jones	2011	Paula Johnson
2016	Terence Blacker	2015	Hilary Hale
2016	Dan Franklin		
2016	Michael Symmons Roberts		Treasurers
2016	Joanna Trollope CBE	2012	Mark Le Fanu OBE
2018	Ellah Wakatama Allfrey OBE	2014	Bruce Hunter
2018	Brenda Gardner	2019	Colin Luke
2018	Meg Rosoff		
2019	Tessa Hadley		Staff
	,	1999	Eileen Gunn
	Bankers		Chief Executive
1790	Coutts & Co		-
	440 Strand	1999	Steve Cook
	London		Director of Education
	WC2R 0QS		
	•	2006	David Swinburne
	Accountants		Director of Operations
2017	Taxing Matters		
	54 Park Lane	2018	Katharine McMahon
	Reigate		Education Projects Manager
	Surrey		
	RH2 8JX	1996	Vanessa Holt
	•		Assistant
			Solicitors
		1900	Farrer & Co
			66 Lincoln's Inn Fields
			London
			WC2A 3LH
			Auditor
		2009	Moore Kingston Smith LLP
			Devonshire House
			60 Goswell Road
			London
			EC1M 7AD

Trustees' Annual Report

eport of the General Committee presented to the 230th Annual General Meeting of the Royal Literary Fund held on Zoom on Wednesday 11th November 2020.

Introduction

The RLF's educational programmes continued to flourish, both its flagship Fellowship Scheme providing work for 98 writers in 70 university/college posts, as well as new initiatives to help marginalised groups such as refugees through reading/writing workshops in a wide range of community settings.

During the year, RLF grants and pensions were made with 38 new applicants and 51 previous applicants receiving help. Along with grants and pensions continuing from other years, altogether 214 writers and their dependants were served by the Fund in this way. The Fund helped many writers in difficult circumstances, some suffering illness, bereavement or financial setbacks. Examples of their situations are given at the back of this report. Extracts are also provided there from the many letters of thanks indicating the difference the grants have made to the recipients.

In order to reach as many writers as possible requiring help, the Fund increased publicity about its grants and pensions, spreading the word among writers' organisations and professionals in the publishing world, by word of mouth, Twitter, Facebook, emails, advertisements and leaflets. It engaged a PR company to maximise publicity.

During the year, many Fellows, past and present, were commissioned and paid to produce original material to the 'Showcase' section of the RLF website: articles, podcasts, video and short recorded talks on topics such as 'My Reading Habits'. Overall, 50 written articles were published in the Collected strand and 50 Writers Aloud podcasts released; the popular short audio pieces (Vox) continue on a twice weekly schedule. A Friday email newsletter informs over 500 subscribers of new content.

Work continued on the development of the dedicated database of the Fund's archives, building on the catalogue of RLF records at the British Library. This will be an enhanced resource for academics and local and family historians.

Maintaining the RLF's charitable funds while ensuring sufficient income to provide for the Fund's beneficiaries and writers on the Fellowship Scheme (and its associated educational projects) was a key feature of the financial planning decisions made by the Committee with the help of its professional advisors. Careful management of its investments has enabled the Fund to continue to meet all of its charitable objectives.

Organisational Structure

The Fund was established in 1790. Its objects are: i) to help published writers of approved literary merit and their families in need, and more generally, ii) the advancement of public education and the improvement of public taste in the field of literary work. It was incorporated and granted a Charter in 1818, and in 1842 this was made a Royal Charter. Subsequently, the Charter has been revised by Order of the Privy Council in 1968, 2002 and 2006.

The General Committee is responsible for policy and grant-making decisions at its monthly meetings in accordance with the bye-laws of the Fund's Charter.

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance – Public Benefit: Running a Charity (PB2) – when reviewing the Fund's aims and objectives and in reaching its grantmaking decisions. In particular, the trustees have ensured that these decisions are in line with the aims and objectives they have set, that is, all grants and pensions are awarded to writers of approved literary merit or their dependants and are to relieve poverty.

The Fund's strategy is to continually monitor all procedures and key activities to ensure that they are effective and up to date and comply with the appropriate Charity Commission guidance and the Fund's values. Subcommittees and working parties, which meet regularly, initiate this process and make recommendations to the General Committee. A governance review was initiated at the end of the financial year.

There are four sub-committees: Education, Communications, Finance, and Strategy & Liaison. (The latter is made up of the President, three principal staff members, the Chairs of the other sub-committees, plus three treasurers and three registrars.) Sub-committees consider more specific aspects of the Fund's work, make decisions on smaller matters, and bring major recommendations to the General Committee for approval.

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

The General Committee

The composition of the General Committee has remained as outlined in the 2019 annual report with the following changes: five trustees resigned from the Fund: Richard Holmes, Simon Brett, Nick Hern, Liz Berry, and Susan Hitch.

Trustees are selected for their knowledge and experience in writing, publishing and the literary world in general. The Fund's policy is to maintain a diverse Committee of trustees who bring different skills to the table. New trustees are provided with an induction pack containing background details on the Fund's past and current work. They also meet separately with staff to learn about the workings of the Fund, and are assigned an existing trustee to look after

them and answer questions as needed. All new trustees sign a confidentiality agreement. All trustees have to declare an interest in any of the applicants at the start of consideration of applications at each monthly meeting.

