

THE ARVON FOUNDATION

England & Wales · Charity number 306694

Details

Other names	THE ARVON FOUNDATION LIMITED
Status	Registered
Legal form	Charitable company
Company number	01086582
Registered	1973-03-28
Register	View on the Charity Commission register

Contact

Address	Lumb Bank Heptonstall Hebden Bridge West Yorkshire HX7 6DF
Phone	01422 843714
Email	lumbbank@arvon.org
Website	www.arvon.org

Activities

Objects: TO PROMOTE AND ASSIST IN THE ADVANCEMENT OF EDUCATION OF STUDENTS OF EDUCATIONAL ESTABLISHMENTS AND OTHERS IN THE ARTS AND CRAFTS OF POETRY AND LITERATURE, DRAMA, MUSIC, DANCING, MIME, PAINTING, SCULPTURE AND THE GRAPHIC ARTS, AND TO EXTEND AND INCREASE THE APPRECIATION, KNOWLEDGE AND UNDERSTANDING OF SUCH PERSONS OF THE ARTS AND CRAFTS IN ALL THEIR FORMS.

Activities: We run a year-round programme of creative writing courses at three rural writing houses and also online, offering expert tuition from established writers in all forms of published writing to people from all backgrounds and experience. We run mentoring and other creative writing projects and a grant scheme to enable open access to our courses, and provide dedicated facilities for writers' retreats.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Other Defined Groups, The General Public/mankind

Geography

- Calderdale
- Devon
- Shropshire
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£3,261,172	£2,269,394	£5,302,809	41
2023-12-31	£2,599,973	£2,286,228	£4,311,031	44
2022-12-31	£1,724,246	£2,257,598	£3,996,288	45
2021-12-31	£1,895,294	£1,866,972	£4,537,588	42
2020-12-31	£1,730,810	£1,578,258	£4,509,165	42

Trustees

Name	Role	Appointed
Patricia Clare Cumper	Chair	2022-01-27
Anna Williams		2026-03-25
Dr Maria Evans		2022-11-23
Jack Redfern		2022-11-23
Joshua Adam Eremo Cockcroft		2020-01-29
Kim Evans		2020-01-29
MATTHEW COX		2026-03-25
Martha Sprackland		2024-11-27
Nabeela Rasul		2024-11-27
Niharika Jain		2022-11-23
Rachel Cleverly		2022-11-23
Rebecca Joanne Thompson		2024-11-27
Robert Drummer		2024-11-27
Sarah Georgina Harwood		2020-01-29
Susan Helen Bowers		2024-11-27

Linked charities

- THE ENDOWMENT FUND (306694-1)

THE ARVON FOUNDATION

England & Wales - Charity number 306694

Accounts

Company number: 1086582

Charity Number: 306694



The Arvon Foundation Limited

Trustees' Annual Report and Financial Statements
For the year ended 31 December 2024

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For the year ended 31 December 2024

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Reference and administrative information

For the year ended 31 December 2024

Country of registration England and Wales

Country of incorporation United Kingdom

Company number 1086582

Charity number 306694

VAT registration number 287 9329 41

Registered office address
Lumb Bank
Heptonstall
Hebden Bridge
West Yorkshire
HX7 6DF

Trustees Trustees serving during the year and up to the date of this report (who are also the directors of The Arvon Foundation Limited under company law) were as follows:

Patricia Cumper	Chair of Trustees
Bisha K. Ali	(retired 27 November 2024)
Lee Bilson	Chair of Properties Committee (retired 27 June 2025)
Sue Bowers	(appointed 27 November 2024)
Rachel Cleverly	
Joshua Cockcroft	
Robert Drummer	(appointed 27 November 2024)
Kim Evans	Chair of Appointments and Remuneration Committee
Dr Maria Evans	
Neil Harris	
Sarah Harwood	
Niharika Jain	
Catherine McCallam	(retired 27 November 2024)
Nicholas Makoha	(retired 27 November 2024)
Nabeela Rasul	(appointed 27 November 2024)
Jack Redfern	
Martha Sprackland	(appointed 27 November 2024)
Jonathan Teckman	Chair of Finance Committee
Rebecca Thompson	(appointed 27 November 2024 – Chair of Properties Committee from 28 June 2025)

Founders John Fairfax and John Moat

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2024

Chief Executive Officer	Andrew Kidd
Chief Financial Officer and Operations Director	Richard Haseldine
Deputy Chief Executive Officer	Natasha Carlish
Artistic Director	Mary Morris
Company Secretary	Natasha Carlish
Other names used by the Charity	Arvon The Arvon Foundation
Our Writing Houses	Lumb Bank The Ted Hughes Arvon Writing House Heptonstall Hebden Bridge West Yorkshire HX7 6DF The Hurst The John Osborne Arvon Writing House Clunton Craven Arms Shropshire SY7 0JA Totleigh Barton Sheepwash Beaworthy Devon EX21 5NS
Website	www.arvon.org

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Reference and administrative information

For the year ended 31 December 2024

Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane London EC1Y 0TG

This document comprises the Trustees' annual report (incorporating the Directors' Report as required by company law) and the audited financial statements of The Arvon Foundation Limited for the year ended 31 December 2024.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements appear in the format required by the Companies Act 2006, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Statement of Recommended Practice for Accounting and Reporting by Charities Preparing their Accounts in Accordance with FRS 102 ("Charities SORP (FRS 102)").

About Arvon

The first Arvon writing course took place in Beaford, North Devon in 1968. It was taught and run by Arvon's founders, the poets John Fairfax and John Moat, with the original aim of providing time and space away from school for young people to write poetry. John Moat wrote that they were inspired to create Arvon as "a space where individuals, and in particular young, committed writers, could be given a sanctuary away from, as we saw it, the creative deprivation imposed by the system of standard education – and there offered . . . the guidance of experienced writers". The spirit and intentions of Arvon's founders remain as relevant and essential today as they were in 1968.

Objects of the Charity

The Arvon Foundation's objects are:

"to promote and assist in the advancement of education of students of educational establishments and others in the arts and crafts including the arts of poetry and literature, drama, music, dancing, mime, painting, sculpture and the graphic arts, and to extend and increase the appreciation, knowledge and understanding of such persons of the arts and crafts in all their forms."

The charity's primary activity to deliver its charitable objects is to provide residential and non-residential writing courses for individuals, schools and groups, led by highly respected authors, with a particular focus on courses relating to poetry, fiction, non-fiction writing and drama. Since its foundation in 1968, Arvon has supported the development of thousands of writers. We are the UK's "home for creative writing", where anyone, regardless of writing experience, can step away from their normal routine, immerse themselves in the creative process, be inspired by experienced writers and release their imaginative potential. We also provide a unique dedicated Writers' Retreat facility at The Clockhouse in the grounds of The Hurst in Shropshire, and in 2020 we launched Arvon at Home, a fourth 'online writing house'.

These activities are described below.

Our Vision

We believe that writing can change lives for the better.

Creative writing allows us to harness our imagination and find our voice. It creates new possibilities, new ideas, new futures. It unlocks our potential, our empathy and our hope. And we are keen to share this opportunity with as many people as possible.

Our Mission

Arvon's mission is to be the UK's home for creative writing, where anyone, regardless of writing experience, can benefit from the transformative power of writing.

Our Values

INCLUSIVE: Everyone is creative. We make spaces that are open to all, where anyone, regardless of writing experience, feels welcome and included as part of a community of writers.

INSPIRING: Step away from the routine, be inspired by writers and Arvon's beautiful locations and unlock your imaginative potential. Arvon is a place for contemplation, challenge and going beyond what you thought you were capable of achieving.

SUPPORTIVE: Creative writing is a craft that can be learnt, through guidance from experts, and through the peer support that comes from creative friendships with fellow writers. At Arvon writers teach writers, and everyone encourages each other to become a better writer.

TRANSFORMATIVE: Immersing yourself in creative writing nourishes the imagination, can deepen the connection to self and to the world, and can lead to dramatic change and progress.

Our Artistic Offer

Arvon's main programme of work comprises eight strands of activity, as articulated in its Business Plan for 2023-25:

Public Programme: Residential

The Public Programme: Residential is a year-round offer of mostly five-day tutored residential creative writing courses at our three writing houses located in Devon, Shropshire and Yorkshire.

The Open Programme is intended for writers from all ranges of experience and backgrounds aged 18+ and is open to bookings from the general public. Courses have a maximum capacity of between 14 and 16 participants. Grants are available to help people on a low or no income. Starting to Write courses are intended for beginner writers; our Work-in-Progress, Preparing for Publication and Completing a Collection courses, as well as our

Trustees' annual report

For the year ended 31 December 2024

retreats, are intended for more experienced writers. All remaining courses (which comprise the bulk of the offer) are intended for mixed abilities and cover multiple genres.

Public Programme: Arvon at Home

Our virtual 'fourth house', Arvon at Home, features a year-round programme of online courses alongside our residential offer.

The Arvon at Home programme includes Online Writing Weeks, Online Writing Days, Online Writing Months (sustained engagement spread out over a number of weeks), Masterclasses and (as of 2025) a Saturday Writing Club. We also offer online general and tailored workshops for students and young people, as well as online masterclasses and writing weeks via Learning and Participation partnerships.

Arvon at Home, which started in spring 2020, has dramatically increased and improved access to Arvon.

In September 2024, Arvon launched its Advance Writing Programme, which blends our residential and online strands to offer a group of 15 writers two years of sustained engagement with three dedicated Arvon tutors, with the aim of completing a project by the programme's end. New cohorts of 15 will be selected via application each year, with the second cohort commencing its work in September 2025.

Retreats

The Writers' Retreat at The Clockhouse, which is located on our Shropshire site – The Hurst estate – is a resource for talented writers looking to further their writing independently, without facilitation from a tutor. It is designed to provide everything a writer needs to be as productive as possible. The building is able to accommodate up to four writers at a time and is fully catered and independent of the main house.

Mentoring and Online Support

Arvon offers mentoring and support as part of our commitment to talent development. This includes one-to-one tutorials and tips and exercises available to Arvon Friends.

This strand includes:

- Partnerships with regional, national and international competitions and talent development programmes such as SI Leeds Literary Prize, Commonword's Diversity Young Adult Fiction Prize, Obsidian, New Writing North, Foyle Young Poets, Africa Writes, and the Bocas Lit Fest, Trinidad and Tobago's annual literary festival
- Arvon 1-1: one-to-one online tutorials and mentoring
- Online writing advice for Arvon Friends membership

Trustees' annual report

For the year ended 31 December 2024

Residential Courses with Schools and Under-18s

Arvon hosts five-day residential creative writing courses for primary and secondary schools at the three Arvon writing houses. We work to raise funds to subsidise visits by state schools in areas of disadvantage across England and aim to build sustained relationships with schools, encouraging continued work in the classroom and enrichment activities. Ages range from 10 to 18, with occasional multi-year projects. In 2020, we also piloted online writing workshops for Children and Young People. These have now been embedded in our core offer, with online workshops now offered at no charge to schools and individuals. The workshops are also offered as recorded versions in our online Learning Resources Library to make them available for classroom use at a teacher's convenience.

Residential Courses with Partner Organisations

Arvon hosts residential creative writing courses for community and arts organisations, particularly those supporting young people and adults who are vulnerable or marginalised. We collaborate with partners to raise funds to support participation in a residential week.

This strand has included:

- Multi-year partnerships with e.g. Foyle Young Poets, Apples and Snakes and First Story, supporting talented young writers;
- Work with men leaving prison, asylum seekers and survivors of/people bereaved by the Grenfell Tower fire;
- Work with young people in care through Virtual Schools across several London boroughs; and
- Start360, which supports vulnerable young people with complex needs in Northern Ireland.

Engagement

In 2024, we launched a new strand to our Outreach Programme, expanding our work to include one-day school and partnership visits to the houses and in-place workshops, taking our work directly into schools and to community groups.

This new Engagement strategy lies at the heart of our plans to amplify Arvon's community-based work, particularly in relation to our 'Arvon North' strategy following the redevelopment of Lumb Bank (which closed for redevelopment in spring 2024), and a role of Director of Engagement was created in 2025 to accelerate our growth in this area.

Professional Development

Every course is tutored by published writers chosen for their expertise and their ability to share their skill and knowledge of the craft of writing. We have a pool of tutors that we are constantly refreshing, as new genres emerge in the world of literature, and as emerging writers mature. Each year, we provide paid work for over 500 professional writers as tutors and guest readers through our public and outreach programmes

Arvon also supports these writers (along with full-time writing teachers) to develop their practice. This strand includes online Masterclasses for Arvon tutors, residential retreats for Arvon tutors and further opportunities for teachers of writing.

Structure, Governance and Management

The Arvon Foundation Limited is a charitable company limited by guarantee without share capital, incorporated on 13 December 1972 and registered as a charity on 28 March 1973.

The Memorandum of Association and Articles of Association of The Arvon Foundation Limited form the governing documents of the charity.

Method of Appointment and Election of Trustees

The management of the charitable company is the responsibility of the body of trustees, referred to as the "Board of Trustees" (or as the "Council of Management" in the governing documents of the charitable company). Trustees are selected with a view to ensuring an appropriate mix of backgrounds, skills and expertise. An Appointments and Remuneration Committee advises the Board on the selection and recruitment of new trustees and may recommend various methods of recruitment including public advertisement.

Trustees are elected by the Board for a period of four years and have the option of stepping down or putting their name forward for re-election for a further four-year period in accordance with the Articles of Association and the procedures agreed by the Board.

The trustees who served during the year and up to the date of this report are shown on page 1.

Policies adopted for the Induction and Training of Trustees

All trustees are issued with the Charity Commission booklet setting out the duties and responsibilities of trustees. New trustees also receive an Induction Guide, which includes the Memorandum and Articles of Association, the latest Trustees' Annual Report and Financial Statements, management accounts and other briefing documentation explaining Arvon's organisational structure and practices. Trustees are invited to make visits to a writing house while a course is running. Training is offered to trustees where appropriate, either individually or collectively.

The induction and ongoing training of trustees is reviewed regularly with a view to enhancing their skills and knowledge relating to charity affairs.

Board and governance reviews are carried out from time to time.

Public Benefit

The trustees confirm that they have complied with the duty set out in section 17(5) of the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission when exercising any powers or duties to which the guidance is relevant. The review of objectives and activities set out below gives examples of how Arvon has furthered its charitable purposes for the public benefit.

Organisational Structure and Decision Making

The Board meets at least four times per year and receives reports from the Executive and trustee committees:

- Finance Committee
- Properties Committee
- Appointments and Remuneration Committee

The charity's staff team is led by the Executive, which comprises:

- The Chief Executive Officer
- The Chief Financial Officer and Operations Director
- The Deputy Chief Executive Officer
- The Artistic Director

Each of the three writing houses is managed by a Director or Co-directors, who are responsible for the management of the house and are supported by a Deputy Director, a House Administrator and House Managers. Part-time housekeeping and gardening/groundskeeping staff are also employed at the writing houses. Our digital 'Fourth House', Arvon at Home, is overseen by two Co-directors.

The Chief Executive Officer, the Chief Financial Officer and Operations Director, the Deputy Chief Executive Officer, the Artistic Director, the House Directors/Co-directors, together with the Head of Development, the Head of Communications and Marketing, the Head of Learning, the Head of Digital and, from July 2025, the Director of Engagement, form the Leadership Team. The Leadership Team meets on a regular basis throughout the year.

The Company Secretary is appointed by the Board of Trustees and is normally one of the members of the Executive/Leadership Team.

The charity's fundraising, communications, finance and central administration staff comprise the 'National Team' and all work remotely and/or from The Exchange in Somerset House, London.

Remuneration Policy

The Appointments and Remuneration ('A&R') Committee is responsible for overseeing the process of setting the remuneration of the Chief Executive Officer ('CEO') on behalf of the

Board of Trustees. When the Chair of Trustees has completed the CEO's annual appraisal, he or she puts forward a proposal for discussion to the trustee members of the A&R Committee. The Committee considers the proposal of the Chair, taking into account relevant factors including performance, any updates to the CEO's job description and current market rates for CEOs in comparable arts sector organisations. The A&R Committee then forwards its recommendation to the Finance Committee, which considers the proposal in the light of the broader budgetary context. If the Finance Committee endorses the salary recommendation, it is presented to the full Board of Trustees for approval.

The CEO is responsible for overseeing the remuneration of all other employees, in particular for the annual salary review which is an important element of the annual budget setting process. As part of this process, the Chief Financial Officer makes a proposal for salary increases (with the exception of his own, which the CEO considers separately), taking into consideration inflation and other cost of living increases, staff retention, opportunities for staff progression, recognition of changes in responsibility, staff overall remuneration and benefits, Arvon's financial circumstances and the wider economic and political environment. The outcome of the salary review is incorporated into the proposed organisational budget, which is presented to the Finance Committee for its consideration. The Finance Committee then makes a recommendation to the Board, normally at its November meeting, for implementation from the beginning of the next financial year in January.

Related Party Relationships

The charity has no current related party relationships except those with the trustees, other key management personnel and their close family members. (Related party transactions, including those with trustees who act as tutors or guest speakers on Arvon courses, are disclosed in notes 8 and 10 to the Financial Statements.)

Risk Management

The trustees have implemented a risk management policy which identifies all significant risks the organisation faces and proposes measures to mitigate those risks and the potential harm arising from them.

The Executive produces a risk register for the organisation and reports to the Finance Committee quarterly on the major risks to the organisation that have been identified, and on measures in place or planned in order to manage and mitigate those risks.

The Board of Trustees formally reviews the risks and mitigating measures at least annually. Risks assessed relate primarily to finance and assets, operations and the reputation of the charity. Key risks include: the potential failure to fundraise sufficient funds in order to achieve the charity's objectives; an erosion in the quality of accommodation provided at the writing houses or a failure to continue to meet the expectations of users in this regard; a substantial drop in the occupancy rate of Arvon's courses; the potential loss or significant reduction of Arts

Council England funding in the future; or other factors leading to a material erosion of the charity's free reserves.