All trustees are apprised of changes in legislation affecting the Fund's activities.

Review of Activities for the Year 2019-2020

Grants and Pensions

Writers who apply to the Fund for grants and pensions must submit samples of their published work. These are read by two members of the General Committee, who then report at the monthly meeting and recommend whether or not the criterion for literary merit is satisfied. If it is, the writer's circumstances are considered and, if need is established, a grant is made on the basis of the criteria set out in the Fund's Charter.

The total sum of grants and pensions made to beneficiaries during the year was £1,556,065. The total number of individual writers assisted with grants or pensions during the year 1st April 2019 to 31st March 2020 was 214. 30 were helped with grants for the first time and 24 who had received a previous grant were helped again, the remainder receiving further instalments of previously awarded grants.

The Fund also helps older writers by awarding 'pensions' (renewable five-year grants). At 31st March 2019, the Fund had a commitment to 109 pensioners: nine new pensions were awarded, 26 pensions were renewed and five pensioners died during the year.

Pensions are committed to beneficiaries for a minimum period of five years subject to confirmation that there is still a need and there has been no material change of circumstances. Consequently, the accounting treatment in the Statement of Financial Activities in accordance with the requirements of the relevant statement of recommended practice for charities means that the full five year charge is recognised in the statements. The annual cash expenditure on pension grants for the year was £712,137.

A grant of £100,000 was made to the Covid Emergency Fund administered by the Society of Authors. The RLF was a prime mover in setting this up when it became apparent that professional authors were losing money from cancelled speaking engagements etc.

RLF Education

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

In its 21st year, the Fellowship scheme took on 32 new recruits:

Paul Adam, Alice Albinia, Jane Borodale, Stephen Brown, Marcus Chown,

Tom Connolly, Julia Crouch, Cliff Forshaw, Jim Friel, Teresa Heapy, Curtis Jobling, Tom Lee, Rory MacLean, Rebecca Mascull, Louise Millar, Andrew Miller, Syd Moore, Mark Morris, Paul Munden, Leila Rasheed, John Retallack, Gwendoline Riley, Dilys Rose, Julian Sayarer, Ros Schwartz, Rachel Seiffert, Cal Smyth, Julie Summers, Lee Weatherly, Sarah Williams, Anna Woodford, Sarah Wright.

They were joined by seven former Fellows returning to the scheme and 59 others continuing from the previous year. In total, 98 writers worked as RLF Fellows at 70 university and college postings, including three new partner institutions: Buckingham University, Lincoln University and Royal Holloway, University of London.

Associated education projects continued to thrive and expand, including an expanded round of workshops for schools through the Bridge programme in Scotland reaching as far north as Shetland, as well as increased involvement with the LEAPS widening participation programme; Bridge workshops for London schools in partnership with the British Library; workshops delivered to USDAW members at various sites across the North of England; nineteen groups across all four nations of the UK in the Reading Round scheme; and a new programme of workshops aimed at helping marginalised groups, such as asylum-seekers, develop confidence with self-expression and reading. In October, the RLF set up a Fellowship at the British Library to provide writing advice to users of the Reading Rooms.

Grants to other organisations

The RLF does not generally provide funds to external organisations, other than an annual grant of £15,000 to the Royal Society of Literature, and this appears on page 26 of the Annual Accounts.

Financial Review

The RLF's charitable funds were £156,955,597 compared to £173,424,790 in 2019. This principally reflects the effect of the financial market turbulence towards the end of the Fund's financial year on the value of its investments.

Since the financial year end, the Fund's investments, have recovered a good deal of the ground they had lost.

During the year, total resources expended exceeded total incoming resources by £3,289,429; this compares to a figure of £3,290,944 last year. The annual deficit is after investment management fees of approximately £1.3 million that are classed as "Raising funds". The current low level of interest rates and bond yields means that insufficient investment income is available to cover charitable expenditure and an annual deficit is to be expected, as will be the case for many other charities that rely on endowment income. However, annual deficits are sustainable over the long term because of the capital gains and consequent growth of the RLF's charitable funds, as explained below.

The Fund's investments are held to provide a source of income to meet the Fund's charitable purposes over the long term without taking undue risk. The Fund engages Cambridge Associates, a firm of investment consultants, to advise it on its investment strategy. The asset allocation of the Fund at year end was approximately 48% in equities, 19% in bonds, 13% in alternative investments, 6% in property and 14% in cash. The investments in equities and bonds are through listed collective investment schemes or unit trusts which provide both diversification and liquidity. Alternative investments are made up of private equity and hedge funds and are less easy to realise at short notice. The Fund reviews its investment policy annually to ensure that the income needed to meet its commitments will be secured.

During the first ten months of the 2019/20 year, markets drifted upwards, but the outbreak of the COVID-19 pandemic in the last two months caused one of the largest stock market declines in history. The FTSE 100 share index fell 32% in the first quarter of 2020. The Fund is well diversified and sustained a fall of approximately 12% during that quarter.

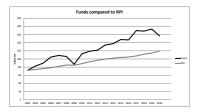
The Fund makes no attempt to anticipate or react to these market gyrations, beyond occasional sales when the proportion of equities becomes too high or purchases when it becomes too low. After several years of strong equity markets, the proportion of the Fund's holdings in equities increased above our target levels, and so the Fund sold £12 million of global equities in December 2019, just before the sharp fall in the market. This was a result of adherence to the Fund's strategy of not anticipating market moves, rather than prescient market timing. After the falls in the stock market in the first quarter of 2020, the proportion of equities fell below target, and since the year end the Fund has been adding to its holdings of equities.