Proposed mitigating actions include: maintaining adequate reserves and healthy cashflow; avoiding becoming over-reliant on fundraising; developing long-term strategic plans for developing/upgrading the writing houses; plans for effective ongoing property maintenance, and implementation of strong safeguarding and health and safety procedures at all four of our houses.

Arvon's Business Plan 2023-25

Arvon's business plan for the period in question spells out four key aims:

1. To broaden and enrich our offer to writers by defining and further developing three distinct channels for delivery: residential, online and community
2. To increase Arvon's accessibility for people from all backgrounds, addressing any remaining barriers to engagement, whether related to race, gender, disability, financial circumstances, caring responsibilities or geography, both in terms of our programme and within our approach to governance and recruitment
3. To increase Arvon's financial resilience, enabling us to be as dynamic and innovative as possible in enriching and expanding our offer
4. To advance our plans to redevelop Lumb Bank, creating a fit-for-purpose northern hub for writers that has sustainability at the heart of its design and is emblematic of Arvon's commitment to making environmental responsibility its priority in all aspects of its estate management (construction began in March 2024).

Aims and Activities for 2024

Lumb Bank closed for one year in March 2024 for a £2.45 million redevelopment project. During its period of closure, some courses were programmed at the IOU Centre Hebden Bridge in lieu, and a new programme of community- and schools-based activity (Arvon North), including Arvon's first ever Festival of Writing, took place alongside delivery of full programmes at The Hurst and Tottleigh Barton. While the overall number of residential courses was reduced due to Lumb Bank's closure, the total number reached in 2024 saw a year-on-year increase due to this new activity, with (including the outreach programme) over 9,000 people engaging with Arvon over the course of 2024.

1. TO BROADEN AND ENRICH OUR OFFER TO WRITERS BY DEFINING AND FURTHER DEVELOPING THREE DISTINCT CHANNELS FOR DELIVERY: RESIDENTIAL, ONLINE AND COMMUNITY

Open Programme

Total activities and attendance for the Open (Public) Programme were as follows:

- 76 Arvon open residential writing weeks – total attendance: 836

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For the year ended 31 December 2024

- 24 Arvon online 'How I Write' Sessions – total attendance: 1,539
- 2 Arvon Live writings days – total attendance: 23
- 56 Arvon online Masterclasses - total attendance: 4,621
- 23 Arvon online Writing Weeks - total attendance: 237
- 7 online Evening Courses – total attendance: 77
- 15 Arvon online Writing Days - total attendance: 508
- 9 Arvon online five-week Evening Courses – total attendance: 106
- 27 Arvon online 1:1s
- Arvon Festival of Writing – total attendance: 245 (and in addition 500+ for free family park day)

In addition to the above, in September 2024 we launched Arvon's Advanced Writing scheme, offering 15 individuals sustained engagement with Arvon over a two-year period, and three Arvon tutors sustained (and substantial) income. A second cohort will commence September 2025.

Over the course of 2024 we were able to offer short-term employment to over 500 self-employed writers.

Writer development and Online Support

For more advanced writers, our dedicated retreat space, The Clockhouse, offered writing development opportunities to 131 individuals in 2024.

We continued to run our Arvon one-to-one offer, as well as expanding our overall tutored online writing provision, which includes one-to-one tutorials as part of the Online Writing Weeks and Online Evening Courses, and in 2024 we engaged 300 people with online one-to-one online provision.

We also added a steady stream of new writing tips and exercises for Arvon Friends.

Learning and Community programme

2024 saw varied and rich delivery of Arvon's celebrated Learning and Partnerships programme, with a full complement of residential and online offer. Because funding for the Learning and Partnerships programme remains more challenging than it was before 2020, it has compelled the L&P team to become more innovative about the ways in which Arvon engages, with e.g. one-day schools visits now being wholly integrated into the programme, enabling us to reach more young people than the residential alone allow, at a more affordable price point.

Highlights have included greatly expanding our offer to work in the communities local to the houses, including in-school workshops reaching primary school aged children across Calderdale and weekly writing workshops in Halifax in partnership with Creative Minds Calderdale (NHS) to support people with experience of imprisonment, arrest, substance abuse and mental health challenges. With a focus on reaching rural schools, The Hurst ran 3 days of workshops in local secondary and primary schools and Tottleigh Barton welcomed students from Shebbear Primary

School for a day of writing at the House. We continue to welcome schools and groups for residential weeks, most notably two groups of young people looked after supported by London Borough Virtual Schools, and we delivered over 18 Learning residencies across the year (approximately 30% less than usual, due to the closure of Lumb Bank).

Our Learning Resource Library now has 42 pre-recorded workshops.

We also continued to partner with other organisations in a number of high-profile writing competitions during 2024, offering winners the chance to participate in an Arvon course. These included: Foyle Young Poets, run by The Poetry Society; The SI Leeds Prize for Black and Asian Women Writers; a partnership with the Obsidian Foundation; and The Northern Writers Awards.

Arvon's L&P programme is overseen by our Head of Learning, who works closely with the Artistic Director (and from July 2025 the Director of Engagement) as well as a team of individuals from across the organisation to steer this vitally important part of our work.

2. TO INCREASE ARVON'S ACCESSIBILITY FOR PEOPLE FROM ALL BACKGROUNDS, ADDRESSING ANY REMAINING BARRIERS TO ENGAGEMENT, WHETHER RELATED TO RACE, GENDER, DISABILITY, FINANCIAL CIRCUMSTANCES, CARING RESPONSIBILITIES OR GEOGRAPHY, BOTH IN TERMS OF OUR PROGRAMME AND WITHIN OUR APPROACH TO GOVERNANCE AND RECRUITMENT

EDI and Audience Development

We continued to increase the diversity of our audience in 2024, focusing on our target groups, and over the last five years we have made significant progress against a number of metrics, with targets significantly exceeded for writers of colour and disabled writers. The low-income participant target was also exceeded, with the most persistently challenging target remaining attracting young people to our open programme.

In 2024 we particularly focused on improvements to policies, broadening our knowledge and audience base by working with partner organisations, and programming courses directly speaking to our d/Deaf, Disabled, chronically ill and neurodivergent audience. This included:

- Increasing the length of time that participants have access recordings after an event
- Introducing a PA/access worker/carer policy
- Completing a redraft of our Assistance Dog policy
- Creating access videos for the website, including for Arvon at Home
- Completing an audit of all access information in the booking process and on our website to create an action plan for improvements in 2025
- Promoting our dedicated access@arvon.org email address, with which we saw much more engagement
- Developing a wellbeing/mental health section on the access page on our website

- Partnering with organisations including:
 - Disabled Poets Prize
 - Unlimited (charity that commissions, funds and promotes disabled-led work)
 - Inklusion Guide (a guide to making literature events accessible to disabled people)
 - Oxford Brooks University and Poetry Carers to run a free online masterclass for carers
 - Accessible Calderdale

Programming highlights included:

- A Writing with Chronic Illness online masterclass delivered by Gwyneth Lewis, which attracted 88 bookings.
- A free-to-access Poetry of Care online masterclass in May which we ran in partnership with Oxford Brookes University, attracting 145 writers. This class took inspiration from poets who are/were carers themselves, as well as providing prompts to reflect on the nature of being a carer. The class also included tips on how to incorporate writing into the often busy and lonely life of care.
- A comic book workshop for children in partnership Theatre Alibi with dyslexic author Tom McLaughlin, with a focus on how Tom worked with his dyslexia to become a bestselling author
- An online evening course taught by Khairani Barokka and Louise Kenward for writers interested in exploring the theme of Writing the Body from a disability justice angle.

Grants and financial assistance

A fundamental part of the public benefit of Arvon's work is an objective that our activities remain open to all and that no-one is prevented from attending one of our courses by a lack of financial means. To this end, we provide substantial subsidies for individuals and community organisations who would otherwise be unable to afford our courses, through our David Pease Grant Fund. These subsidies are funded in part by Arvon and in part by fundraising from charitable trusts and foundations, corporate donors and individuals.

In 2024, we awarded £40,463 in bursaries to 56 recipients. This included a grant for one course place from Tania Hershman at IOU, a Playwriting grant which partially covered 4 course places at Totleigh and the Stacey Halls Bursary, which covered a full fee at The Hurst (versus £38,495 in bursaries for 59 individuals in 2023.) We also continued to offer self-identifying concessions across the Open programme, benefiting hundreds of individuals on low incomes.

We will continue to work to secure more funds to support our commitment to provide opportunities to writers on low incomes.

3. TO FURTHER INCREASE ARVON'S FINANCIAL RESILIENCE, ENABLING US TO BE AS DYNAMIC AND INNOVATIVE AS POSSIBLE IN ENRICHING AND EXPANDING OUR OFFER

Development of new income streams

Having introduced Arvon at Home in 2020, which has resulted in increased average per annum direct income of ca. 20%, in 2024 we launched Arvon's first-ever Advanced Writing Programme, creating a new – reliable and guaranteed – income stream.

Fundraising

Arvon prioritises the development of its fundraising capability and opportunities for income diversification to secure long-term financial sustainability, by continuing to build strong relationships with donors and via our longstanding relationship with Arts Council England. Arvon is grateful to Arts Council England, all trusts and foundations, and the many generous individual donors for their valuable support each year.

Whilst Lumb Bank was closed for renovations Arvon delivered various creative writing projects throughout Calderdale in 2024. We are incredibly grateful to the West Yorkshire Combined Authority for their support through the Mayor's Safer Communities Fund, to Calderdale Metropolitan Borough Council for their support through Culturedale, and to all other funders for their generous support.

In April 2024, we formally launched Arvon's first Patrons scheme, which targets individual giving. In total, we raised over £33k in 2024 through the scheme.

Environmental sustainability

Arvon pursues an ambitious sustainability policy in relation to the environmental impacts of its activity at all levels of the organisation. We are committed to reducing our environmental 'footprint', particularly in the way we run our houses and courses. This agenda also supports long-term aims to strengthen the financial sustainability of the organisation and present an ethos consistent with the values we espouse through our artistic work.

Our key current priorities are to: improve land management; increase sustainable sources of heating and power; reduce waste; and obtain food for our houses from sustainable, local sources, including growing some of our own produce. We monitor our performance closely, using methods established by Julie's Bicycle for Arts Council England.

The Lumb Bank redevelopment project, for which the building stage commenced in March 2024, was in part conceived to transform Lumb Bank into a model for environmental sustainability, with the fabric of the building overhauled to include full insulation, double-glazed windows and the replacement of oil heating with three air source heat pumps.

4. TO ADVANCE OUR PLANS TO REDEVELOP LUMB BANK, CREATING A FIT-FOR-PURPOSE NORTHERN HUB FOR WRITERS THAT HAS SUSTAINABILITY AT THE HEART OF ITS DESIGN AND IS EMBLEMATIC OF ARVON'S COMMITMENT TO MAKING ENVIRONMENTAL RESPONSIBILITY ITS PRIORITY IN ALL ASPECTS OF ITS ESTATE MANAGEMENT

As referenced above, the building stage of the Lumb Bank redevelopment project commenced in March 2024 (and concluded in April 2025). The redevelopment informs (and was informed by) Arvon's vision for Arvon North, which will have transformative impacts not just for Arvon and its attendees but also for the Calder Valley and, by extension, the North of England as a whole.

Having worked over the previous years with Calderdale-based architectural practice Gagarin Studio to develop a reimagined version of Lumb Bank that would retain its existing spirit and charm, and having raised over £2 million to support the project, including a £725k grant from Arts Council England, in February 2024 we appointed Dobson Construction Ltd to bring the vision to life. That vision was triumphantly realised, and in June 2025 Lumb Bank reopened to an ecstatic reception.

Evaluation and Assessment of Achievement of Objectives

Arvon uses a number of methods to assess the quality of its work and progress against its objectives:

We evaluate all our projects in order to demonstrate the impact and reach of our work and we continue to refine the information we gather.

For every course and retreat, and for our grant scheme, we ask for both feedback and equal opportunities data from course participants, tutors and staff. All of this data is collated and evaluated in-house, enabling us to rapidly respond to issues and to refine our offer accordingly. For some projects, we engage in extended evaluation to measure impact over time and this information is used to shape future activities.

We use key measures, including booking rates, numbers of schools and partnership courses run, plus demographic and equal opportunities information (particularly region, age, ethnic diversity and income levels) and levels of engagement online.

Financial Review

The Arvon Foundation's total income in 2024 was £3,261,172, compared to £2,599,973 in 2023, an increase of c. 25%. Income from donations (including grants) and legacies increased by around 70% from £1,118,804 to £1,907,559, including restricted grants and donations totalling £1,392,613, the bulk of which was designated for the capital redevelopment project at Lumb Bank.

Income from fees paid for creative writing courses, masterclasses, tutorials and retreats decreased in 2024 – from £1,388,837 in 2023 down to £1,226,768 – a decrease of ca. 12% that reflected a temporary reduction in the residential programme of around 17% (76 courses in 2024 vs 92 courses in 2023) necessitated by Lumb Bank's closure.

We received a contribution to income of £17,684 in 2024 from royalties deriving from Arvon's copyright interest in the works of John Osborne (2023: £15,240) and an additional £23,305 from an auction of John Osborne memorabilia.

Trustees' annual report

For the year ended 31 December 2024

We received the following grant income from Arts Council England and other public sector sources during the year:

	2024	2023
	£	£
ACE National Portfolio funding	395,411	395,412
ACE CIP Grant	652,500	-
Other Public Sector grants	82,625	-
Total public sector funding		395,412

Our total income from public sector sources (Arts Council England, central and local government) in 2024 of £1,130,536 was equivalent to c. 35% of total income (2023: £395,412, equivalent to c. 15% of total income). NB: this increase is largely due to support for the Lumb Bank Redevelopment and Arvon North projects, and while we are now enjoying greater success in obtaining funding from public sector sources, we expect the per annum income from public funding in future to be ca. 20% of total income: an increase on 2023 but a significant decrease vs 2024.

The charity's total expenditure in 2024 was £2,269,394, compared to £2,286,228 in 2023, a decrease of 1%. Staff costs (excluding training and recruitment) rose by around 1% from £1,094,625 in 2023 to 1,106,625 in 2024 (principally due to redundancy costs incurred in a restructuring process undertaken in the third quarter of the year). Variable costs of residential courses and retreats (including tutor and guest fees) decreased from £552,302 in 2023 to £505,586 (largely a result of Lumb Bank being closed from March 2024), while tutor and guest fees for the online programme increased from £91,985 to £99,813. Property running and administrative costs for the writing houses decreased from £130,203 in 2023 to £119,626 in 2024.

After no net gains on investments (2023: net gain of £998), the charity recorded net income for the year of £991,778 (2023: net income of £314,743). This figure was inclusive of net expenditure on unrestricted funds only of £140,599 (income of £1,868,559 less expenditure of £2,009,158), compared to net expenditure on unrestricted funds in 2023 of £141,386.

There were no transfers between restricted income funds and unrestricted funds in 2024 (2023 net transfers were also nil).

Our total unrestricted funds decreased in 2024 by £140,599 to £594,513 (2023: £735,112). The balances on restricted income funds totalled £4,708,296 (2023: £3,575,919).

Reserves Policy

Arvon's total funds of £5,302,809 at 31 December 2024 are made up of the following elements:

Restricted Funds totalling £4,708,296 at 31 December 2024. These are funds held for specific purposes. They include £4,260,423 held as Freehold Property which cannot be disposed of without adhering to certain conditions. The remaining £447,873 represents funds held for projects as stipulated by the donors or in accordance with restrictions on the use of investment income from the former Endowment Fund. Details of these are set out in note 18 to the Financial Statements.

Unrestricted Funds of £594,513 at 31 December 2024. These are made up of four elements:

- Designated Fixed Assets Fund of £343,112 at 31 December 2024. This is a fund which comprises the unrestricted funds held in fixed assets which cannot be utilised elsewhere in the charity in the short term. It includes part of the carrying value of the 'asset under development' relating to the redevelopment of Lumb Bank.
- Designated Lumb Bank Redevelopment Fund of £176,121 at 31 December 2024. This fund was created by a transfer from the Endowment fund as at 12 August 2022 of £275,000, representing the commitment by the trustees from Arvon's existing resources towards the cost of the Lumb Bank Redevelopment project, as reflected in the charity's funding agreement with Arts Council England under its Capital Investment Programme.
- Designated Property Maintenance Fund of £9,980 at 31 December 2024. This fund represents resources earmarked for necessary maintenance and improvements of the charity's freehold buildings and estates and is also used to fund the replacement of vehicles owned by the charity.
- Free Reserves totalling £65,300 at 31 December 2024. These funds are intended, first, to allow Arvon to cope with unexpected events such as a sudden fall in income or major unanticipated expenditure without resort to disproportionate reduction in planned expenditure and, secondly, to allow Arvon stability and time to restructure in the event of a radical change to the funding of the organisation or serious misadventure.

The Trustees have previously set a target range for free reserves of 3-4 months of total expenditure from unrestricted funds. This is equivalent to a range of approximately £515,000 to £685,000 based on 2024 expenditure levels. The level of free reserves at 31 December 2024 of £65,300 is equivalent to approximately 0.4 months of expenditure from unrestricted funds (2023: .8 months). During the period of the Lumb Bank Redevelopment project, the Trustees decided to temporarily suspend the free reserves target range of 3-4 months of expenditure from unrestricted funds, and instead to set a floor of £150,000. Since the free reserves fell below this level in 2024, the Board instigated measures to reflate the reserves, including authorising the sale of surplus property and implementing a plan to achieve structural cost reductions. This plan was successfully realised in February 2025, and reserves were reflatd to ca. £340,000.