Over several years the net income of the Fund has fluctuated, as has the level of the charity funds, and total resources expended usually exceeds total incoming resources. However, during this time of volatility the Fund has followed stable financial policies with regard to setting the levels of expenditure and investments.

The investment policy of the Fund aims to achieve growth in the real value of the fund that will support the target rate of spending over the long term without taking on undue risk. This target rate of spending was raised in 2016/17 from 3% p.a. to 3 ¼% p.a. Since this is a long-term target, no attempt is made to anticipate short-term movements in the markets.

This investment policy was first adopted in 2002. After eighteen years it is possible to gauge the success of this policy (see the graph on page 8, which shows the level of funds after annual spending). In 2003, when the policy was first implemented, the level of charity funds was £72.1m. By 2020 the level of funds had grown to £156.5m, a rate of increase of 4.7% p.a. compared with an increase in the same period of the Retail Price Index of 3.0% p.a. In 2009, when global stock markets were significantly lower, the actual level of funds was £88.0m, still above the level it would have been if it had increased in line with inflation of £84.7m.

This suggests that despite the volatility of the annual figures, the level of charitable expenditure of the Fund over the last seventeen years has been a going concern.



The Committee is able to confirm that the Fund's assets are available and adequate to fulfil the obligations of each of its separate funds and that its investments, as managed by its investment managers, have been acquired in accordance with the powers available to the General Committee under the Charter.

Reserves

The majority of the Fund's reserves are derived from its share of the sale of the merchandising rights to Winnie the Pooh. The trustees consider these funds to be primarily an investment fund held to produce income to balance the needs of both current and future beneficiaries as required by charity law. These funds are termed expendable endowment.

The trustees have assessed the average level of expenditure for the foreseeable future as described above. In order to meet the Fund's current and expected charitable commitments to beneficiaries the trustees plan to maintain the real value of the capital funds over the long-term and set the Fund's investment policy accordingly.

Additionally, the Fund holds free reserves to ensure that it is able to meet the needs of its current and future beneficiaries given potential future risks. These can be broken down into three categories:

- short-term tactical needs such as temporary setbacks in funding or cash-flow difficulties;
- contingency needs to enable the Fund to take advantage of strategic development opportunities and to meet unexpected calls on the Fund;
- long-term strategic needs to reduce the risk posed by large external changes in the environment in which the Fund operates, in particular large falls in the stock market.

To manage this risk the Fund believes it should retain between 6 and 12 months' expenditure to be held in cash or easily liquidated funds. This equates to between £3.5m and £5m of funds which will be allocated to free reserves.

The net assets of the Fund at 31st March 2020 were £156,955,597 of which restricted funds represented £108,696 and expendable endowment £151,836,057 and a further £413,773 was tied up in the Fund's fixed assets. Thus, the level of free reserves stood at £4,597,071. The reserves policy is reviewed annually and performance monitored during the year as part of the Fund's monthly budgetary requirements and general financial management.

Risk Management Statement

Risk is managed by the trustees and executive staff via the Strategy and Liaison sub-committee. A Risk Register indicating impact, appetite and action was drawn up and approved by the General Committee.

The following were identified as major risks:

Fall in Global Markets - mitigated by a conservative target spending rate.

£4.5m is held in easily accessible free reserves in case of extreme fall in markets. Most of the Fund's investment portfolio could be liquidated at short notice if necessary. It is therefore a going concern.

Breach of beneficiaries' confidentiality – All trustees and staff sign a confidentiality statement. Papers circulated at monthly trustee meetings are not retained at home but shredded in the office. Appropriate security measures are in place to protect data held on the office computer system.

Loss of key member of staff – all staff have passwords to others' computers and know main aspects of others' jobs. Extensive files, agendas and minutes are available. The accountant has agreed to take on the Chief Executive's financial accounting work in an emergency. There are two members of staff conversant with online banking, the Chief Executive and the Director of Education.

Risk Register is reviewed annually by the Strategy and Liaison sub-committee in the first instance.

The Fund is appropriately insured; an annual budget is agreed and adhered to; a monthly statement of expenditure and income is presented and discussed at each meeting of the trustees; regular meetings are held with the Fund's investment managers to review performance. Its systems and operations are regularly monitored and discussed at trustee meetings and sub-committees to ensure that the Fund continues to be protected.

Impact of Covid-19 on Operations

Towards the year end, as lockdown began, planning took place to suspend face to face interactions for grant applications and Education. Trustee and staff meetings, home visits, and student sessions were replaced with online activities.

The Fund's preparations have enabled it to continue all of its areas of work, and to help writers who have had work cancelled during the pandemic by direct grants to eligible writers, and donations to the Society of Authors' emergency

fund.

The level of investments held, as detailed in the accounts and the financial sections of this report, are significantly in excess of the commitments at year end, and the trustees conclude that the charity has not been materially affected and continues to be a going concern.

Remuneration

At present staff remuneration is reviewed annually by the Remuneration Panel. Its main tasks are to:

- Determine the remuneration of all staff on the payroll, taking into account details in the Chief Executive's letter to Remuneration Panel, which provides current figures and relevant information, for the three key management personnel – Chief Executive, Director of Education and Director of Operations.
- Determine pension arrangements and ensure that contractual terms on termination are fair to the individual and the charity, that poor performance is not rewarded.
- Recommend its decision to the General Committee for its approval.

In determining the RLF's remuneration policy, the Panel takes into account that as an organisation it has few employees; it wishes therefore to recognise the broader than normal range of skills and competencies required by each role.

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

Future Plans

The RLF will continue to raise its profile to publicise its services to published writers, and has worked throughout the year with a PR agency to maximise this activity. RLF trustees and Fellows are encouraged to spread the word to other writers.

An expansion of the in-house database of RLF beneficiaries was also planned, to facilitate management of the Fund's records.

A governance review was undertaken to keep the RLF up to date with Charity Commission guidelines.

The main Fellowship Scheme will be expanded to take account of an increase in quality applicants in particular regions. The Education Projects Manager will be developing further links with community organisations and charities nationwide to find how best to reach marginalised groups who would benefit

from advice on reading and writing from a team of former Fellows. There will be more workshops delivered in partnership with the trade union, USDAW, with the British Library's education department, and with NHS trusts.

Related Party Transactions

See note 22.

Auditor

A resolution for re-appointment of Moore Kingston Smith as Auditor of the charity is to be proposed at the forthcoming Annual General Meeting.

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

By order of the board Mark Le Fanu Hon Treasurer 11th November 2020

3 Johnson's Court off Fleet Street London EC4A 3EA

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

Statement of Trustees' Responsibilities

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opinion

We have audited the financial statements of The Royal Literary Fund for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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

Moore Kingston Smith LLP

Statutory auditor

Devonshire House 60 Goswell Road London EC1M 7AD

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

Date:

The Royal Literary Fund Statement of financial activities

for the year ended 31 March 2020

	Note	Unrestricted funds	Restricted funds	Expendable Endowment funds £	2020 Total funds £
Income					
Income from:	2	10.145			10.145
Donations and legacies	<i>3 4</i>	19,145 304,036	_	_	19,145 304,036
Royalties Investments	2	3,493,660	3,312	_	3,496,972
investments	2	3,493,000	3,312	_	3,490,972
Total Income		3,816,841	3,312		3,820,153
Expenditure Expenditure on					
Raising Funds	7	_	_	(1,316,344)	(1,316,344)
Charitable activities	8	(5,788,238)	(5,000)	-	(5,793,238)
Total Expenditure		(5,788,238)	(5,000)	(1,316,344)	(7,109,582)
Net Expenditure before gains on		(4.074.207)	(4, (90)	(1.21(.244)	/2 200 420\
investments		(1,971,397)	(1,688)	(1,316,344)	(3,289,429)
Exchange gains/(losses)		_		2,022,187	2,022,187
Net gains on investments		_	_	(15,201,951)	(15,201,951)
Net (expenditure)/income	5	(1,971,397)	(1,688)	(14,496,108)	(16,469,193)
Transfers between funds		2,000,000	-	(2,000,000)	-
Net Movement in funds		28,603	(1,688)	(16,496,108)	(16,469,193)
Fund balances brought forward		4,982,241	110,384	168,332,165	173,424,790
Funds balances carried forward		5,010,844	108,696	151,836,057	156,955,597

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

The Royal Literary Fund Statement of financial activities

for the year ended 31 March 2020

	Note	Unrestricted funds	Restricted funds	Expendable Endowment funds £	2019 Total funds £
Income					
Income from: Donations and legacies	3	9,854			9,854
Royalties	4	298,494	_	_	298,494
Investments	2	2,752,423	3,506	-	2,755,929
Total Income		3,060,771	3,506		3,064,277
Expenditure					
Expenditure on Raising Funds	7			(1,350,639)	(1,350,639)
Charitable activities	8	(4,994,582)	(10,000)	(1,330,039)	(5,004,582)
Total Expenditure		(4,994,582)	(10,000)	(1,350,639)	(6,355,221)
Net Expenditure before gains on					
investments		(1,933,811)	(6,494)	(1,350,639)	(3,290,944)
Exchange gains/(losses) Net gains on investments		- -	-	2,711,326 5,732,913	2,711,326 5,732,913
Net (expenditure)/income	5	(1,933,811)	(6,494)	7,093,600	5,153,295
Transfers between funds		2,500,000	-	(2,500,000)	-
Net Movement in funds Fund balances		566,189	(6,494)	4,593,600	5,153,295
brought forward		4,416,052	116,878	163,738,565	168,271,495
Funds balances carried forward		4,982,241	110,384	168,332,165	173,424,790

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

The Royal Literary Fund Balance sheet

at 31 March 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible fixed assets	10		413,773		445,120
Investments	12		135,477,349		170,490,395
			135,891,122		170,935,515
Current assets					
Debtors	13	655,659		870,100	
Cash at bank and in hand		22,514,463		3,559,278	
		23,170,122		4,429,378	
Creditors: Amounts falling due within one year	14	(1,022,448)		(894,810)	
Net current assets			22,147,674		3,534,568
Total assets less current liabilities	;		158,038,796		174,470,083
Creditors: amounts falling due in	l				
more than one year	15		(1,083,199)		(1,045,293)
Net assets	19		156,955,597		173,424,790
Funds					
Restricted funds			108,696		110,384
Unrestricted funds			5,010,844		4,982,241
Expendable endowment funds			151,836,057		168,332,165
	19		156,955,597		173,424,790