Going Concern

Following the reflation of Arvon's reserves in February 2025, the recovery of residential course sales (which were below budget in 2024 but by September 2025 had already exceeded their year-end target), and the charity's return to 'full strength' with the reopening of Lumb Bank in July 2025, the directors are confident in asserting that the charity will not be subject to any material uncertainties over the next 12 months and that Arvon's financial targets for 2026 are realistic, achievable and anticipate an increase in the general funds in 2026.

Investment Policy

Beginning in December 2024, the charity has held surplus cash balances, including funds raised in connection with the Lumb Bank Redevelopment project, in a range of Notice Deposit accounts via the Flagstone investment platform. As at 31 December 2024, just over £400,000 was held in such accounts, with an additional £250,000 invested in a Lloyd Commercial Instant Access Savings Account.

Trustees' Liability

The trustees of the charitable company each undertake to contribute an amount not exceeding £1 to the assets of the charity in the event of a winding up while they are a member of the charitable company or within one year after they cease to be a member.

The total number of such guarantees at 31 December 2024 was 16 (2023: 15). The trustees are members of the charitable company, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Employee Involvement and Employment of the Disabled

Employees are consulted on issues of concern to them by means of regular staff meetings, including at least one in-person staff meeting per year, and are kept informed on specific matters directly by senior management. The company carries out exit interviews for all staff leaving the organisation and regular appraisals.

Arvon has a clear equal opportunities policy and is committed to encouraging and enabling participation in all our activities, and employment, by the widest range of people, including disabled workers.

Statement of Responsibility in Relation to Fundraising

Arvon's trustees and senior managers take their responsibility to donors and compliance with laws and regulations relating to fundraising very seriously. Trustees oversee the overall approach and monitor standards of fundraising. Arvon's fundraising is performed by in-house fundraisers who are members of the Chartered Institute of Fundraising. Arvon does not use third party professional fundraisers or commercial participators. Arvon nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and Arvon received no complaints relating

to its fundraising practice. Measures have been taken to ensure that Arvon manages all personal data in line with the General Data Protection Regulation.

Statement of Trustees' Responsibilities

The trustees, who are also the directors of The Arvon Foundation Limited for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare the annual report and financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which 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 Companies Act 2006. 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.

The trustees are not aware of any relevant audit information that has not been disclosed to the charity's auditors. The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP acted as auditor during the period under review. A resolution proposing the re-appointment of Sayer Vincent LLP will be put to the 2025 Annual General Meeting.

The Arvon Foundation Limited

Trustees' annual report

For the year ended 31 December 2024

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees and signed on their behalf by:

Patricia Cumper
Chair

Date: 17 September 2025

Independent auditor's report

To the members of

The Arvon Foundation Limited

Opinion

We have audited the financial statements of The Arvon Foundation Limited (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Arvon Foundation Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

To the members of

The Arvon Foundation Limited

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 trustees' 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Independent auditor's report

To the members of

The Arvon Foundation Limited

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company's members 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

23 September 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

The Arvon Foundation Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Income from:							
Donations and legacies	2	514,946	1,392,613	1,907,559	432,871	685,933	1,118,804
Charitable activities	3						
Creative writing courses and retreats		1,226,768	–	1,226,768	1,388,837	–	1,388,837
Investments	4	18,272	–	18,272	6,564	699	7,263
Other	5	108,573	–	108,573	85,069	–	85,069
Total income		1,868,559	1,392,613	3,261,172	1,913,341	686,632	2,599,973
Expenditure on:							
Raising funds	6	(172,921)	–	(172,921)	(166,255)	–	(166,255)
Charitable activities	6						
Creative writing courses and retreats		(1,834,634)	(260,236)	(2,094,870)	(1,888,077)	(230,503)	(2,118,580)
Other	6	(1,603)	–	(1,603)	(1,393)	–	(1,393)
Total expenditure		(2,009,158)	(260,236)	(2,269,394)	(2,055,725)	(230,503)	(2,286,228)
Net gains on investments		–	–	–	998	–	998
Net income / (expenditure)	7	(140,599)	1,132,377	991,778	(141,386)	456,129	314,743
Transfers between funds		–	–	–	–	–	–
Net movement in funds		(140,599)	1,132,377	991,778	(141,386)	456,129	314,743
Reconciliation of funds:							
Total funds brought forward		735,112	3,575,919	4,311,031	876,498	3,119,790	3,996,288
Total funds carried forward		594,513	4,708,296	5,302,809	735,112	3,575,919	4,311,031

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in notes 18–19 to the financial statements.

The Arvon Foundation Limited

Balance sheet

Registered company number: 1086582

Charity number: 306694

As at 31 December 2024

	Notes	£	Total 2024 £	Total 2023 £
Fixed assets:				
Tangible fixed assets	12		<u>4,603,535</u>	<u>3,494,651</u>
			4,603,535	3,494,651
Current assets:				
Debtors	14	242,267	128,329	
Cash at bank and in hand	20	<u>914,840</u>	<u>1,134,704</u>	
		1,157,107	1,263,033	
Liabilities:				
Creditors: amounts falling due within one year	15	<u>(457,833)</u>	<u>(446,653)</u>	
Net current assets			<u>699,274</u>	<u>816,380</u>
Total net assets	17		<u>5,302,809</u>	<u>4,311,031</u>
The funds of the charity:				
Restricted income funds:	18			
Tangible fixed assets: Restricted		4,260,423	3,134,034	
Other restricted income funds		<u>447,873</u>	<u>441,885</u>	
Total restricted funds			4,708,296	3,575,919
Unrestricted funds:	19			
Designated fund: Tangible fixed assets		343,112	360,617	
Designated fund: Lumb Bank redevelopment		176,121	214,264	
Designated fund: Property maintenance		9,980	1,914	
Free Reserves				
General funds		65,300	158,317	
Total Free Reserves		<u>65,300</u>	<u>158,317</u>	
Total unrestricted funds			<u>594,513</u>	<u>735,112</u>
Total charity funds	17		<u>5,302,809</u>	<u>4,311,031</u>

The financial statements were approved by the Board of Trustees and signed on its behalf by:

Patricia Cumper
Chair

Date: 17 September 2025

The Arvon Foundation Limited

Statement of cash flows

For the year ended 31 December 2024

	Note	2024 £	£	2023 £	£
Cash flows from operating activities:					
Net income for the year		991,778		314,743	
(as per the statement of financial activities)					
Depreciation charges	6, 12	111,162		114,350	
Gains on investments per the SOFA		–		(998)	
Dividends and interest from investments per the SOFA		(18,272)		(7,263)	
Losses on disposals of fixed assets	6	388		805	
Increase in debtors		(113,938)		(8,222)	
Increase / (decrease) in creditors		11,180		(65,286)	
Net cash provided by operating activities			982,298		348,129
Cash flows from investing activities:					
Dividends and interest from investments per the SOFA		18,272		7,263	
Purchase of tangible fixed assets	12	(1,220,434)		(180,982)	
Proceeds from sale of investments	13	–		77,552	
Net cash used in investing activities			(1,202,162)		(96,167)
Change in cash and cash equivalents in the year			(219,864)		251,962
Cash and cash equivalents at the beginning of the year			1,134,704		882,742
Cash and cash equivalents at the end of the year	20		914,840		1,134,704

1 Accounting policies

a) Statutory information

The Arvon Foundation Limited is a charitable company limited by guarantee and is incorporated in England and Wales.

Its registered office address is Lumb Bank, Heptonstall, Hebden Bridge, West Yorkshire HX7 6DF.

b) Basis of preparation

The financial statements have been prepared in accordance with:

- The reporting requirements of the Companies Act 2006;
- The Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") (September 2015);
- 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102' ("Charities SORP (FRS 102)"), issued by the Charity Commission and the Office of the Scottish Charity Regulator in their role as the joint SORP-making body.

The financial statements have been prepared on the going concern basis (see note 1d) below).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Arvon Foundation Limited meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Board of Trustees is not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern.

In reaching this conclusion, the trustees have taken into consideration the reflation of the charity's free reserves following the successful sale of a free standing former barn on Arvon's Hurst estate in Shropshire in February 2025, which generated net proceeds of approximately £292,600. In addition they have taken account of the staff restructuring programme undertaken by the charity in 2024 to reduce fixed costs and have reviewed income and expenditure budgets and forecasts of cash flow, cash balances and free reserves for 2025 and 2026, prepared by the Executive, which demonstrate that the charity will be able to meet its liabilities as they fall due and continue in operation for the foreseeable future. Based on these forecasts and the available information on the charity's financial position and after making appropriate enquiries of management, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, in preparing the accounts the trustees continue to adopt the going concern basis of accounting, which assumes that the charity will continue in operation for a period of at least twelve months from the date of approval of these financial statements.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably. In the case of a donation, entitlement usually arises immediately on its receipt. In the case of a grant, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity. However, some grants contain terms or conditions that must be met before the charity has entitlement to the resources. Where grants or donations specify a time period within which the funds must be spent and the funds are received before the start of that period, then the income is deferred and only recognised in the statement of financial activities at the start of the relevant period.

1 Accounting policies (continued)

e) Income (continued)

Course and retreat income represents the value of the goods and services rendered to course and retreat participants during the year. Course and retreat fees are recognised in the accounts when the relevant course or retreat takes place. Where they relate to a course or retreat taking place in the following financial year, the income is deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Gift Aid recoverable from HMRC in relation to donations recognised in the year is included in income on an accruals basis where there is a valid Gift Aid declaration from the donor.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made; or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Interest receivable

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted income funds can only be used for particular purposes (within the objects of the charity) specified by the donor or grantor or the terms of an appeal. Expenditure which meets these criteria is charged to the relevant fund.

Designated funds are unrestricted funds of the charity set aside out of the general funds by the trustees for specific purposes or projects for the furtherance of particular aspects of the charity's objects, but over which the trustees retain full discretion. Designated funds include the unrestricted tangible fixed asset fund, representing the carrying value of those of the charity's tangible fixed assets which are not held in restricted funds.

General funds comprise the funds which are available to be used for any purpose within the charity's objects.

h) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is reported on an activity basis, as required by Charities SORP (FRS 102). This involves identifying the total cost of an activity, including direct, shared and indirect (or support) costs. Expenditure is classified under the following activity headings:

- Expenditure on raising funds relates to the costs incurred by the charity in seeking voluntary contributions from third parties, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering creative writing courses, retreats and other educational and research activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is not separately analysed and is included as a cost against the activity for which the related expenditure was incurred.

1 Accounting policies (continued)

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs, including relevant staff costs, which are not directly attributable to activities for raising funds or charitable activities, are allocated to those categories on a basis consistent with the use of resources. Support costs include:

- Governance costs;
- Costs of the Finance function, including financial accounting, banking, budgeting, payroll management and day-to-day financial administration;
- Human resources management, recruitment, central office, general and administration costs;
- Costs of central information technology resources and telecommunications;
- Costs of general communications and marketing, including distribution of information about the aims, objectives and projects of the charity to potential beneficiaries and course participants;
- Senior general management (where not allocated as a direct cost to specific activities) and other central costs;
- Depreciation charges in relation to tangible fixed assets; and
- Losses on disposals of fixed assets.

Governance costs are those associated with the governance arrangements of the charity, including external audit, general legal advice for the trustees and costs associated with constitutional and statutory requirements and ensuring proper public accountability, e.g. the costs of preparing statutory accounts. Governance costs include any costs associated with the strategic as opposed to day-to-day management of the charity's activities and the cost of charity employees in respect of their time when involved in and preparing for meetings with trustees.

Depreciation charges and losses on disposal of fixed assets are allocated in full as support costs to 'charitable activities: creative writing courses and retreats' to reflect the way in which the charity's tangible fixed assets are employed. Non-capitalised costs relating to the Lumb Bank Redevelopment project in the prior year were also fully allocated as support costs to 'charitable activities: creative writing courses and retreats'. Other support costs, including governance costs, are re-allocated to each of the principal activities on the following basis which is an estimate, based on approximate relative proportion of direct costs incurred, of the amount attributable to each activity:

- | | |
|---|-------------------------|
| ▪ Cost of raising funds | 8% (prior year: 7.5%) |
| ▪ Creative writing courses and retreats | 92% (prior year: 92.5%) |

j) Operating leases

Property lease rentals, which are reviewed annually to adjust for general inflation, are charged to the statement of financial activities in line with the amounts payable for the year. Other rentals paid under operating leases are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

k) Tangible fixed assets

Tangible assets are capitalised if their initial cost is £500 or greater. Depreciation costs are allocated as support costs to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Freehold buildings* (excl. replacement roofing as below)	50 years
▪ Replacement roofing, excluding thatch (within Freehold buildings)	20 years
▪ Thatch roofing (within Freehold buildings)	15 years
▪ Motor vehicles	5 years
▪ Fixtures, fittings, plant and machinery	5 years
▪ Computers and other office equipment	4 years

* Land is not depreciated.

The tangible fixed asset category 'Asset under development' relates to the capitalised costs of professional fees (including architects' and cost consultants' fees) and other charges incurred in 2021 (preparation of designs up to RIBA Stage 3 and the preparation of a statutory planning application), in 2023 (preparation of detailed designs up to RIBA Stage 4) and in 2024 (construction costs, architects' fees and other professional fees and charges for RIBA Stages 4 and 5) in respect of the capital redevelopment of Lumb Bank. The charity began the main construction phase of the redevelopment project in 2024. No depreciation is charged on the 'Asset under development'.

l) Fixed asset investments / Current asset investments

Investments in quoted collective investment funds are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Realised gains and losses are accounted for by reference to the sale proceeds and either the market value at the previous balance sheet date, or the cost of purchase, if later. Unrealised gains and losses are calculated by comparing the market value at the previous balance sheet date, or cost of purchase, if later, to the year end valuation. Any gain or loss arising in the period is shown under the heading "Net gains/(losses) on investments" in the statement of financial activities.

The charity does not acquire put options, derivatives or other complex financial instruments.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Creditors also include deferred income.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

o) Pensions

The amounts charged to the statement of financial activities for defined contribution pension schemes represent the employer contributions payable in the period.

2 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2024 Total £	Unrestricted funds £	Restricted funds £	2023 Total £
Arts Council England: National Portfolio Funding	395,411	–	395,411	395,412	–	395,412
Arts Council England: CIP grant	–	652,500	652,500	–	–	–
Other Public Sector grants	6,800	75,825	82,625	–	–	–
Grants from trusts and foundations	5,000	592,260	597,260	–	619,600	619,600
Friends Scheme (including Angels)	25,072	–	25,072	28,191	–	28,191
Patrons Scheme	33,612	–	33,612	–	–	–
Other donations	3,069	70,508	73,577	4,303	61,103	65,406
Gift Aid reclaimed / recoverable	14,464	1,520	15,984	4,965	5,230	10,195
Donated goods, facilities and services	1,018	–	1,018	–	–	–
Legacies	30,500	–	30,500	–	–	–
	514,946	1,392,613	1,907,559	432,871	685,933	1,118,804

In 2022 Arts Council England awarded the charity a grant of £725,000 towards the redevelopment of Lumb Bank under its Capital Investment Programme ('CIP'). During the year the charity submitted six payment requests based on actual capital expenditure incurred during the project totalling £652,500. Of this amount, payments totalling £582,130 had been received from Arts Council England as at 31 December 2024. The sixth grant instalment of £70,370, which was claimed by the charity in December 2024 and received in January 2025, is included in 'Other debtors' at the balance sheet date. The final 10% of the grant (£72,500) will only be paid following practical completion of the building works and submission to Arts Council England of an Activity Report Form, completed expenditure listing, final Capital Payment Request and a certified income and expenditure statement for the project. Therefore, the final instalment of the grant is not recognised as income in the year, but is treated as a contingent asset.

The Charlotte Aitken Trust awarded a grant of £200,000 to the charity in January 2023, of which the first instalment of £50,000 was paid and recognised as income in 2023 and a further £100,000 was paid and recognised as income in 2024 (see note 18). The remaining £50,000 of this grant award, which was received in January 2025, is treated as a contingent asset at the balance sheet date and is not recognised as income in the year.

The West Yorkshire Combined Authority ('WYCA') awarded the charity a grant of £50,000 from The Rural England Prosperity Fund ('The Rural Fund') in March 2024, of which the first instalment of £10,000 was paid and recognised as income in 2024 (see note 18). The final instalment of this grant award (£40,000) was conditional on completion of the agreed project expenditures. This condition had not been met at the balance sheet date. Therefore the final grant instalment is not recognised as income in the year, but is treated as a contingent asset at the balance sheet date.

3 Income from charitable activities

	2024 Total £	2023 Total £
Fees for creative writing courses, retreats, masterclasses, tutorials and live writing events (including online programme)	1,226,768	1,388,837
Total income from charitable activities	1,226,768	1,388,837

All income in the current and prior year was unrestricted.

4 Income from investments

	Unrestricted funds	Restricted funds	2024 Total	Unrestricted funds	Restricted funds	2023 Total
	£	£	£	£	£	£
Bank interest	18,272	–	18,272	6,564	–	6,564
Dividends	–	–	–	–	699	699
	<u>18,272</u>	<u>–</u>	<u>18,272</u>	<u>6,564</u>	<u>699</u>	<u>7,263</u>

5 Other income

	2024 Total £	2023 Total £
John Osborne royalties (gross of agent's commission)	17,684	15,240
Government Renewable Heat Incentive payments (The Hurst)	14,516	27,884
Private lettings (including holiday lettings)	12,325	4,350
Proceeds from auction of John Osborne memorabilia items	23,305	–
Proceeds from disposal of parcel of land at The Hurst	6,000	–
Compensation payments received	19,431	–
Other miscellaneous income (including small scale trading)	15,312	37,595
	<u>108,573</u>	<u>85,069</u>

All income in the current and prior year was unrestricted.