The financial statements were approved by the General Committee on the 11th November 2020 and signed on its behalf by:

Mark Le Fanu

Hon Treasurer

Eileen Gunn

Secretary

The Royal Literary Fund Cash flow statement

for the year ended 31 March 2020

ľ	Note	2020 £	2020 £	2019 £	2019 £
Net cash used in operating activities Cash flows from investing activities Capital expenditure and financial investment			(1,269,279)		(1,436,672)
Purchase of tangible fixed assets Purchase of fixed asset investments Proceeds from sale of investments		(4,079) (17,945,030) 38,110,106		(42,693) (7,933,610) 3,944,149	
Net cash provided by investing activities			20,160,997		(4,032,154)
Change in cash and cash equivalents in the reporting period	20		18,891,718		(5,468,826)
Change in cash and cash equivalents at the beginning of the year			18,891,718		(5,468,826)
Net cash at the start of the year	20		3,786,938		9,255,764
Net cash at the end of the year	20		22,678,656		3,786,938

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

	2020	2019
	£	£
Net expenses before other recognised		
gains and losses	(3,289,429)	(3,290,944)
Depreciation	35,426	41,787
Loss/(Gain) on disposal of fixed assets	-	6,831
Investment management fees	1,320,478	1,241,032
Foreign exchange movements	284,261	259,729
(Increase)/Decrease in debtors	214,441	462,988
Increase/(Decrease) in creditors	165,544	(158,095)
Net cash outflow from operating activities	(1,269,279)	(1,436,672)

The Royal Literary Fund

Notes (forming part of the financial statements)

Accounting policies

Basis of accounting

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

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries and considering the impact of Covid 19, as is set out in note 23, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the forseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statement are rounded to the nearest pound.

Incoming resources

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

Expenditure

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

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

1 Accounting policies (continued)

Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets,

Freehold buildings - 2% of cost per annum

Fixtures and fittings - 25% of written down value per annum
Office equipment - 25% of written down value per annum
Motor vehicles - 25% of written down value per annum

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

Grants and pensions

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

Operating leases

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

Post-retirement benefits

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

Funds

Unrestricted funds

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

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

Designated funds

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

Restricted funds

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

1 Accounting policies (continued)

Financial instruments

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

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 13.14 and 15 for the debtor and creditor notes.

Judgements and key sources of estimation uncertainty

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

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

1 Accounting policies (continued)

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

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

Cash and liquid resources

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

Foreign currencies

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

2	Investment income	2020	2019
		£	£
	Income from fixed interest securities	1,771,286	564,837
	Income from managed or unitised funds	1,707,442	2,178,928
	Interest on cash deposits held by investment managers	1,193	3,890
	Interest on other cash deposits	17,051	8,274
		3,496,972	2,755,929

All investment income is held as unrestricted income except for £3,312 (2019: £3,506) which has been classified as restricted income relating to income from managed or unitised funds.

3	Donations & legacies	2020	2019
	Legacies	£	£
	E Murch	_	301
	P Taylor	2,000	_
	L Collis	10,000	_
	A Garrett	-	(179)
		12,000	122

3 Donations & legacies (continued)

	Donations		
	C Lambert	1,000	_
	A Lloyd	-,***	3,200
	P Daniels	-	5,000
	R Lumsden	509	_
	Peter Daniels Publisher Services	4,000	
	The Kington Oliphant of Gask Trust	1,345	1,335
	Other donations under £500	291	197
		7,145	9,732
	Total	19,145	9,854
4	Royalties	2020	2019
	Royalties	£	£
	E Marsh	304	60
	Rupert Brooke	187	463
	Patrick Hamilton	10,487	16,686
	W Somerset Maugham	78,445	45,064
	GK Chesterton	6,249	14,983
	LE Collis	3,500	3,501
	Pooh Properties Trust	150,000	165,000
	Arthur Ransome	41,775	39,067
	Henry Reed	481	2,585
	Pinero	-	34
	Colin MacInnes	639	811
	Anon	3,511	1,194
	Lawson	95	_
	NF Simpson	178	7,500
	Gersh	_	339
	P Clough	7,942	983
	M Steen	51	77
	M Hocking	192	147
		304,036	298,494

$Notes \ ({\it continued})$

5	Net incoming resources is stated after charging:	2020 £	2019 £
	Depreciation	35,426	41,788
	Payments under operating leases Amounts paid to auditor - audit fees current year	1,688 15,900	1,688 15,240
	- audit fees prior year over accrual	(960)	(680)

6 Taxation

8

The Royal Literary Fund, as a registered charity, is exempt from taxation on its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.

7	Raising Funds	2020	2019
	Investment management fees	1,316,344	1,350,639
		1,316,344	1,350,639

Charitable Activities	202	20	201	19
		Grant		Grant
	Education	Making	Education	Making
Direct Costs	£	£	£	£
Fellowships	3,178,984	_	2,884,086	-
Staff costs	253,708	116,654	243,313	111,409
Advertising	_	41,161	_	26,926
Literary Festivals	5,992	_	14,730	_
Outright grants	_	465,417	_	529,552
Instalment grants	-	592,753	-	259,135
Pensions -				
total commitments payable	_	755,463	-	603,503
Royal Society of Literature				
(1 grant in each year)	-	15,000	-	15,000
Authors' Contingency Fund	-	100,000	_	-
Support costs				
Governance costs				
Audit fees	7,470	7,470	7,830	7,830
Professional fees	16,526	13,520	13,253	13,529
Other support costs				
Staff costs	-	22,596	-	22,141
Temporary staff	-	-	26,400	-
Office expenses	42,578	40,454	50,352	45,123
Postage, printing, stationery,				
Telephone & IT	10,485	10,485	12,346	12,346
Website	30,548	30,548	31,995	31,995
Depreciation	17,713	17,713	20,894	20,894
Total charitable activity costs				
by sector	3,564,004	2,229,234	3,305,199	1,699,383

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

8 Charitable activities (continued)

Grants paid to individuals

The aggregate amount of grants and pensions paid to individuals during the year was £1,654,828 (2019–£1,517,047). The total number of grants awarded to other charities was 2 (2019 – 1). At the year end £2,034,413 (2019 – £1,873,332) of grants and pensions were committed and a liability has been recognised in the accounts to reflect this. (See notes 14 and 15).

The total number of grants awarded and paid to individuals in the year was 214. (2019 - 216).

9 Employees

The average number of employees during the year was 5 (2019:5)

	2020	2019
Education	3	3
Grant Making	2	2
	5	5
	2020	2019
Staff costs:	£	£
Wages, salaries and benefits	309,985	303,458
Social security costs	37,631	35,245
Other pension costs (see note 17)	45,342	42,105
	392,958	380,808

The Charity considers its key mangement personnel comprise the Chief Executive Officer, the Director of Education and the Education and Development Manager. The total employment benefits including employer pension contributions of the key management personnel were £334,142 (2019: £316,588).

2 employees (2019: 1) earned between £80,000 and £90,000 per annum. Total employer pension contributions for these individuals were £25,667 (2019: £12,180).

1 employee (2019: 2) earned between £70,000 and £80,000 per annum. Total employer pension contributions for this individual was £11,656 (2019: £22,416).

Reimbursements of out of pocket expenses amounting to £4,364 (2019: £5,017) were made to 5 trustees (2019: 3 trustees) in the year. These expenses related to travel costs incurred in relation to work carried out for the charity.

10	Tangible	fixed	assets
----	----------	-------	--------

S .	Freehold buildings	Fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2019	613,020	77,622	30,953	93,558	815,153
Additions	_	-	4,079	-	4,079
Disposals	-	-	-	-	-
At 31 March 2020	613,020	77,622	35,032	93,558	819,232
Depreciation					
At 1 April 2019	256,484	57,060	20,869	35,620	370,033
Charge for the year	12,260	5,141	3,541	14,484	35,426
Disposals	-		-	-	-
At 31 March 2020	268,744	62,201	24,410	50,104	405,459
Net book value					
At 31 March 2019	344,276	15,421	10,622	43,454	413,773
At 1 April 2019	356,536	20,562	10,084	57,938	445,120

11 Intangible fixed assets

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

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

12 Fixed asset investments

	2020	2019
	£	£
Fixed interest securities	29,021,048	23,955,022
Managed or unitised funds	106,292,108	146,307,713
	135,313,156	170,262,735
Cash deposits held by investment managers	164,193	227,660
	135,477,349	170,490,395

12 Fixed asset investments (continued)

(2020	2019
Quoted investments	£	£
Market value as at 1 April 2019	170,262,734	159,329,797
Additions	17,945,030	7,933,610
Disposals	(38,110,106)	(3,944,149)
Net gains	(15,201,954)	5,732,911
Investment management fees	(1,320,478)	(1,241,032)
Exchange gain	1,737,928	2,451,597
Market value as at 31 March 2020	135,313,154	170,262,734
II'. 1 1	100 260 470	107.467.126
Historical cost as at 31 March 2020	100,360,479	107,467,126
Geographical Analysis		
United Kingdom	105,181,826	137,169,665
Overseas	30,295,523	33,320,729
	135,477,349	170,490,394

The following investments represent more than 5% of the value of the portfolio. Their year end market values have also been stated for clarity. Blackrock ChariTrak FD A, £nil (2019:£10,321,630); Blackrock Midcap UK Equity £11,127,031 (2019:£14,260,506); Loomis Sayles Global Opp Bond Fund, £19,041,902 (2019 £20,010,805); Overstone Global Equity Hedged Fund, £18,210,540 (2019:£17,301,620); Pine Grove Offshore Fund Ltd, £4,730,972 (2019:£14,507,955); Cedar Rock Capital Fund, £27,670,628 (2019:£41,866,635), Capital Emerging Markets Total Opportunities (ETOP) £14,830,784 (2019 £16,428,774) and Charities Property Fund £8,902,321 (2019 £9,135,015)

13 Debtors

	2020	2019
	£	£
Employees' expense float	6,000	6,000
Prepayments and accrued income	649,659	864,100
	655,659	870,100

All debtors fall due within one year.