6a Analysis of expenditure (current year)

	Charitable activities			Support costs		2024	2023
	Costs of raising funds	Creative writing courses, retreats, masterclasses and tutorials	Other expenditure	Governance costs	Other support costs	Total	Total
	£	£	£	£	£	£	£
Residential courses: tutor and guest fees	-	272,709	-	-	-	272,709	311,647
Residential courses: tutor and guest expenses	-	47,066	-	-	-	47,066	54,756
Residential courses/retreats: other variable costs	-	185,811	-	-	-	185,811	185,899
Writing Houses: repairs and maintenance*	-	35,012	-	-	-	35,012	40,329
Writing Houses: admin and property running costs**	-	119,626	-	-	-	119,626	130,203
Learning Programme (non-resid): tutor/mentor fees and other costs	-	21,235	-	-	-	21,235	8,752
Arvon Live / Community Outreach: tutor fees and other project costs	-	23,546	-	-	-	23,546	5,247
Arvon at Home (online programme): tutor and guest fees	-	99,813	-	-	-	99,813	91,985
Arvon at Home (online programme): other costs	-	8,561	-	-	-	8,561	11,527
Lumb Bank Redevelopment: project costs (non-staff)	-	-	-	-	18,305	18,305	-
Fundraising: non-staff costs	8,425	-	-	-	-	8,425	4,451
Marketing and communications: non-staff costs	-	-	-	-	19,097	19,097	16,213
Staff costs (note 8)	115,352	598,865	-	31,012	361,627	1,106,856	1,094,625
Staff training and professional development	-	2,862	-	-	-	2,862	1,721
Staff recruitment	-	602	-	-	-	602	1,709
Staff travel and subsistence	-	6,179	-	-	3,484	9,663	13,732
National: central admin and office costs***	2,021	1,213	-	-	87,428	90,662	114,150
Insurance	-	-	-	2,651	46,411	49,062	47,002
Audit fees (note 7)	-	-	-	18,240	-	18,240	16,200
Other fees paid to the auditors (note 7)	-	-	-	-	1,692	1,692	-
Fees for legal and professional services and consultancy	-	-	-	-	15,898	15,898	18,480
Trustee meeting costs, incl. travel and accommodation	-	-	-	1,008	-	1,008	1,052
Costs of trustee recruitment (incl. advertising)	-	-	-	490	-	490	-
Agent's commission on royalties	-	-	1,603	-	-	1,603	1,393
Losses on disposals of fixed assets (note 7)	-	-	-	-	388	388	805
Depreciation charges (note 7)	-	-	-	-	111,162	111,162	114,350
	125,798	1,423,100	1,603	53,401	665,492	2,269,394	2,286,228
Governance costs	4,272	49,129	-	(53,401)	-	-	-
Other support costs	42,851	622,641	-	-	(665,492)	-	-
Total expenditure 2024	172,921	2,094,870	1,603	-	-	2,269,394	2,286,228
Total expenditure 2023	166,255	2,118,580	1,393	-	-	2,286,228	

Notes:

* Includes non-payroll costs of grounds maintenance and forestry work.

** Includes Writing Houses office costs, IT, telecoms, fuel, water rates, non-staff gardening, business rates; excludes property repair and maintenance costs.

*** Includes office lease rental costs (to May 2023); central IT costs, including software and licences; IT support and consultancy; bank and merchant services / credit card charges; central costs of telecoms, postage and stationery.

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2024

6b Analysis of expenditure (prior year)

	Charitable activities		Support costs		
	Costs of raising funds	Creative writing courses, retreats, masterclasses and tutorials	Other expenditure	Governance costs	Other support costs
	£	£	£	£	£
Residential courses: tutor and guest fees	–	311,647	–	–	–
Residential courses: tutor and guest expenses	–	54,756	–	–	–
Residential courses/retreats: other variable costs	–	185,899	–	–	–
Writing Houses: repairs and maintenance*	–	40,329	–	–	–
Writing Houses: admin and property running costs**	–	130,203	–	–	–
Learning Programme (non-resid): tutor/mentor fees and other costs	–	8,752	–	–	–
Arvon Live / Community Outreach: tutor fees and other project costs	–	5,247	–	–	–
Arvon at Home (online programme): tutor and guest fees	–	91,985	–	–	–
Arvon at Home (online programme): other costs	–	11,527	–	–	–
Lumb Bank Redevelopment: project costs (non-staff)	–	–	–	–	–
Fundraising: non-staff costs	4,451	–	–	–	–
Marketing and communications: non-staff costs	–	–	–	–	16,213
Staff costs (note 8)	112,711	598,730	–	31,896	351,288
Staff training and professional development	–	1,721	–	–	–
Staff recruitment	–	1,457	–	–	252
Staff travel and subsistence	–	6,014	–	–	7,718
National: central admin and office costs***	4,438	4,415	–	–	105,297
Insurance	–	–	–	2,811	44,191
Audit fees (see note 7)	–	–	–	16,200	–
Fees for legal and professional services and consultancy	–	–	–	–	18,480
Trustee meeting costs, incl. travel and accommodation	–	–	–	1,052	–
Agent's commission on royalties	–	–	1,393	–	–
Losses on disposals of fixed assets (note 7)	–	–	–	–	805
Depreciation charges (note 7)	–	–	–	–	114,350
	121,600	1,452,682	1,393	51,959	658,594
Governance costs	3,897	48,062	–	(51,959)	–
Other support costs	40,758	617,836	–	–	(658,594)
Total expenditure 2023	166,255	2,118,580	1,393	–	–

Notes:

* Includes non-payroll costs of grounds maintenance and forestry work.

** Includes Writing Houses office costs, IT, telecoms, fuel, water rates, non-staff gardening, business rates; excludes property repair and maintenance costs.

*** Includes office lease rental costs (to May 2023); central IT costs, including software and licences; IT support and consultancy; bank and merchant services / credit card charges; central costs of telecoms, postage and stationery.

7 Net income / (expenditure) for the year

This is stated after charging:

	2024 £	2023 £
Depreciation	111,162	114,350
Losses on disposals of tangible fixed assets	388	805
Property: rent on office lease (including irrecoverable VAT)	–	8,903
Auditor's remuneration (excluding VAT):		
Audit: current year	14,200	13,500
Audit: prior year under provision	1,000	–
VAT and other tax advice	1,410	–
	117,960	137,558

8 Staff costs and employee benefits, trustee remuneration and expenses

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	958,179	963,600
Employer's National Insurance contributions (social security costs)	81,607	81,497
Employer's contribution to defined contribution pension schemes	47,313	47,858
Redundancy costs	17,651	–
Other staff costs	2,106	1,670
Total	1,106,856	1,094,625

During the year there was one employee whose total employee benefits (excluding employer pension contributions) fell within the banding £70,000 to £79,999 (2023: none) and one employee whose total employee benefits (excluding employer pension contributions) fell within the banding £60,000 to £69,999 (2023: two). Employer payments in the year to defined contribution pension schemes in respect of these employees totalled £6,655 (2023: £6,524).

The key management personnel of the charity consists of the Trustees and the Executive. The Executive comprises the Chief Executive Officer, the Chief Financial Officer & Operations Director, the Deputy CEO and the Artistic Director (also Director of Totleigh Barton until July 2024). The total employee benefits including employer's pension and National Insurance contributions of the key management personnel (excluding trustees) in the year were £252,352 (2023: £253,184). No staff loans were outstanding at the year end in relation to any employees (2023: none).

No member of the Board of Trustees was paid any remuneration or received any other benefits from an employment with the charity in the year (2023: none). No member of the Board of Trustees received payment for professional or other services supplied to the charity, as permitted by its Memorandum of Association, including payments for tutoring or being the guest speaker at Arvon courses. (2023: one trustee, £735).

Trustees' expenses for the year, representing the payment or reimbursement of travel, accommodation and subsistence costs relating to attendance at meetings of the trustees and visits to the writing houses, totalled £nil (2023: £1,052, incurred by ten trustees).

Details of other transactions with trustees and connected parties of trustees are disclosed in note 10.

9 Staff numbers

The average monthly head count (number of staff employed) during the year, analysed between full-time and part-time staff, was as follows:

	2024 No.	2023 No.
Full-time staff	13.9	14.9
Part-time staff	26.6	29.3
Total average head count	40.5	44.2

The figures above include casual relief workers within part-time staff.

The average monthly number of full-time equivalent employees during the year, analysed by activity, was as follows:

	2024 No.	2023 No.
Raising funds	2.6	2.7
Charitable activities	17.4	19.0
Communications and marketing	2.1	1.8
Other support, central (including governance)	5.8	6.4
Total full-time equivalent employees	27.9	29.9

The figures above include casual relief workers within 'charitable activities'.

10 Related party transactions

Payments made to trustees in relation to professional or other services supplied to the charity and trustees' expenses are disclosed in note 8 above.

Aggregate donations from related parties (including trustees, members of the Leadership Team and their respective close family members) during the year were £5,638 (2023: £4,035), including Gift Aid claims outstanding at the year end of £160 (2023: £807). Of total donations of £5,798 from related parties, £50 was included in restricted income funds.

In July 2024 Arvon received a payment of £2,150 from Climate Spring CIC, co-founded by Arvon trustee Joshua Cockcroft, who also serves as Climate Spring's Director of Research and Impact. Climate Spring is a global organisation dedicated to shifting cultural responses to the climate crisis by championing storytelling that transforms how it is represented in film, TV and popular culture. The payment to Arvon represented a partnership subsidy of 20 places for participants on an Arvon online masterclass and three places on an online Cli-Fi and Screenwriting week.

11 Taxation

The charitable company is exempt from corporation tax as all its trading income beyond primary purpose trading falls below the small trading tax exemption limit and all of its income is applied for charitable purposes.

12 Tangible fixed assets

	Freehold land and buildings £	Asset under development £	Fixtures and fittings, plant and machinery £	Computers and other office equipment £	Motor vehicles £	Total £
Historical cost						
At the start of the year	4,542,127	212,413	140,049	59,305	4,945	4,958,839
Additions	–	1,209,335	8,336	2,763	–	1,220,434
Disposals	–	–	(8,723)	(14,812)	–	(23,535)
At the end of the year	<u>4,542,127</u>	<u>1,421,748</u>	<u>139,662</u>	<u>47,256</u>	<u>4,945</u>	6,155,738
Accumulated depreciation						
At the start of the year	1,311,374	–	105,531	46,294	989	1,464,188
Disposals	–	–	(8,723)	(14,424)	–	(23,147)
Charge for the year	87,512	–	14,439	8,222	989	111,162
At the end of the year	<u>1,398,886</u>	<u>–</u>	<u>111,247</u>	<u>40,092</u>	<u>1,978</u>	1,552,203
Net book value						
At the start of the year	<u>3,230,753</u>	<u>212,413</u>	<u>34,518</u>	<u>13,011</u>	<u>3,956</u>	3,494,651
At the end of the year	<u>3,143,241</u>	<u>1,421,748</u>	<u>28,415</u>	<u>7,164</u>	<u>2,967</u>	4,603,535

'Freehold Land and Buildings' at 31 December 2024 includes £410,000 in respect of the historical cost of land which is not depreciated (2023: £410,000).

All of the above assets are used (or, in the case of the 'Asset under development', are intended to be used) for charitable purposes. Details of restrictions on the freehold title of The Hurst and the freehold title of Lumb Bank are disclosed in note 22 below.

13 Investments

	2024 £	2023 £
Shares in Common Investment Funds:		
Fair value at the start of the year	–	76,554
Realised net gains on disposal	–	998
Disposal proceeds	–	(77,552)
Fair value at the end of the year	<u>–</u>	<u>–</u>
Historic cost at the end of the year	<u>–</u>	<u>–</u>

14 Debtors

	2024 £	2023 £
Trade debtors	98,158	56,458
Other debtors	98,079	27,884
Prepayments	23,535	24,054
Accrued income	22,495	19,933
Total debtors	<u>242,267</u>	<u>128,329</u>

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	28,919	48,244
PAYE taxation and social security (National Insurance contributions)	19,682	21,249
VAT payable	11,655	9,969
Holiday pay accrual	9,136	3,973
Other accruals	54,861	42,436
Deferred income (Note 16)	333,580	320,782
Total creditors	457,833	446,653

16 Deferred income

Deferred income comprises income received during the year for courses and retreats taking place in future periods (including gift vouchers purchased or issued as refunds for redemption against future courses).

	2024 £	2023 £
Balance at the beginning of the year	320,782	377,008
Amount released to income in the year	(298,885)	(351,272)
Amount refunded in the year (course cancellations and gift vouchers refunded)	(1,805)	(815)
Amount deferred in the year	313,488	295,861
Balance at the end of the year	333,580	320,782

17a Analysis of net assets between funds (current year)

	Unrestricted General £	Unrestricted Designated £	Restricted £	Total funds £
Tangible fixed assets	–	343,112	4,260,423	4,603,535
Net current assets	65,300	186,101	447,873	699,274
Net assets at the end of the year	65,300	529,213	4,708,296	5,302,809

17b Analysis of net assets between funds (prior year)

	Unrestricted General £	Unrestricted Designated £	Restricted £	Total funds £
Tangible fixed assets	–	360,617	3,134,034	3,494,651
Net current assets	158,317	216,178	441,885	816,380
Net assets at the end of the year	158,317	576,795	3,575,919	4,311,031

18a Restricted income funds (current year)

	At 1 January 2024	Income & gains	Expenditure & losses	Transfers	At 31 December 2024
	£	£	£	£	£
<u>Tangible fixed assets: Restricted</u>					
The Hurst Property	2,666,055	–	(66,034)	–	2,600,021
Lumb Bank Property	156,595	–	(9,544)	–	147,051
Totleigh Barton Property	148,418	–	(6,165)	–	142,253
Asset under development	162,966	–	–	1,208,132	1,371,098
<u>For Bursaries: the David Pease Grant Fund</u>					
Endowment fund income account	13,392	–	(4,990)	–	8,402
The Barbara and Philip Denny Charitable Trust	2,000	10,000	(12,000)	–	–
The T. S. Eliot Foundation	9,600	–	(9,600)	–	–
ALCS	–	3,000	(1,000)	–	2,000
The Noël Coward Foundation	500	–	(500)	–	–
Other general bursary funders	9,042	6,550	(9,973)	–	5,619
The David Pease Award for playwrights	2,400	–	(2,400)	–	–
<u>For Learning Programme courses and projects:</u>					
John Lyon's Charity	–	24,500	(24,500)	–	–
The Barbour Foundation	–	2,000	(2,000)	–	–
WOB Foundation	–	5,000	(5,000)	–	–
The Millichope Foundation	–	2,500	(2,500)	–	–
Community Foundation for Calderdale	–	5,000	(5,000)	–	–
Amazon Literary Partnership	–	30,000	(30,000)	–	–
A New Direction London Ltd	–	10,260	(7,145)	–	3,115
Kevin Jackson Award	–	980	–	–	980
Gift from Peter Emery re Schools Programme	5,714	–	(5,714)	–	–
Individual donations to Learning Programme	6,790	7	(6,797)	–	–
		–	–	–	
<u>Lumb Bank Redevelopment Project</u>					
Arts Council England: Capital Investment					
Programme grant	–	652,500	–	(652,500)	–
WYCA Rural England Prosperity Fund grant	–	10,000	–	(10,000)	–
WYCA Unlimited Micro Capital grant	–	6,930	–	–	6,930
The Unwin Charitable Trust	338,597	–	(7,550)	(249,806)	81,241
The Charlotte Aitken Trust	50,000	100,000	–	(93,762)	56,238
Garfield Weston Foundation	–	150,000	–	–	150,000
The Foyle Foundation	–	150,000	–	(68,964)	81,036
The Wolfson Foundation	–	130,000	–	(130,000)	–
Sylvia Waddilove Foundation UK	–	3,000	–	(3,000)	–
Individual donations	100	6	(6)	(100)	–
		–	–	–	
<u>Other projects</u>					
Amazon: support for the Arvon Advanced					
Writing Programme	–	24,000	(5,500)	–	18,500
Michael Donaghy Award: crowdfunder for the					
Arvon Advanced Writing Programme	–	5,870	–	–	5,870
WYCA Mayor's Safer Communities Fund grant	–	28,295	(12,311)	–	15,984
Calderdale Council Year of Culture grant	–	30,600	(23,594)	–	7,006
Anon. donation towards EV charger	3,750	–	–	–	3,750
Simon Evans: donation for The Hurst	–	1,078	(413)	–	665
Donations to Clockhouse repairs fund	–	537	–	–	537
Total restricted income funds	3,575,919	1,392,613	(260,236)	–	4,708,296

18b Restricted income funds (prior year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
<u>Tangible fixed assets: Restricted</u>					
The Hurst Property	2,732,089	–	(66,034)	–	2,666,055
Lumb Bank Property	166,139	–	(9,544)	–	156,595
Totleigh Barton Property	154,583	–	(6,165)	–	148,418
Asset under development	–	–	–	162,966	162,966
<u>For Bursaries: the David Pease Grant Fund</u>					
Endowment fund income account	17,693	699	(5,000)	–	13,392
The Barbara and Philip Denny Charitable Trust	4,000	8,000	(10,000)	–	2,000
The T. S. Eliot Foundation	9,000	9,600	(9,000)	–	9,600
The Francis W Reckitt Arts Trust	3,000	–	(3,000)	–	–
The Harold Hyam Wingate Foundation	–	5,000	(5,000)	–	–
The Noël Coward Foundation	–	2,000	(1,500)	–	500
Other general bursary funders	4,742	9,295	(4,995)	–	9,042
The David Pease Award for playwrights	2,400	–	–	–	2,400
<u>For Learning Programme courses and projects:</u>					
John Lyon's Charity	–	24,000	(24,000)	–	–
The Unwin Charitable Trust	–	5,000	(5,000)	–	–
SHINE re Schools Programme	–	1,000	(1,000)	–	–
The John Thaw Foundation re Schools	–	10,000	(10,000)	–	–
The John R. Murray Charitable Trust	–	5,000	(5,000)	–	–
Community Foundation for Calderdale	3,400	30,000	(33,400)	–	–
Kevin Jackson Award	8,728	938	(9,666)	–	–
Gift from Peter Emery re Schools Programme	2,250	4,900	(1,436)	–	5,714
McNelly Family Trust	10,000	–	(10,000)	–	–
Individual donations to Learning Programme	–	16,790	(10,000)	–	6,790
<u>Lumb Bank Redevelopment Project</u>					
The Unwin Charitable Trust	–	500,000	–	(161,403)	338,597
The Charlotte Aitken Trust	–	50,000	–	–	50,000
Individual donations	1,563	100	–	(1,563)	100
<u>Other projects</u>					
South West Water: grants to purchase bees, beehive and water butts for Totleigh Barton	203	560	(763)	–	–
Anon. donation towards EV charger	–	3,750	–	–	3,750
Total restricted income funds	3,119,790	686,632	(230,503)	–	3,575,919

18 Restricted income funds (continued)

Purposes of restricted funds:

- a) The Hurst, Lumb Bank, Tottleigh Barton Properties. These funds represent the accounting net book value of land and buildings (freehold property) to be used by Arvon for creative writing courses and retreats.

Expenditure charged to these funds in the year totalling £81,743 (2023: £81,743) relates to the depreciation charges against freehold property assets held within restricted funds; a further £5,769 of depreciation has been charged during the year against elements of freehold property held within the designated fund 'Tangible fixed assets: Unrestricted' (2023: £5,769) (see note 12).

Transfers in of £1,208,132 relate to capital expenditure (construction costs, architects' fees and other professional fees and charges) funded from restricted funds in the year in connection with the Lumb Bank Redevelopment Project (see note 18k). The 'asset under development' is not depreciated pending completion of the capital project.

- b) Bursaries: the David Pease Grant Fund. In 2023, Arvon's bursary scheme was renamed in affectionate memory of David Pease, Arvon's National Director from 1973 to 2000. These funds (including the Endowment fund income account) provide financial support to attend an Arvon course to adult applicants on low incomes who would otherwise not be able to meet the full cost of a creative writing course fee, or to teachers. Bursaries are provided in the form of fee reductions granted to participants on courses. The Endowment fund income account is a restricted fund established to receive the income historically arising from the investments and cash deposits held within Arvon's former Endowment Fund in order to apply these resources to provide bursaries to applicants on low incomes. The investments were disposed of in March 2023 and the Endowment Fund was wound up by merger with The Arvon Foundation immediately.
- c) John Lyon's Charity. Supporting Arvon's First Lines programme providing young people in care the opportunity to participate in a residential week and pre/post residential arts activities.
- d) The Barbour Foundation; WOB Foundation; The Millichope Foundation: Grants in support of Arvon's Learning Programme.
- e) Community Foundation for Calderdale. A donation towards a partnership residential week with St Augustine's Centre, Halifax.
- f) Amazon Literary Partnership. A donation towards the Learning Programme supporting courses for state schools, young people and vulnerable adults.
- g) A New Direction London Ltd: a grant for delivery of multiple in situ Arvon workshops in London state primary schools (delivered Feb/Mar 2025)
- h) Kevin Jackson Award. Donations in memory of Kevin Jackson towards Arvon's Schools Programme.
- i) Gift from Peter Emery. Donations made towards the Schools Programme.
- j) Individual donations to Learning Programme. Gifts in support of the Learning Programme.
- k) Lumb Bank Redevelopment Project. Grants from Arts Council England, local authorities, trusts and foundations, and gifts received from individuals, towards the costs of the capital redevelopment of Lumb Bank. Transfers out from these funds in the current year totalling £1,208,132 relate to the capitalisation of construction costs, architects' fees and other professional fees and charges incurred in connection with the project ('Asset under development') (see note 18a).
- l) Amazon Author Scholarships: provides bursaries for three writers to join the Advanced Writing Programme (AWP), a two-year programme enabling writers at a more advanced stage to develop their projects through a combination of Arvon
- m) Michael Donaghy Award: a crowdfunder to fund a bursary for a poet to participate in the Advanced Writing Programme (AWP).
- n) WYCA Mayor's Safer Communities Fund grant: Funded a partnership with Creative Minds to deliver total of 16 wks of workshops with SWAP (Safe Work After Prison) and Youth Justice
- o) Calderdale Year of Culture (Culturedale) to support the inaugural Arvon Creative Writing Festival in Hebden Bridge and outreach activity across Calderdale.
- p) Anonymous donation towards EV charger. A gift received to fund the purchase of an electric vehicle charging station for The Hurst.
- q) Simon Evans: a donation towards the operational needs of The Hurst.
- r) Clockhouse repairs fund: individual donations towards the material upkeep of The Clockhouse.

19a Unrestricted funds (current year)

	At 1 January 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2024 £
Designated funds:					
Tangible fixed asset fund: Unrestricted	360,617	–	(29,807)	12,302	343,112
Lumb Bank Redevelopment fund:	214,264	–	(36,940)	(1,203)	176,121
Property maintenance fund:	1,914	–	(1,914)	9,980	9,980
Total designated funds	576,795	–	(68,661)	21,079	529,213
Free Reserves:					
General funds	158,317	1,868,559	(1,940,497)	(21,079)	65,300
Total Free Reserves	158,317	1,868,559	(1,940,497)	(21,079)	65,300
Total unrestricted funds	735,112	1,868,559	(2,009,158)	–	594,513

19b Unrestricted funds (prior year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Designated funds:					
Tangible fixed asset fund: Unrestricted	376,013	–	(33,412)	18,016	360,617
Lumb Bank Redevelopment fund:	266,204	–	(49,540)	(2,400)	214,264
National Office rent deposit fund:	5,857	–	(3,040)	(2,817)	–
Property maintenance fund:	30,543	–	(18,428)	(10,201)	1,914
Total designated funds	678,617	–	(104,420)	2,598	576,795
Free Reserves:					
General funds	197,881	1,914,339	(1,951,305)	(2,598)	158,317
Total Free Reserves	197,881	1,914,339	(1,951,305)	(2,598)	158,317
Total unrestricted funds	876,498	1,914,339	(2,055,725)	–	735,112

19 Unrestricted funds (continued)

Purposes of unrestricted funds

- a) Tangible fixed asset fund: Unrestricted. Expenditure charged to this fund in the year totalling £29,807 (2023: £33,412) is made up of: depreciation charges of £23,650 (2023: £26,838) against the tangible fixed asset categories 'fixtures and fittings, plant and machinery', 'computers and other office equipment' and 'motor vehicles'; a depreciation charge of £5,769 (2023: £5,769) against those elements of 'freehold property' held within designated funds (see note 12); and losses on disposals of tangible fixed assets in the year of £388 (2023: £805).

Transfers in to this fund totalling £12,302 (2023: £18,016) relate to fixed asset additions as follows:

	2024 £	2023 £
Fixed asset additions (asset under development), transfer in from designated Lumb Bank Redevelopment fund:	1,203	2,400
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from general funds:	8,336	2,193
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from designated property maintenance fund:	–	5,256
Fixed asset additions (computers and other office equipment), transfer in from general funds:	2,763	3,222
Fixed asset additions (motor vehicles), transfer in from designated property maintenance fund:	–	4,945
Total transfers in to Tangible Fixed Asset fund: Unrestricted	<u>12,302</u>	<u>18,016</u>

- b) Designated fund: Lumb Bank Redevelopment. Following the release of the capital held within Arvon's former Endowment fund ('EF') from the restrictions on its expenditure, which came into effect on 12 August 2022, the assets held within the EF were transferred to unrestricted funds at that date. This included the transfer of £275,000 to a newly created designated fund for the Lumb Bank Redevelopment project. This amount represents the commitment by the trustees from Arvon's existing resources towards the costs of the Lumb Bank Redevelopment project, as reflected in the charity's funding agreement with Arts Council England under the ACE Capital Investment Programme.

The transfer out of this fund in the current year of £1,203 relates to the capitalisation of certain professional fees incurred in connection with the Lumb Bank Redevelopment project ('Asset under development') (see note 19a).

- c) Designated fund: Property maintenance. The purpose of this fund is to ringfence resources for necessary maintenance and improvements of the charity's freehold buildings and estates and to allow for longer term forward planning based on quinquennial inspection reports. This fund was also used in 2023 for replacement of the vehicle used by the charity at Lumb Bank. Transfers into this fund in the current year totalling £9,980 from general funds relate to amounts received during the year from a third party under a private contract for the sale of freehold land in addition to the purchase price of the land transferred. These amounts are to be used by the charity to carry out certain restoration and repair works on its property at The Hurst.

19 Unrestricted funds (continued)

d) Transfers out from general funds of £21,079 (2023: net transfers out of £2,598) can be analysed as follows:

	2024 £	2023 £
Transfers out to 'Tangible fixed asset fund: Unrestricted' in respect of fixed asset additions, as noted above:	(11,099)	(5,415)
Transfer in from designated fund 'National Office rent deposit':	–	2,817
Transfers out to designated fund 'Property maintenance' (see note 19c):	(9,980)	–
Total net transfers (out of) / in to General funds:	(21,079)	(2,598)

20 Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	914,840	1,134,704
Total cash and cash equivalents	914,840	1,134,704

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

22 Contingencies / Restrictions on title of freehold properties

Arts Council England Lottery funding for the development of The Hurst totalled £1,650,000 between 2011 and 2014. This funding is conditional on The Hurst remaining as a writing centre for 30 years from 24 June 2011. If the condition is not met, the funding is liable for repayment to Arts Council England. Arts Council England has a fixed charge security over the freehold of The Hurst and a floating charge over the assets of The Arvon Foundation Limited to the value of the Lottery funding. This security is in place for a period of 30 years from 24 June 2011. No disposition of land within the freehold estate of The Hurst may be registered without the written consent of Arts Council England. The net book value of land and buildings within the Hurst estate (including The Clockhouse) as at 31 December 2024 was £2,798,224 (2023: £2,865,784).

In 2022 Arts Council England awarded the charity a grant of £725,000 towards the redevelopment of Lumb Bank under its Capital Investment Programme (see note 2). As a condition of the funding agreement, Arvon entered into a deed of covenant with Arts Council England on 28 October 2022. For a period of 15 years from the date of this deed, no disposition of land within the freehold estate of Lumb Bank may be registered without the written consent of Arts Council England and the property may only be used as a literary house for residential writing courses and community activities (with certain permitted exceptions). The net book value of the Lumb Bank property (including 'Asset under development') as at 31 December 2024 was £1,592,525 (2023: £392,734).

23 Post balance sheet event

Completion of the sale of the Hurst Studio, a disused building on the Hurst Estate, took place on 11 February 2025.

The sale price was £299,000, with all proceeds being put towards the refutation of Arvon's reserves.

THE ARVON FOUNDATION

England & Wales - Charity number 306694

Accounts

Company number: 1086582

Charity Number: 306694



The Arvon Foundation Limited

Trustees' Annual Report and Financial Statements
For the year ended 31 December 2023



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For the year ended 31 December 2023

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The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2023

Country of registration England and Wales

Country of incorporation United Kingdom

Company number 1086582

Charity number 306694

VAT registration number 287 9329 41

Registered office
address Lumb Bank
Heptonstall
Hebden Bridge
West Yorkshire
HX7 6DF

Trustees Trustees serving during the year and up to the date of this report
(who are also the directors of The Arvon Foundation Limited under
company law) were as follows:

Patricia Cumper	Chair of Trustees
Dr Judith Abbott	Chair of Finance Committee (retired 31 October 2023)
Bisha K. Ali	(resigned 4 November 2024)
Lee Bilson	Chair of Properties Committee
Susan Bowers	(appointed 27 November 2024)
Rachel Cleverly	
Joshua Cockcroft	
Robert Drummer	(appointed 27 November 2024)
Kim Evans	Chair of Appointments and Remuneration Committee
Dr Maria Evans	
Neil Harris	
Sarah Harwood	
Niharika Jain	
Catherine McCallam	(resigned 11 November 2024)
Nicholas Makoha	(retired 27 November 2024)
Nabeela Rasul	(appointed 27 November 2024)
Jack Redfern	
Martha Sprackland	(appointed 27 November 2024)
Jonathan Teckman	Chair of Finance Committee from 1 November 2023
Rebecca Thompson	(appointed 27 November 2024)

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2023

Founders	John Fairfax and John Moat
Chief Executive Officer	Andrew Kidd
Chief Financial Officer and Operations Director	Richard Haseldine
Deputy Chief Executive Officer	Natasha Carlish
Artistic Director	Mary Morris
Company Secretary	Rosemary Scott (resigned 23 March 2023) Natasha Carlish (appointed 23 March 2023)
Other names used by the Charity	Arvon The Arvon Foundation
Our Writing Houses	Lumb Bank The Ted Hughes Arvon Writing House Heptonstall Hebden Bridge West Yorkshire HX7 6DF The Hurst The John Osborne Arvon Writing House Clunton Craven Arms Shropshire SY7 0JA Totleigh Barton Sheepwash Beaworthy Devon EX21 5NS
Website	www.arvon.org

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2023

Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors 110 Golden Lane London EC1Y 0TG

This document comprises the Trustees' annual report (incorporating the Directors' Report as required by company law) and the audited financial statements of The Arvon Foundation Limited for the year ended 31 December 2023.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements appear in the format required by the Companies Act 2006, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Statement of Recommended Practice for Accounting and Reporting by Charities Preparing their Accounts in Accordance with FRS 102 ("Charities SORP (FRS 102)").

About Arvon

The first Arvon writing course took place in Beaford, North Devon in 1968. It was taught and run by Arvon's founders, the poets John Fairfax and John Moat, with the original aim of providing time and space away from school for young people to write poetry. John Moat wrote that they were inspired to create Arvon as "a space where individuals, and in particular young, committed writers, could be given a sanctuary away from, as we saw it, the creative deprivation imposed by the system of standard education – and there offered . . . the guidance of experienced writers". The spirit and intentions of Arvon's founders remain as relevant and essential today as they were in 1968.

Objects of the Charity

The Arvon Foundation's objects are:

"to promote and assist in the advancement of education of students of educational establishments and others in the arts and crafts including the arts of poetry and literature, drama, music, dancing, mime, painting, sculpture and the graphic arts, and to extend and increase the appreciation, knowledge and understanding of such persons of the arts and crafts in all their forms."

The charity's primary activity to deliver its charitable objects is to provide residential and non-residential writing courses for individuals, schools and groups, led by highly respected authors, with a particular focus on courses relating to poetry, fiction, non-fiction writing and drama. Since its foundation in 1968, Arvon has supported the development of thousands of writers. We are the UK's "home for creative writing", where anyone, regardless of writing experience, can step away from their normal routine, immerse themselves in the creative process, be inspired by experienced writers and release their imaginative potential. We also provide a unique dedicated Writers' Retreat facility at The Clockhouse in the grounds of The Hurst in Shropshire.

These activities are described below.

Our Vision

We believe that writing can change lives for the better.

Creative writing allows us to harness our imagination and find our voice. It creates new possibilities, new ideas, new futures. It unlocks our potential, our empathy and our hope. And we are keen to share this opportunity with as many people as possible.

Our Mission

Arvon's mission is to be the UK's home for creative writing, where anyone, regardless of writing experience, can benefit from the transformative power of writing.

Our Values

INCLUSIVE: Everyone is creative. We make spaces that are open to all, where anyone, regardless of writing experience, feels welcome and included as part of a community of writers.

INSPIRING: Step away from the routine, be inspired by writers and Arvon's beautiful locations and unlock your imaginative potential. Arvon is a place for contemplation, challenge and going beyond what you thought you were capable of achieving.

SUPPORTIVE: Creative writing is a craft that can be learnt, through guidance from experts, and through the peer support that comes from creative friendships with fellow writers. At Arvon writers teach writers, and everyone encourages each other to become a better writer.

TRANSFORMATIVE: Immersing yourself in creative writing nourishes the imagination, can deepen the connection to self and to the world, and can lead to dramatic change and progress.

Our Artistic Offer

Arvon's main programme of work comprises eight strands of activity, as articulated in its Business Plan for 2023–25:

Open Programme: Residential

The Open Programme: Residential is a year-round offer of mostly five-day tutored residential creative writing courses at our three writing houses located in Devon, Shropshire and Yorkshire.

The Open Programme is intended for writers from all ranges of experience and backgrounds aged 18+ and is open to bookings from the general public. Courses have a maximum capacity of between 14 and 16 participants. Grants are available to help people on a low or no income. Starting to Write courses are intended for beginner writers; our Work-in-Progress, Preparing for Publication and Completing a Collection courses, as well as our retreats, are intended for more experienced writers. All remaining courses (which comprise the bulk of the offer) are intended for mixed abilities and cover multiple genres.

Trustees' annual report

For the year ended 31 December 2023

Every course is tutored by published writers chosen for their expertise and their ability to share their skill and knowledge of the craft of writing. We have a pool of tutors that we are constantly refreshing with new writers, as new genres emerge in the world of literature, and as emerging writers mature. Each year, we have provided paid work for approximately 400 professional writers as tutors and guest readers through our residential programme.

Arvon at Home (Open and Learning programmes online)

Our virtual 'fourth house', Arvon at Home, offers a full programme of online courses that supplement both our open and learning programmes.

The Arvon at Home programme includes a year-round programme of Online Writing Weeks, Online Writing Days, Online Evening Courses (sustained engagement spread out over a number of weeks), Masterclasses and How I Write Sessions. We also offer online general and tailored workshops for students and young people, as well as online masterclasses and writing weeks via Learning and Participation partnerships.

Arvon at Home, which started in spring 2020, has dramatically increased and improved access to Arvon, and we now engage over 500 freelance professional writers each year.