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Accrued expenditure	55,974	51,812
Tax and social security	15,258	14,745
Other creditors	2	214
Accrued grants and pension commitments	951,214	828,039
	1,022,448	894,810

15 Creditors: amounts falling due in more than one year

	2020	2019
	£	£
Accrued grants and pension commitments	1,083,199	1,045,293

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

16 Commitments

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

	2020 £	2019 £
Minimum lease payments due in:		
- less than one year	1,688	1,219
- two to five years	-	_
		
In the second to fifth years inclusive	1,688	1,219

2020

2010

17 Pension scheme

The company operates a defined contribution pension scheme. Contributions of £45,341 (2019: £42,105) were charged to the profit and loss account as they became payable in accordance with the rules of the scheme. There were no contributions (2019: nil) outstanding at the year end.

18 Analysis of movements on the funds

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2020
		JB Priestley		
	General	Fund	General	Total
	£	£	£	£
Opening funds	4,982,241	110,384	168,332,165	173,424,790
Income	3,816,841	3,312	-	3,820,153
Expenditure	(5,788,238)	(5,000)	(1,316,344)	(7,109,582)
	3,010,844	108,696	167,015,821	170,135,361
Fund transfers	2,000,000	-	(2,000,000)	-
Other net recognised gains	-	-	(13,179,764)	(13,179,764)
Closing value of funds	5,010,844	108,696	151,836,057	156,955,597

The general fund and designated funds are unrestricted and are used to satisfy the provision of the charter of The Royal Literary Fund.

The JB Priestley Fund is restricted to be spent on young writers of promise.

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

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

19 Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2020
		JB Priestley		
	General	Fund	General	Total
	£	£	£	£
Fixed assets	413,773	_	_	413,773
Investments	-	110,384	135,366,965	135,477,349
Net current assets Creditors due in	5,680,270	(1,688)	16,469,092	22,147,674
more than one year	(1,083,199)			(1,083,199)
Closing value of funds	5,010,844	108,696	151,836,057	156,955,597

Within expendable endowment funds is included £104,514,178 of material investments, as disclosed in note 12.

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2019
		JB Priestley		
	General	Fund	General	Total
	£	£	£	£
Fixed assets	445,120	_	_	445,120
Investments	_	110,384	170,380,011	170,490,395
Net current assets Creditors due in	5,582,414	-	(2,047,846)	3,534,568
more than one	(1,045,293)			(1,045,293)
Closing value of funds	4,982,241	110,384	168,332,165	173,424,790

Within expendable endowment funds is included £143,686,278 of material investments, as disclosed in note 12.

20 Net Cash

	Cash b/fwd	Cash	Cash c/fwd
	£	£	£
Cash in hand, at bank Cash deposits held	3,559,278	18,955,185	22,514,463
by Investment Managers	227,660	(63,467)	164,193
Total	3,786,938	18,891,718	22,678,656

21 Capital commitments

There were no capital commitments at 31 March 2020 (2019: Nil).

22 Related party transactions

There were no related party transactions in the year.

23 Post Balance Sheet Events

The trustees have given due consideration to the effects of the Covid-19 outbreak, which continued to spread around the world after the date of these accounts. The charity is largely sheltered from the expected effects of this even though its major income stream comes from investments. Whilst investment values have been impacted, the charity is invested for the long term and accepts that assets values fluctuate and has always factorerd this into its operations.

At the year end the charity recognised a 7% fall in the value of its endowment fund and some repositioning of investments resulted in higher cash balances than would normally be held. The fall in the endowment value is not significant to the going concern status of the charity and much of this fall has been recovered in the months immediately preceding the year end.

The charity is fully set-up for both home working and socially distanced office working and operations continue as normal using the appropriate technology.

Some applicants helped during the year

A poet who had been living abroad had suffered a serious accident. He had returned to the UK to live with a family member while he recovered. He had suffered side effects from strong pain killers. The trustees made him an annual pension.

A playwright suffered from mental health problems which had led to financial difficulties. She had consolidated her debts and was making monthly payments. The trustees made her a grant to help cover her outgoings.

A radio dramatist had suffered a long illness and had undergone a kidney transplant. He was slowly recovering. The trustees made him an annual pension.

A playwright, who had been living in France, had undergone a heart operation and been in intensive care. He had returned to the UK and needed help temporarily until his financial situation was clearer. The trustees made him a grant.

An author's sales had tapered off alarmingly and his two publishers had decided to stop publishing his novels. He had accumulated debts and was suffering from severe stress. The trustees made him a substantial grant to clear his liabilities.

A novelist and her husband who shared a job were both made redundant at the same time. Their main source of income had therefore disappeared. Her agent had been unable to sell her latest book. The trustees made her a grant to clear credit card bills.

An acclaimed novelist took a long time to write and research her books. Her latest book had involved frequent travel abroad. The trustees made her an annual pension.

A poet who had been tetraplegic for many years, had been let down by the care agencies. His care package had been suspended leaving his wife and mother as his sole helpers. The trustees made him a grant to cover care.

A novelist's husband had left her and her children. She had been forced to sell the family home. She was suffering the effects of the separation and receiving therapy. She had managed to purchase a small flat. The trustees made her an annual grant for three years.

An historian's wife had left him suddenly. He had had to sell their house and move to a small retirement flat. The trustees made him an annual pension.

A novelist combined writing with being a carer for her frail father. She was unable to take work outside the home. The Trustees made her an annual grant for three years.

An award-winning writer had been registered blind and her eyesight was likely to deteriorate further. Her literary earnings and teaching hours had gradually decreased. The Trustees made her an annual grant.