Retreats

The Writers' Retreat at The Clockhouse, which is located on our Shropshire site – The Hurst estate – is a resource for talented writers looking to further their writing independently, without facilitation from a tutor. It is designed to provide everything a writer needs to be as productive as possible. The building is able to accommodate up to four writers at a time and is fully catered and independent of the main house.

Mentoring and Online Support

Arvon offers mentoring and support as part of our commitment to talent development.

This strand includes:

- Partnerships with regional, national and international competitions and talent development programmes such as SI Leeds Literary Prize, Commonword's Diversity Young Adult Fiction Prize, Obsidian, New Writing North, Foyle Young Poets and Africa Writes
- Arvon 1-1: one-to-one online tutorials and mentoring
- Online writing advice for Arvon Friends membership

Residential Courses with Schools and Under-18s

Arvon hosts five-day residential creative writing courses for primary and secondary schools at the three Arvon writing houses. We work to raise funds to subsidise visits by state schools in areas of disadvantage across England and aim to build sustained relationships with schools, encouraging continued work in the classroom and enrichment activities. Ages range from 10 to 18, with occasional multi-year projects. In 2020, we also piloted online writing workshops for Children and Young People. These have now been embedded in our core offer, with online workshops now offered at no charge to schools and individuals. The workshops are also offered as recorded

versions in our online Learning Resources Library to make them available for classroom use at a teacher's convenience.

Residential Courses with Partner Organisations

Arvon hosts residential creative writing courses for community and arts organisations, particularly those supporting young people and adults who are vulnerable or marginalised. We collaborate with partners to raise funds to support participation in a residential week.

This strand has included:

- Multi-year partnerships with e.g. Foyle Young Poets, Apples and Snakes and First Story, supporting talented young writers;
- Work with men leaving prison, asylum seekers and survivors of/people bereaved by the Grenfell Tower fire;
- Work with young people in care through Virtual Schools across several London boroughs; and
- Start360, which supports vulnerable young people with complex needs in Northern Ireland.

Arvon Live

Arvon Live evolved from a former initiative, Arvon City, and from what we have learned through the creation of Arvon at Home. Arvon Live days recreate our online Masterclasses and How I Write sessions in a live setting, with up to 50 participants. Arvon Live is integral to our plans to amplify Arvon's community engagement, particularly in relation to our 'Arvon North' strategy for the redevelopment of Lumb Bank (which closed for redevelopment in spring 2024). Other community outreach initiatives include Open Days at Lumb Bank and The Hurst and writing workshops near each of the three houses, as well as one-day visits by schools groups and other partners.

Professional Development (including research projects)

Arvon supports writers and teachers of writing to develop their practice. This strand includes: Arvon Tutor Development – a programme of learning and development for both new and established writing tutors; and also opportunities for Teacher Development, via Arvon's Learning Programme and by offering Open Programme grants for teachers.

Structure, Governance and Management

The Arvon Foundation Limited is a charitable company limited by guarantee without share capital, incorporated on 13 December 1972 and registered as a charity on 28 March 1973.

The Memorandum of Association and Articles of Association of The Arvon Foundation Limited form the governing documents of the charity.

Method of Appointment and Election of Trustees

The management of the charitable company is the responsibility of the body of trustees, referred to as the "Board of Trustees" (or as the "Council of Management" in the governing documents of the charitable company). Trustees are selected with a view to ensuring an appropriate mix of backgrounds, skills and expertise. An Appointments and Remuneration Committee advises the Board on the selection and recruitment of new trustees and may recommend various methods of recruitment including public advertisement.

Trustees are elected by the Board for a period of four years and have the option of stepping down or putting their name forward for re-election for a further four-year period in accordance with the Articles of Association and the procedures agreed by the Board.

The trustees who served during the year and up to the date of this report are shown on page 1.

Policies adopted for the Induction and Training of Trustees

All trustees are issued with the Charity Commission booklet setting out the duties and responsibilities of trustees. New trustees also receive an Induction Guide, which includes the Memorandum and Articles of Association, the latest Trustees' Annual Report and Financial Statements, management accounts and other briefing documentation explaining Arvon's organisational structure and practices. Trustees are invited to make visits to a writing house while a course is running. Training is offered to trustees where appropriate, either individually or collectively.

The induction and ongoing training of trustees is reviewed regularly with a view to enhancing their skills and knowledge relating to charity affairs.

Board and governance reviews are carried out from time to time.

Public Benefit

The trustees confirm that they have complied with the duty set out in section 17(5) of the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission when exercising any powers or duties to which the guidance is relevant. The review of objectives and activities set out below gives examples of how Arvon has furthered its charitable purposes for the public benefit.

Organisational Structure and Decision Making

The Board meets at least four times per year and receives reports from the Executive and trustee committees:

- Finance Committee
- Properties Committee
- Appointments and Remuneration Committee

The charity's staff team is led by the Executive, which comprises:

- The Chief Executive Officer
- The Chief Financial Officer and Operations Director
- The Deputy Chief Executive Officer
- The Artistic Director

Each of the three writing houses is managed by a Director or Co-directors, who are responsible for the management of the house and are supported by a Deputy Director, a House Administrator and House Managers. Part-time housekeeping and gardening/groundskeeping staff are also employed at the writing houses. Our digital 'Fourth House', Arvon at Home, is overseen by two Co-directors.

The Chief Executive Officer, the Chief Financial Officer and Operations Director, the Deputy Chief Executive Officer, the Artistic Director, the House Directors/Co-directors, together with the Head of Development and the Head of Communications and Marketing form the Leadership Team. The Leadership Team meets on a regular basis throughout the year.

The Company Secretary is appointed by the Board of Trustees and is normally one of the members of the Executive/Leadership Team.

The charity's fundraising, communications, finance and central administration staff comprise the 'National Team' and all work remotely and/or (from May 2023) at The Exchange in Somerset House, London. Arvon's leased National office space at Clerkenwell Workshops in London was vacated in May 2023.

Remuneration Policy

The Appointments and Remuneration ('A&R') Committee is responsible for overseeing the process of setting the remuneration of the Chief Executive Officer ('CEO') on behalf of the Board of Trustees. When the Chair of Trustees has completed the CEO's annual appraisal, he or she puts forward a proposal for discussion to the trustee members of the A&R Committee. The Committee considers the proposal of the Chair, taking into account relevant factors including performance, any updates to the CEO's job description and current market rates for CEOs in comparable arts sector organisations. The A&R Committee then forwards its recommendation to the Finance Committee, which considers the proposal in the light of the broader budgetary context. If the Finance Committee endorses the salary recommendation, it is presented to the full Board of Trustees for approval.

The CEO is responsible for overseeing the remuneration of all other employees, in particular for the annual salary review which is an important element of the annual budget setting process. As part of this process, the Chief Financial Officer makes a proposal for salary increases (with the exception of his own, which the CEO considers separately), taking into consideration inflation and other cost of living increases, staff retention, opportunities for staff progression, recognition of changes in responsibility, staff overall remuneration and benefits, Arvon's financial circumstances and the wider economic and political environment. The outcome of the salary review is incorporated into the proposed organisational budget, which is presented to the Finance

Committee for its consideration. The Finance Committee then makes a recommendation to the Board, normally at its November meeting, for implementation from the beginning of the next financial year in January.

Related Party Relationships

The charity has no current related party relationships except those with the trustees, other key management personnel and their close family members. (Related party transactions, including those with trustees who act as tutors or guest speakers on Arvon courses, are disclosed in notes 8 and 10 to the Financial Statements.)

Risk Management

The trustees have implemented a risk management policy which identifies all significant risks the organisation faces and proposes measures to mitigate those risks and the potential harm arising from them.

The Executive produces a risk register for the organisation and reports to the Finance Committee quarterly on the major risks to the organisation that have been identified, and on measures in place or planned in order to manage and mitigate those risks.

The Board of Trustees formally reviews the risks and mitigating measures at least annually. Risks assessed relate primarily to finance and assets, operations and the reputation of the charity. Key risks include: the potential failure to fundraise sufficient funds in order to achieve the charity's objectives; an erosion in the quality of accommodation provided at the writing houses or a failure to continue to meet the expectations of users in this regard; a substantial drop in the occupancy rate of Arvon's courses; the potential loss or significant reduction of Arts Council England funding in the future; or other factors leading to a material erosion of the charity's free reserves.

Proposed mitigating actions include: maintaining adequate reserves and healthy cashflow (see 'Reserves Policy' section below); avoiding becoming over-reliant on fundraising; developing long-term strategic plans for developing/upgrading the writing houses; plans for effective ongoing property maintenance, and implementation of strong safeguarding and health and safety procedures at all four of our houses.

Arvon's Business Plan 2023–25

Arvon's business plan for the period in question spells out four key aims:

1. To broaden and enrich our offer to writers by defining and further developing three distinct channels for delivery: residential, online and community
2. To increase Arvon's accessibility for people from all backgrounds, addressing any remaining barriers to engagement, whether related to race, gender, disability, financial circumstances, caring responsibilities or geography, both in terms of our programme and within our approach to governance and recruitment

3. To increase Arvon's financial resilience, enabling us to be as dynamic and innovative as possible in enriching and expanding our offer
4. To advance our plans to redevelop Lumb Bank, creating a fit-for-purpose northern hub for writers that has sustainability at the heart of its design and is emblematic of Arvon's commitment to making environmental responsibility its priority in all aspects of its estate management (construction began in April 2024).

Aims and Activities for 2023

In 2023, Arvon enjoyed its first full year of operating in post-pandemic conditions, with plans for offering a full programme of residential and online activities. The results, in detail, were as follows.

1. TO BROADEN AND ENRICH OUR OFFER TO WRITERS BY DEFINING AND FURTHER DEVELOPING THREE DISTINCT CHANNELS FOR DELIVERY: RESIDENTIAL, ONLINE AND COMMUNITY

Open Programme

Over the course of 2023 Arvon offered a range of activity across these strands, with total activities and attendance as follows:

- 90 Arvon open residential writing weeks – total attendance: 1,108
- 22 Arvon online 'How I Write' Sessions – total attendance: 1,347
- 48 Arvon online Masterclasses – total attendance: 3,550
- 23 Arvon online Writing Weeks – total attendance: 228
- 7 Arvon online Writing Days total attendance: 204
- 9 Arvon online five-week Evening Courses – total attendance: 106
- 35 Arvon online 1:1s

Because Arvon's 'How I Write' sessions and Masterclasses have no caps on numbers, we have been able to continue offering an Arvon experience to a much larger audience (at much more affordable price points) than we did before 2020.

Our dedicated retreat space, The Clockhouse, offered writing development opportunities to 156 individuals in 2023.

Finally, over 2023 we were able to offer short-term engagements to over 500 self-employed writers.

Mentoring and Online Support

In 2023 we continued to run our Arvon one-to-one offer, as well as expanding our overall tutored online writing provision, which includes one-to-one tutorials as part of the Online Writing Weeks and Online Evening Courses, and in 2023 we engaged 300 people with one-to-one online provision.

We also added a steady stream of new writing tips and exercises for Arvon Friends.

Learning and Partnerships programme

2023 saw varied and rich delivery of Arvon's celebrated Learning and Partnerships programme, with a full complement of residential and online offers. Because funding for the Learning and Partnerships programme remains more challenging than it was before 2020, it has compelled the L&P team to become more innovative about the ways in which Arvon engages, with e.g. one-day schools visits now being wholly integrated into the programme, enabling us to reach more young people than the residentials alone allow, at a more affordable price point.

Highlights included a residential week in partnership with St Augustine's Centre, an organisation working with refugees and asylum-seekers in Calderdale, including several participants from Ukraine. We were pleased to continue our partnership with Virtual School groups in London with two residential weeks for young people in care. A new partnership saw school ambassadors from the Anne Frank Trust participate on an Arvon residential course for the first time. We also piloted six day visits for local state school to attend Arvon's rural writing houses and extended our partnerships with the Obsidian Foundation and the Charleston and Hay festivals.

Our Learning Resource Library now has 41 pre-recorded workshops.

Arvon's L&P programme is overseen by our Learning and Partnerships Manager, who works closely with the Artistic Director and a team of individuals from across the organisation to steer this vitally important part of our work.

Community

Arvon continued to expand its community engagement in 2023, running a further series of Arvon Live days, with up to 50 participants per session. These occurred in all three regions where our houses are located. As previously noted, Arvon Live is integral to our plans to amplify Arvon's community outreach, particularly in relation to 'Arvon North'. Other community outreach initiatives in 2023 included Open Days at Lumb Bank and The Hurst and writing workshops and one-day school engagements at all three locations.

We also continued to partner with other organisations in a number of high-profile writing competitions during 2023, offering winners the chance to participate in an Arvon course. These included: Foyle Young Poets, run by The Poetry Society; The SI Leeds Prize for Black and Asian Women Writers; a partnership with the Obsidian Foundation; and The Northern Writers Awards.

2. TO INCREASE ARVON'S ACCESSIBILITY FOR PEOPLE FROM ALL BACKGROUNDS, ADDRESSING ANY REMAINING BARRIERS TO ENGAGEMENT, WHETHER RELATED TO RACE, GENDER, DISABILITY, FINANCIAL CIRCUMSTANCES, CARING RESPONSIBILITIES OR GEOGRAPHY, BOTH IN TERMS OF OUR PROGRAMME AND WITHIN OUR APPROACH TO GOVERNANCE AND RECRUITMENT

Equality Action Plan and Audience Development Plan

We continued to increase the diversity of our audience in 2023, focusing on our target groups, and since the start of the pandemic we have made significant progress against a number of metrics, with targets significantly exceeded for writers of colour and disabled writers. The low-income

participant target was also exceeded, with the most persistently challenging target remaining attracting young people to our open programme: a challenge we continue to address with innovative marketing and partnership strategies.

With our online How I Write sessions free-to-access (with an option to donate to Arvon) and our most costly digital offer – our Online Writing Weeks – still priced at less than 50% of the cost of a Residential Writing Week, Arvon at Home enables us to continue making our offer more accessible to those with traditional barriers to access, be they financial, circumstantial or geographical.

Over the last three years we have continued to develop partnerships with diverse-led organisations, as noted above. One highlight in 2023 was an expanded partnership with Obsidian, with over 340 people attending 8 sessions of our Black Poets Masterclass series.

Grants and financial assistance

A fundamental part of the public benefit of Arvon's work is an objective that our activities remain open to all and that no-one is prevented from attending one of our courses by a lack of financial means. To this end, we provide substantial subsidies for individuals and community organisations who would otherwise be unable to afford our courses, through our Grant Fund. These subsidies are funded in part by Arvon and in part by fundraising from charitable trusts and foundations, corporate donors and individuals. In 2023, Arvon's bursary scheme was renamed in affectionate memory of David Pease, Arvon's National Director from 1973 to 2000.

In 2023, we awarded £38,495 in bursaries to 59 individuals through our main bursary programme, the David Pease Grant Fund (down from £49,960 in bursaries to 84 individuals in 2022, a figure inflated by carry over from the pandemic period). We also continued to offer self-identifying concessions across the Open programme, benefiting hundreds of individuals on low incomes.

We will continue to work to secure more funds to support our commitment to provide opportunities to writers on low incomes.

3. TO INCREASE ARVON'S FINANCIAL RESILIENCE, ENABLING US TO BE AS DYNAMIC AND INNOVATIVE AS POSSIBLE IN ENRICHING AND EXPANDING OUR OFFER

Development of new income streams

In 2022, Arvon at Home was confirmed as a permanent part of Arvon's offer, providing its first-ever significant additional (and scalable) income stream. In 2023, we put in place plans for the launch of Arvon's first Advanced Writing Programme, offering 15 individuals sustained engagement with Arvon over a two-year period, and three Arvon tutors sustained (and substantial) income. The Programme commences in September 2024.

Fundraising

Arvon prioritises the development of its fundraising capability and opportunities for income diversification to secure long-term financial sustainability, by continuing to build strong relationships with donors and via our longstanding relationship with Arts Council England as a

National Portfolio Organisation. Arvon is grateful to Arts Council England, all trusts and foundations and the many generous individual donors for their valuable support each year.

In November 2023, we 'soft-launched' Arvon's first Patrons Scheme, which targets individual giving, with drinks at the Chief Executive's home, on the back of which over £15,000 was raised, primarily in support of the Learning Programme. (This was followed in April 2024 with a more formal launch of the scheme, following which further contributions of over £30,000 have been raised in 2024.)

Additionally, in 2023 Arvon was awarded grants totalling £1.13 million towards the Lumb Bank redevelopment/Arvon North by five trusts and foundations: The Charlotte Aitken Trust, The Garfield Weston Foundation, The Foyle Foundation, The Unwin Charitable Trust and The Wolfson Foundation. (Of these grants, a total of £550,000 has been recognised as income in 2023; the remaining grants totalling £580,000 remained subject to certain conditions which had not been met as at the balance sheet date and accordingly have been treated as contingent assets as at 31 December 2023.) Having been awarded a grant of £725,000 in March 2022 towards the project as part of ACE's Capital Investment Programme (the largest award for a Northern based organisation in ACE's capital investment round) and having committed £275,000 from Arvon's own resources to the project, we were able to commence the construction phase in April 2024. (As at 31 December 2023 the Capital Investment Programme grant from ACE remained subject to the fulfilment of certain conditions; therefore this grant has not been recognised as income in either 2022 or 2023, but is treated as a contingent asset.)

Environmental sustainability

Arvon pursues an ambitious sustainability policy in relation to the environmental impacts of its activity at all levels of the organisation. We are committed to reducing our environmental 'footprint', particularly in the way we run our houses and courses. This agenda also supports long-term aims to strengthen the financial sustainability of the organisation and present an ethos consistent with the values we espouse through our artistic work.

Our key current priorities are to: improve land management; increase sustainable sources of heating and power; reduce waste; and obtain food for our houses from sustainable, local sources, including growing some of our own produce. We monitor our performance closely, using methods established by Julie's Bicycle for Arts Council England.

Throughout 2020 and 2021, we participated in Arts Council England's Environmental Accelerator Programme as an 'Accelerator Peer' with Julie's Bicycle, and in 2023 we continued to engage with the programme, turning our attention to putting in place policies that will effect significant improvements on our impact going forward.

4. TO ADVANCE OUR PLANS TO REDEVELOP LUMB BANK, CREATING A FIT-FOR-PURPOSE NORTHERN HUB FOR WRITERS THAT HAS SUSTAINABILITY AT THE HEART OF ITS DESIGN AND IS EMBLEMATIC OF ARVON'S COMMITMENT TO MAKING ENVIRONMENTAL RESPONSIBILITY ITS PRIORITY IN ALL ASPECTS OF ITS ESTATE MANAGEMENT

Arvon had long planned to make Lumb Bank, which now serves as Arvon's registered office location and de facto 'HQ', the subject of its next capital programme. These plans are now fully articulated in our vision for Arvon North, which will have positive impacts not just for Arvon and its attendees but also for the Calder Valley and, by extension, the North of England as a whole.

Having worked in 2021 with the prize-winning, Calderdale-based practice Gagarin Studio to take the project to RIBA Stage 3, Arvon made major strides with this project in 2022. Planning approval was granted in September 2022, and in spring 2023 RIBA Stage 4 (Technical Design) was commenced.

During 2023, as noted above, Arvon secured an additional £1.13 million in funding from five different trusts and foundations. On completion of RIBA Stage 4, a tender process was held in autumn 2023 to select the main contractor. Dobson Construction Limited was appointed as Contractor in March 2024 and RIBA Stage 5 (Construction) commenced in April 2024. Lumb Bank will reopen in mid-2025.

Evaluation and Assessment of Achievement of Objectives

Arvon uses a number of methods to assess the quality of its work and progress against its objectives:

We evaluate all our projects in order to demonstrate the impact and reach of our work and we continue to refine the information we gather.

For every course and retreat, and for our grant scheme, we ask for both feedback and equal opportunities data from course participants, tutors and staff. All of this data is collated and evaluated in-house, enabling us to rapidly respond to issues and to refine our offer accordingly. For some projects, we engage in extended evaluation to measure impact over time and this information is used to shape future activities.

We use key measures, including booking rates, numbers of schools and partnership courses run, plus demographic and equal opportunities information (particularly region, age, ethnic diversity and income levels) and levels of engagement online.

Financial Review

The Arvon Foundation's total income in 2023 was £2,599,973, compared to £1,724,246 in 2022, an increase of c. 51%. Income from donations (including grants) and legacies increased by around 92% from £581,646 to £1,118,804 in 2023, including restricted grants and donations totalling £550,100 towards the capital redevelopment project at Lumb Bank.

Trustees' annual report

For the year ended 31 December 2023

Income from fees paid for creative writing courses, masterclasses, tutorials and retreats increased for the third consecutive year, growing by approximately 24% from £1,118,741 in 2022 to £1,388,837 in 2023. By way of comparison, the figure for 2023 is 26% higher than the level of fee income earned from courses, retreats etc recorded in 2019, the last full financial year before Covid (£1,101,316).

We received a contribution to income of £15,240 in 2023 from royalties deriving from Arvon's copyright interest in the works of John Osborne (2022: £4,832).

We received the following grant income from Arts Council England and other public sector sources during the year:

	2023 £	2022 £
ACE National Portfolio funding	395,412	393,624
Local Authority Support Grants (Coronavirus)	–	10,667
Other Public Sector grants	–	7,367
Total public sector funding	395,412	411,658

Our total income from public sector sources (Arts Council England, central and local government) in 2023 of £395,412 was equivalent to c. 15% of total income (2022: £411,658, equivalent to c. 24% of total income).

The charity's total expenditure in 2023 was £2,286,228, compared to £2,257,598 in 2022, an increase of just over 1%. Staff costs (excluding training and recruitment) fell by around 1.3% from £1,109,287 to £1,094,625. Variable costs of residential courses and retreats (including tutor and guest fees) rose from £494,015 in 2022 to £552,302 in 2023, while tutor and guest fees for the online programme increased moderately from £89,433 to £91,985. Property running and administrative costs for the writing houses increased from £126,070 in 2022 to £130,203 in 2023.

After net gains on investments of £998 (2022: net losses of £7,948), the charity recorded net income for the year of £314,743 (2022: net expenditure of £541,300). This figure was inclusive of net expenditure on unrestricted funds only of £141,386 (income of £1,913,341 plus net gains on investments of £998 less expenditure of £2,055,725), compared to net expenditure on unrestricted funds in 2022 of £388,166.

There were no transfers between restricted income funds and unrestricted funds in 2023 (2022: net transfers from restricted income funds to unrestricted funds of £982, and transfer of £319,665 from the Endowment fund to unrestricted funds).

Our total unrestricted funds have decreased by £141,386 to £735,112 (2022: £876,498). The balances on restricted income funds totalled £3,575,919 (2022: £3,119,790), which includes £3,134,034 (2022: £3,052,811) relating to our writing houses (land and buildings, including part of the 'asset under development' relating to the redevelopment of Lumb Bank).

Reserves Policy

Arvon's total funds of £4,311,031 at 31 December 2023 are made up of the following elements:

Restricted Funds totalling £3,575,919 at 31 December 2023. These are funds held for specific purposes. They include £3,134,034 held as Freehold Property which cannot be disposed of without adhering to certain conditions. The remaining £441,885 represents funds held for projects as stipulated by the donors or in accordance with restrictions on the use of investment income from the former Endowment Fund. Details of these are set out in note 19 to the Financial Statements.

Unrestricted Funds of £735,112 at 31 December 2023. These are made up of four elements:

- Designated Fixed Assets Fund of £360,617 at 31 December 2023. This is a fund which comprises the unrestricted funds held in fixed assets which cannot be utilised elsewhere in the charity in the short term. It includes part of the carrying value of the 'asset under development' relating to the redevelopment of Lumb Bank.
- Designated Lumb Bank Redevelopment Fund of £214,264 at 31 December 2023. This fund was created by a transfer from the Endowment fund as at 12 August 2022 of £275,000, representing the commitment by the trustees from Arvon's existing resources towards the cost of the Lumb Bank Redevelopment project, as reflected in the charity's funding agreement with Arts Council England under its Capital Investment Programme.
- Designated Property Maintenance Fund of £1,914 at 31 December 2023. This fund represents resources earmarked for necessary maintenance and improvements of the charity's freehold buildings and estates, and is also used to fund the replacement of vehicles owned by the charity.
- Free Reserves totalling £158,317 at 31 December 2023. These funds are intended, first, to allow Arvon to cope with unexpected events such as a sudden fall in income or major unanticipated expenditure without resort to disproportionate reduction in planned expenditure and, secondly, to allow Arvon stability and time to restructure in the event of a radical change to the funding of the organisation or serious misadventure.

The Trustees have previously set a target range for free reserves of 3–4 months of total expenditure from unrestricted funds. This is equivalent to a range of approximately £515,000 to £685,000 based on 2023 expenditure levels. The level of free reserves at 31 December 2023 of £158,317 is equivalent to approximately 0.9 months of expenditure from unrestricted funds (2022: 1.2 months). During the period of the Lumb Bank Redevelopment project, the Trustees decided to temporarily suspend the free reserves target range of 3–4 months of expenditure from unrestricted funds, and instead to set a floor of £150,000. Although the free reserves were above this level as at 31 December 2023, they declined in early 2024 and remained below the floor level throughout the year while Lumb Bank has been closed. Therefore, the Board instigated the

measures described below to reflate the reserves and to ensure that Arvon can continue to operate as a going concern.

A converted free standing former barn on Arvon's Hurst estate in Shropshire was put on the market for sale in the first quarter of 2024. Following a marketing process, a sale price of £299,000 was agreed subject to contract with a buyer in October 2024. Contracts were exchanged between Arvon and the purchasers and the sale transaction completed simultaneously on 11 February 2025. As a result of the successful sale, Arvon has realised net proceeds (after accounting for professional fees and commissions) of approximately £292,600. The charity's free reserves have been reflated, on a pro forma basis as at the beginning of 2025 and based on unaudited preliminary estimates for 2024, above £350,000.

In order to mitigate the risk of ongoing operating deficits and declining free reserves balances in future, Arvon also implemented a staff restructuring programme in 2024 to reduce the charity's fixed costs. Through a combination of voluntary and compulsory redundancies, non-replacement of certain roles vacated for other reasons and some voluntary reductions in working hours, payroll costs had been reduced by permanent annualised savings of over £84,000 by September 2024, with an additional saving of around £19,000 over nine months from September 2024 until the reopening of Lumb Bank.

Following completion of these actions, the trustees have reviewed the charity's income and expenditure budgets and cash flow forecasts for 2025 and the first half of 2026, including plans for the completion of the Lumb Bank capital redevelopment project and reopening of Lumb Bank in mid-2025. Based on these budgets and updated forecasts, the charity expects to have free reserves of approximately £350,000 as at the end of 2025. Following their review and an assessment of the key risks facing the charity, the trustees have a reasonable expectation that the charity has adequate resources to continue to operate as a going concern for the foreseeable future.

Investment Policy

Since 2017 Arvon's endowment fund had held £238,982 in the form of cash deposits following the closure of two investment funds in which the charity previously held shares. These cash deposits were held pending determination of a revised investment strategy, including consideration of whether the assets of the fund could be best deployed in developing the charity's own properties. The remainder of the endowment fund's assets remained invested in specialist charity common investment funds.

As part of the charity's strategy to redevelop Lumb Bank, the trustees committed to setting aside £275,000 of the capital held in the endowment fund as Arvon's contribution to the costs of the redevelopment. As set out in notes 1g) and 18 to the financial statements, the Charity Commission gave its consent to the resolutions passed by the Board of Trustees of Arvon, acting as the charity trustee of the endowment fund, to release the restrictions on the expenditure of capital in the fund. These resolutions took effect from 12 August 2022. The endowment fund continued to exist as a separate legal trust and to hold its cash and investment assets after that date. On 23

November 2022 the Board of Trustees of Arvon passed a written resolution to instruct that the investment funds held by the trust should be sold and that subsequently the endowment fund should be wound up by transferring its assets as cash to The Arvon Foundation. The investments were therefore disposed of in March 2023 and the winding up of the endowment fund was notified to the Charity Commission as a merger of the endowment fund with The Arvon Foundation.

Beginning in October 2023, the charity has held surplus cash balances, including funds raised in connection with the Lumb Bank Redevelopment project, in Notice Deposit accounts at Lloyds Bank in order to generate interest income whilst retaining easy access to the funds. As at 31 December 2023, just over £700,000 was held in such accounts.

Trustees' Liability

The trustees of the charitable company each undertake to contribute an amount not exceeding £1 to the assets of the charity in the event of a winding up while they are a member of the charitable company or within one year after they cease to be a member.

The total number of such guarantees at 31 December 2023 was 15 (2022: 19). The trustees are members of the charitable company but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Employee Involvement and Employment of the Disabled

Employees are consulted on issues of concern to them by means of regular staff meetings, including two full in-person staff meetings per year, and are kept informed on specific matters directly by senior management. The company carries out exit interviews for all staff leaving the organisation and regular appraisals.

Arvon has a clear equal opportunities policy and is committed to encouraging and enabling participation in all our activities, and employment, by the widest range of people, including disabled workers.

Statement of Responsibility in Relation to Fundraising

Arvon's trustees and senior managers take their responsibility to donors and compliance with laws and regulations relating to fundraising very seriously. Trustees oversee the overall approach and monitor standards of fundraising. Arvon's fundraising is performed by in-house fundraisers who are members of the Chartered Institute of Fundraising. Arvon does not use third party professional fundraisers or commercial participators. Arvon nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and Arvon received no complaints relating to its fundraising practice. Measures have been taken to ensure that Arvon manages all personal data in line with the General Data Protection Regulation.

Arvon has been registered with the Fundraising Regulator since November 2023.

Statement of Trustees' Responsibilities

The trustees, who are also the directors of The Arvon Foundation Limited for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare the annual report and financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which 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 Companies Act 2006. 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.

The trustees are not aware of any relevant audit information that has not been disclosed to the charity's auditors. The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP acted as auditor during the period under review. A resolution proposing the re-appointment of Sayer Vincent LLP was passed at a meeting of the Board of Trustees in January 2025.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 19 February 2025 and signed on their behalf by:

Patricia Cumper – Chair

Independent auditor's report

To the members of

The Arvon Foundation Limited

Opinion

We have audited the financial statements of The Arvon Foundation Limited (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Arvon Foundation Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

To the members of

The Arvon Foundation Limited

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 trustees' 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements

Independent auditor's report

To the members of

The Arvon Foundation Limited

or that had a fundamental effect on the operations of the charity from our professional and sector experience.

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company's members 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

20 February 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

The Arvon Foundation Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	Endowment £	2022 Total £
Income from:								
Donations and legacies	2	432,871	685,933	1,118,804	445,151	136,495	–	581,646
Charitable activities	3							
Creative writing courses and retreats		1,388,837	–	1,388,837	1,118,741	–	–	1,118,741
Investments	4	6,564	699	7,263	1,239	3,849	–	5,088
Other	5	85,069	–	85,069	18,771	–	–	18,771
Total income		1,913,341	686,632	2,599,973	1,583,902	140,344	–	1,724,246
Expenditure on:								
Raising funds	6	(166,255)	–	(166,255)	(141,166)	(8,624)	–	(149,790)
Charitable activities	6							
Creative writing courses and retreats		(1,888,077)	(230,503)	(2,118,580)	(1,826,546)	(281,035)	–	(2,107,581)
Other	6	(1,393)	–	(1,393)	(227)	–	–	(227)
Total expenditure		(2,055,725)	(230,503)	(2,286,228)	(1,967,939)	(289,659)	–	(2,257,598)
Net gains / (losses) on investments		998	–	998	(4,129)	–	(3,819)	(7,948)
Net income / (expenditure)	7	(141,386)	456,129	314,743	(388,166)	(149,315)	(3,819)	(541,300)
Transfers between funds		–	–	–	320,647	(982)	(319,665)	–
Net movement in funds		(141,386)	456,129	314,743	(67,519)	(150,297)	(323,484)	(541,300)
Reconciliation of funds:								
Total funds brought forward		876,498	3,119,790	3,996,288	944,017	3,270,087	323,484	4,537,588
Total funds carried forward		735,112	3,575,919	4,311,031	876,498	3,119,790	–	3,996,288

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in notes 18–20 to the financial statements.

The Arvon Foundation Limited

Balance sheet

Registered company number: 1086582

As at 31 December 2023

Charity number: 306694

	Notes	£	Total 2023 £	£	Total 2022 £
Fixed assets:					
Tangible fixed assets	12		3,494,651		3,428,824
			3,494,651		3,428,824
Current assets:					
Debtors	14	128,329		120,107	
Investments	13	–		76,554	
Cash at bank and in hand	21	1,134,704		882,742	
			1,263,033	1,079,403	
Liabilities:					
Creditors: amounts falling due within one year	15	(446,653)		(511,939)	
Net current assets			816,380		567,464
Total net assets	17		4,311,031		3,996,288
The funds of the charity:					
Endowment fund	18		–		–
Restricted income funds:	19				
Tangible fixed assets: Restricted		3,134,034		3,052,811	
Other restricted income funds		441,885		66,979	
Total restricted funds			3,575,919		3,119,790
Unrestricted funds:	20				
Designated fund: Tangible fixed assets		360,617		376,013	
Designated fund: Lumb Bank redevelopment		214,264		266,204	
Designated fund: National Office rent deposit		–		5,857	
Designated fund: Property maintenance		1,914		30,543	
Free Reserves					
General funds		158,317		197,881	
Total Free Reserves		158,317		197,881	
Total unrestricted funds			735,112		876,498
Total charity funds	17		4,311,031		3,996,288

The financial statements were approved by the Board of Trustees on 19 February 2025 and signed on its behalf by:

Patricia Cumper
Chair

The Arvon Foundation Limited

Statement of cash flows

For the year ended 31 December 2023

	Note	2023 £	£	2022 £	£
Cash flows from operating activities:					
Net income / (expenditure) for the year (as per the statement of financial activities)		314,743		(541,300)	
Depreciation charges	6, 12	114,350		115,688	
(Gains) / losses on investments per the SOFA		(998)		7,948	
Dividends and interest from investments per the SOFA		(7,263)		(5,088)	
Losses on disposals of fixed assets	6	805		705	
Increase in debtors		(8,222)		(54,863)	
(Decrease) / increase in creditors		(65,286)		209,421	
Net cash provided by / (used in) operating activities			348,129		(267,489)
Cash flows from investing activities:					
Dividends and interest from investments per the SOFA		7,263		5,088	
Purchase of tangible fixed assets	12	(180,982)		(46,532)	
Proceeds from sale of investments	13	77,552		–	
Net cash used in investing activities			(96,167)		(41,444)
Change in cash and cash equivalents in the year			251,962		(308,933)
Cash and cash equivalents at the beginning of the year			882,742		1,191,675
Cash and cash equivalents at the end of the year	21		1,134,704		882,742

1 Accounting policies

a) Statutory information

The Arvon Foundation Limited is a charitable company limited by guarantee and is incorporated in England and Wales.

Its registered office address is Lumb Bank, Heptonstall, Hebden Bridge, West Yorkshire HX7 6DF.

b) Basis of preparation

The financial statements have been prepared in accordance with:

- The reporting requirements of the Companies Act 2006;
- The Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") (September 2015);
- 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102' ("Charities SORP (FRS 102)"), issued by the Charity Commission and the Office of the Scottish Charity Regulator in their role as the joint SORP-making body.