An acclaimed non-fiction author suffered from mental health problems. She found it hard to make sufficient income to cover her outgoings. The Committee made her an annual grant.

A non-fiction writer had returned to live with his parents to save money. He had since become their carer. His literary income had reduced, and he was unable to find suitable paid work. The Trustees made him a grant.

A playwright of politicized plays had received vitriolic comments and threats after his latest production. Dealing with this had left little time for his teaching commitments. The trustees made him a grant.

A writer of YA fiction had developed a throat condition and had had to cancel workshops and school visits. The trustees made her a grant to clear her overdraft.

A poet, who was a refugee from Syria, was struggling to make ends meet. He was in poor health. The trustees cleared his debts and made him a monthly grant for three years.

An acclaimed playwright and radio dramatist had seen a reduction in commissions. She rented out her flat from time to time to produce additional income. The trustees made her an annual grant and cleared her debts.

An acclaimed poet and novelist was recovering from brain surgery, which had had debilitating effects. The trustees made him an annual grant for two years.

A writer of non-fiction had relocated to Ireland, but things had not worked out, as promised work had not materialised. He and his wife had returned to Scotland homeless and were in sheltered accommodation. The trustees made him a pension and a grant to cover removal costs.

A writer with a long career as a radio dramatist had found that work had petered out. She had turned to historical fiction but earned little. The trustees made her an annual pension.

A talented translator had a completed book rejected by his publisher. He and his family had moved to Wales to live more cheaply. The trustees made him a grant.

Extracts from thank you letters from recent beneficiaries

I am utterly overwhelmed by this support and generosity — 'stunned', is probably the best word. It's not merely what a difference receiving this assistance will make to me and my career now and in the next few years — it's also about being made to feel that my work and my endeavours are of worth and value to my peers. And you can't put a price on that.

It is an incredible thing that an organisation such as the Royal Literary Fund exists and gives support to writers who are going through difficult times. I will always be so very thankful for what you have done for me, and hope that someday I will be able to help others in return.

Last year would have been catastrophic without your assistance. This year has been pretty poor again and I will shortly be out of contract with my two publishers. Without this money coming in I don't know what we'd do. It just gives me breathing space and takes away some of the stress. So important when you are trying to come up with ideas for new projects.

I'm not sure what to do with myself - jump around and screech with gratitude and relief. This is truly extraordinary news. I must run to a friend's house and drink a glass of something calming and ponder my great good fortune. How surprised my bank will be to see funds arriving in that neglected sphere.

I wanted to say how grateful I am to everyone at the RLF for your support and faith in my work, which comes when I needed it most. I shall endeavour to repay you by making a success of my writing career and hopefully one day become a contributor to the Fund myself.

You can imagine how happy it has made me to know that for the next five years I can continue with my projects without having to worry about my finances. It is also a great relief to know that I can continue living in my present flat without any worries.

I am absolutely overwhelmed, and I can't tell you how greatly relieved and delighted I am to hear this news. I had no idea that such a generous grant would be forthcoming, and it took a while for the news to sink in last night. I woke with a sense for the first time in a long time of being able to make a way for myself now that is possible and sustainable. Being free of the debt and having the means to set myself up will make a significant difference to me, to my writing and life. Thank you so much, to you and to the committee for making this decision to support my case.

Many thanks to all concerned for this largesse in my own direction which is going to help solve massive financial problems, as well as for the ginormous ongoing hard labours & widespread generosity of the RLF's continuing mission— long may it thrive, surely engendering immeasurable literary achievements nationwide.

Members

as at 31st March 2020

Ancaster Trust F L Archer Sir Alan Ayckbourn

David Bacon Antonia Barber Janet Barber Barnsbury Charitable Trust M Bernstein Philippa Blake-Roberts Sir Hugo Brunner KCVO Michael Bunting

David Cornwell
Andrew Crawshaw
Mrs K A Crew
Curtis Brown Group Ltd
Curtis Charitable Settlement

Peter Daniels Dame Margaret Drabble

Miss E J Fenwick (Trustee of the J F T Fenwick Trust) Russell & Mary Foreman Trust Michael Frayn Ingrid Freebairn

Ben & Sara Glazebrook Sir Anthony & Lady Glyn Charles Goodman Mrs Susan Goodman W G Graham OBE E A Greey I Gundry Celia Haddon Mrs Anne Hamilton **Duff Hart-Davis** Lady Selina Hastings Sir Max Hastings David Higham Associates Ltd Sir Michael Holroyd Bruce Hunter HarperCollins Publishers

Sir Kazuo Ishiguro

Pamela & Philip Joseph

Mrs Catherine M Lambert David Lodge CBE Mark Le Fanu OBE

McCaskill Trustees
The Marus Trust
Douglas Matthews MBE
Barbara, Countess of Moray
Elizabeth, Lady Moyne
Rupert Murdoch
Stephen Maitland-Lewis
Michelle Magorian

P O'Leary

Betty Parvin Graham Payn J M Pitman Kate Pool Edna Purdie D LITT

Mrs B Quartermaine

Michael Ridpath Mrs Aline Royalton-Kisch

Mike Shaw Katherine Scholfield

Andrew Taylor Judy Taylor MBE Claire Tomalin Peter Troughton CBE D F J van der Vat Leila Vennewitz

Lady Jane Willoughby de Eresby James Wood Trust

Philip Ziegler CVO

Notes

Notes		

Notes		