The financial statements have been prepared on the going concern basis (see note 1d) below).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Arvon Foundation Limited meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Board of Trustees is not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern.

In reaching this conclusion, the trustees have taken into consideration the reflation of the charity's free reserves following the successful sale of a free standing former barn on Arvon's Hurst estate in Shropshire in February 2025 which generated net proceeds of approximately £292,600. In addition they have taken account of the staff restructuring programme undertaken by the charity in 2024 to reduce fixed costs and have reviewed income and expenditure budgets and forecasts of cash flow, cash balances and free reserves for 2025 and 2026, prepared by the Executive, which demonstrate that the charity will be able to meet its liabilities as they fall due and continue in operation for the foreseeable future. Based on these forecasts (including budgets and cash flow forecasts for the remaining period of the Lumb Bank redevelopment project) and the available information on the charity's financial position and after making appropriate enquiries of management, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, in preparing the accounts the trustees continue to adopt the going concern basis of accounting, which assumes that the charity will continue in operation for a period of at least twelve months from the date of approval of these financial statements.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably. In the case of a donation, entitlement usually arises immediately on its receipt. In the case of a grant, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity. However, some grants contain terms or conditions that must be met before the charity has entitlement to the resources. Where grants or donations specify a time period within which the funds must be spent and the funds are received before the start of that period, then the income is deferred and only recognised in the statement of financial activities at the start of the relevant period.

1 Accounting policies (continued)

e) Income (continued)

Course and retreat income represents the value of the goods and services rendered to course and retreat participants during the year. Course and retreat fees are recognised in the accounts when the relevant course or retreat takes place. Where they relate to a course or retreat taking place in the following financial year, the income is deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Gift Aid recoverable from HMRC in relation to donations recognised in the year is included in income on an accruals basis where there is a valid Gift Aid declaration from the donor.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made; or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Interest receivable

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

The Endowment fund ('EF') was a trust established under a separate trust deed whose assets were invested to generate income in order to provide bursaries to participants on Arvon courses on low incomes who would not otherwise be able to afford the full cost of a course. The EF was established in 1993 as a permanent endowment. The Arvon Foundation Limited was the sole corporate trustee of the EF. On 11 May 2022 the Board of Trustees of Arvon, acting as charity trustee of the EF, passed written resolutions (i) to fully align the charitable objects of the EF with those of Arvon and (ii) to free the capital within the EF from the restrictions on its expenditure, pursuant to Section 282 of the Charities Act 2011. The Charity Commission confirmed that their consent to the above resolutions came into legal effect on 12 August 2022 and that from that date the capital of the EF can be spent as if it were income.

Therefore, with effect from 12 August 2022 the EF is no longer classified as permanent endowment and the assets held within the EF at that date were transferred to unrestricted funds. This comprised a transfer of £275,000 to the designated 'Lumb Bank Redevelopment' fund and a transfer of £44,665 to 'General funds'. The EF continued to exist as a separate legal trust and to hold these assets after that date. On 23 November 2022 the Board of Trustees of Arvon, acting as charity trustee of the EF, passed a written resolution to instruct that the investment funds held by the trust should be sold and that subsequently the EF should be wound up by transferring its assets as cash to The Arvon Foundation. The investments were disposed of in March 2023 and the winding up of the EF was notified to the Charity Commission as a merger of the EF (linked charity number 306694-1) with The Arvon Foundation (charity number 306694-0), with a transfer date of 8 March 2023. The merger was registered by the Charity Commission on 16 May 2023 and the EF was removed from the Register of Charities.

Restricted income funds can only be used for particular purposes (within the objects of the charity) specified by the donor or grantor or the terms of an appeal. Expenditure which meets these criteria is charged to the relevant fund.

1 Accounting policies (continued)

g) Fund accounting (continued)

Designated funds are unrestricted funds of the charity set aside out of the general funds by the trustees for specific purposes or projects for the furtherance of particular aspects of the charity's objects, but over which the trustees retain full discretion. Designated funds include the unrestricted tangible fixed asset fund, representing the carrying value of those of the charity's tangible fixed assets which are not held in restricted funds.

General funds comprise the funds which are available to be used for any purpose within the charity's objects.

h) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is reported on an activity basis, as required by Charities SORP (FRS 102). This involves identifying the total cost of an activity, including direct, shared and indirect (or support) costs. Expenditure is classified under the following activity headings:

- Expenditure on raising funds relates to the costs incurred by the charity in seeking voluntary contributions from third parties, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering creative writing courses, retreats and other educational and research activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is not separately analysed and is included as a cost against the activity for which the related expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs, including relevant staff costs, which are not directly attributable to activities for raising funds or charitable activities, are allocated to those categories on a basis consistent with the use of resources. Support costs include:

- Governance costs;
- Costs of the Finance function, including financial accounting, banking, budgeting, payroll management and day-to-day financial administration;
- Human resources management, recruitment, central office, general and administration costs;
- Costs of central information technology resources and telecommunications;
- Costs of general communications and marketing, including distribution of information about the aims, objectives and projects of the charity to potential beneficiaries and course participants;
- Senior general management (where not allocated as a direct cost to specific activities) and other central costs;
- Depreciation charges in relation to tangible fixed assets; and
- Losses on disposals of fixed assets.

Governance costs are those associated with the governance arrangements of the charity, including external audit, general legal advice for the trustees and costs associated with constitutional and statutory requirements and ensuring proper public accountability, e.g. the costs of preparing statutory accounts. Governance costs include any costs associated with the strategic as opposed to day-to-day management of the charity's activities and the cost of charity employees in respect of their time when involved in and preparing for meetings with trustees.

1 Accounting policies (continued)

i) Allocation of support costs (continued)

Depreciation charges and losses on disposal of fixed assets are allocated in full as support costs to 'charitable activities: creative writing courses and retreats' to reflect the way in which the charity's tangible fixed assets are employed. Non-capitalised costs relating to the Lumb Bank Redevelopment project in the prior year were also fully allocated as support costs to 'charitable activities: creative writing courses and retreats'. Other support costs, including governance costs, are re-allocated to each of the principal activities on the following basis which is an estimate, based on approximate relative proportion of direct costs incurred, of the amount attributable to each activity:

▪ Cost of raising funds	7.5% (prior year: 7%)
▪ Creative writing courses and retreats	92.5% (prior year: 93%)

j) Operating leases

Property lease rentals, which are reviewed annually to adjust for general inflation, are charged to the statement of financial activities in line with the amounts payable for the year. Other rentals paid under operating leases are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Tangible assets are capitalised if their initial cost is £500 or greater. Depreciation costs are allocated as support costs to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Freehold buildings* (excl. replacement roofing as below)	50 years
▪ Replacement roofing, excluding thatch (within Freehold buildings)	20 years
▪ Thatch roofing (within Freehold buildings)	15 years
▪ Motor vehicles	5 years
▪ Fixtures, fittings, plant and machinery	5 years
▪ Computers and other office equipment	4 years

* Land is not depreciated.

The tangible fixed asset category 'Asset under development' relates to the capitalised costs of professional fees (including architects' and cost consultants' fees) and other charges incurred in 2021 (preparation of designs up to RIBA Stage 3 and the preparation of a statutory planning application) and 2023 (preparation of detailed designs up to RIBA Stage 4) in respect of the capital redevelopment of Lumb Bank. The charity has begun the main construction phase of the redevelopment project in 2024. No depreciation is charged on the 'Asset under development'.

l) Fixed asset investments / Current asset investments

Investments in quoted collective investment funds are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Realised gains and losses are accounted for by reference to the sale proceeds and either the market value at the previous balance sheet date, or the cost of purchase, if later. Unrealised gains and losses are calculated by comparing the market value at the previous balance sheet date, or cost of purchase, if later, to the year end valuation. Any gain or loss arising in the period is shown under the heading "Net gains/(losses) on investments" in the statement of financial activities. Changes in fair value of investments held in the Endowment fund are shown as movements within the Endowment fund. Unrealised losses on investments held in unrestricted funds are charged to 'General funds'.

1 Accounting policies (continued)

l) Fixed asset investments / Current asset investments (continued)

The trustees originally intended to dispose of the charity's investments in collective investment funds in the second half of 2022, in order to help fulfil the commitment under Arvon's funding agreement with Arts Council England to contribute £275,000 towards the planned redevelopment of Lumb Bank. Therefore, the fair value of investments held was reclassified on the balance sheet from "Fixed asset investments" to "Current asset investments" as at 31 December 2021. The disposal of these investments was actually completed in March 2023.

The charity does not acquire put options, derivatives or other complex financial instruments.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Creditors also include deferred income.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

o) Pensions

The amounts charged to the statement of financial activities for defined contribution pension schemes represent the employer contributions payable in the period.

2 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Arts Council England: National Portfolio Funding	395,412	–	395,412	393,624	–	393,624
Local Authority Support Grants (Coronavirus)	–	–	–	10,667	–	10,667
Other Public Sector grants	–	–	–	–	7,367	7,367
Grants from trusts and foundations	–	619,600	619,600	–	63,500	63,500
Friends Scheme (including Angels)	28,191	–	28,191	28,389	–	28,389
Other donations	4,303	61,103	65,406	4,783	62,937	67,720
Gift Aid reclaimed / recoverable	4,965	5,230	10,195	6,638	2,691	9,329
Donated goods, facilities and services	–	–	–	50	–	50
Legacies	–	–	–	1,000	–	1,000
	432,871	685,933	1,118,804	445,151	136,495	581,646

In 2022 Arts Council England awarded the charity a grant of £725,000 towards the redevelopment of Lumb Bank under its Capital Investment Programme. As at the balance sheet date the grant remained subject to fulfilment of certain conditions including those relating to fundraising from other sources and confirmation of the final contract sum for the project. It will be paid by Arts Council in instalments subject to submission of periodic payment requests evidencing actual costs incurred during the project, with the final 10% of the grant to be paid only on practical completion of the building works. Therefore, the grant is not recognised as income in either the prior year or the current year, but is treated as a contingent asset.

The charity was also awarded grants by other funders during the year towards the Lumb Bank capital redevelopment project where payment of the grants remained subject to certain conditions which had not been met as at the balance sheet date. These are: The Foyle Foundation (grant of £150,000); The Garfield Weston Foundation (grant of £150,000), and The Wolfson Foundation (grant of £130,000). These grants are all treated as contingent assets as at 31 December 2023. The Charlotte Aitken Trust awarded a grant of £200,000 to the charity during the year, of which the first instalment of £50,000 was paid and recognised as income in August 2023 (see note 19). The remaining £150,000 of this grant award is treated as a contingent asset at the balance sheet date and is not recognised as income in the year.

3 Income from charitable activities

	2023 Total £	2022 Total £
Fees for creative writing courses, retreats, masterclasses, tutorials and live writing events (including online programme)	1,388,837	1,118,741
Total income from charitable activities	1,388,837	1,118,741

All income in the current and prior year was unrestricted.

4 Income from investments

	Unrestricted funds £	Restricted funds £	2023 Total £	Unrestricted funds £	Restricted funds £	2022 Total £
Bank interest	6,564	–	6,564	1,239	1,603	2,842
Dividends	–	699	699	–	2,246	2,246
	6,564	699	7,263	1,239	3,849	5,088

5 Other income

	2023 Total £	2022 Total £
John Osborne royalties (gross of agent's commission)	15,240	4,832
Government Renewable Heat Incentive payments (The Hurst)	27,884	–
Private lettings (including holiday lettings)	4,350	579
Insurance claims	–	2,458
Other miscellaneous income	37,595	10,902
	85,069	18,771

All income in the current and prior year was unrestricted.

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2023

6a Analysis of expenditure (current year)

		Charitable activities		Support costs			
	Costs of raising funds	Creative writing courses, retreats, masterclasses and tutorials	Other expenditure	Governance costs	Other support costs	2023 Total	2022 Total
	£	£	£	£	£	£	£
Residential courses: tutor and guest fees	-	311,647	-	-	-	311,647	287,707
Residential courses: tutor and guest expenses	-	54,756	-	-	-	54,756	44,976
Residential courses/retreats: other variable costs	-	185,899	-	-	-	185,899	161,332
Writing Houses: repairs and maintenance*	-	40,329	-	-	-	40,329	64,501
Writing Houses: admin and property running costs**	-	130,203	-	-	-	130,203	126,070
Learning Programme (non-resid): tutor/mentor fees and other costs	-	8,752	-	-	-	8,752	12,233
Arvon Live / Community Outreach: tutor fees and other project costs	-	5,247	-	-	-	5,247	5,786
Arvon at Home (online programme): tutor and guest fees	-	91,985	-	-	-	91,985	89,433
Arvon at Home (online programme): other costs	-	11,527	-	-	-	11,527	6,909
Lumb Bank Redevelopment: project costs (non-staff)	-	-	-	-	-	-	10,266
Fundraising: non-staff costs	4,451	-	-	-	-	4,451	1,424
Marketing and communications: non-staff costs	-	-	-	-	16,213	16,213	21,552
Staff costs (note 8)	112,711	598,730	-	31,896	351,288	1,094,625	1,109,287
Staff training and professional development	-	1,721	-	-	-	1,721	10,016
Staff recruitment	-	1,457	-	-	252	1,709	1,372
Staff travel and subsistence	-	6,014	-	-	7,718	13,732	12,209
National: central admin and office costs***	4,438	4,415	-	-	105,297	114,150	106,270
Insurance	-	-	-	2,811	44,191	47,002	42,667
Audit fees (see note 7)	-	-	-	16,200	-	16,200	16,320
Fees for legal and professional services and consultancy	-	-	-	-	18,480	18,480	10,222
Trustee meeting costs, incl. travel and accommodation	-	-	-	1,052	-	1,052	426
Agent's commission on royalties	-	-	1,393	-	-	1,393	227
Losses on disposals of fixed assets (note 7)	-	-	-	-	805	805	705
Depreciation charges (note 7)	-	-	-	-	114,350	114,350	115,688
	121,600	1,452,682	1,393	51,959	658,594	2,286,228	2,257,598
Governance costs	3,897	48,062	-	(51,959)	-	-	-
Other support costs	40,758	617,836	-	-	(658,594)	-	-
Total expenditure 2023	166,255	2,118,580	1,393	-	-	2,286,228	2,257,598
Total expenditure 2022	149,790	2,107,581	227	-	-	2,257,598	

Notes:

* Includes non-payroll costs of grounds maintenance and forestry work.

** Includes Writing Houses office costs, IT, telecoms, fuel, water rates, non-staff gardening, business rates; excludes property repair and maintenance costs.

*** Includes office lease rental costs (to May 2023); central IT costs, including software and licences; IT support and consultancy; bank and merchant services / credit card charges; central costs of telecoms, postage and stationery.

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2023

6b Analysis of expenditure (prior year)

		Charitable activities		Support costs		
	Costs of raising funds	Creative writing courses, retreats, masterclasses and tutorials	Other expenditure	Governance costs	Other support costs	2022 Total
	£	£	£	£	£	£
Residential courses: tutor and guest fees	-	287,707	-	-	-	287,707
Residential courses: tutor and guest expenses	-	44,976	-	-	-	44,976
Residential courses/retreats: other variable costs	-	161,332	-	-	-	161,332
Writing Houses: repairs and maintenance*	-	64,501	-	-	-	64,501
Writing Houses: admin and property running costs**	-	126,070	-	-	-	126,070
Learning Programme (non-resid): tutor/mentor fees	-	12,233	-	-	-	12,233
Arvon Live / Community Outreach: tutor fees and other project costs	-	5,786	-	-	-	5,786
Arvon at Home (online programme): tutor and guest fees	-	89,433	-	-	-	89,433
Arvon at Home (online programme): other costs	-	6,909	-	-	-	6,909
Lumb Bank Redevelopment: project costs	-	-	-	-	10,266	10,266
Fundraising: non-staff costs	1,424	-	-	-	-	1,424
Marketing and communications: non-staff costs	-	-	-	-	21,552	21,552
Staff costs (note 8)	104,248	655,928	-	40,888	308,223	1,109,287
Staff training and professional development	-	4,552	-	-	5,464	10,016
Staff recruitment	805	45	-	-	522	1,372
Staff travel and subsistence	-	6,737	-	-	5,472	12,209
National: central admin and office costs***	5,265	9,213	-	-	91,792	106,270
Insurance	-	-	-	2,403	40,264	42,667
Audit fees (see note 7)	-	-	-	16,320	-	16,320
Fees for legal and professional services and consultancy	-	-	-	540	9,682	10,222
Trustee meeting costs, incl. travel and accommodation	-	-	-	426	-	426
Agent's commission on royalties	-	-	227	-	-	227
Losses on disposals of fixed assets (note 7)	-	-	-	-	705	705
Depreciation charges (note 7)	-	-	-	-	115,688	115,688
	111,742	1,475,422	227	60,577	609,630	2,257,598
Governance costs	4,240	56,337	-	(60,577)	-	-
Other support costs	33,808	575,822	-	-	(609,630)	-
Total expenditure 2022	149,790	2,107,581	227	-	-	2,257,598

Notes:

* Includes non-payroll costs of grounds maintenance and forestry work.

** Includes Writing Houses office costs, IT, telecoms, fuel, water rates, non-staff gardening, business rates; excludes property repair and maintenance costs.

*** Includes office lease rental costs; central IT costs, including software and licences; IT support and consultancy; bank and merchant services / credit card charges; costs of telecoms, postage and stationery.

7 Net income / (expenditure) for the year

This is stated after charging:

	2023 £	2022 £
Depreciation	114,350	115,688
Losses on disposals of tangible fixed assets	805	705
Property: rent on office lease (including irrecoverable VAT)	8,903	23,016
Auditor's remuneration (excluding VAT):		
Audit: current year	13,500	12,600
Audit: prior year under provision	-	1,000
	<u>114,350</u>	<u>115,688</u>

8 Staff costs and employee benefits, trustee remuneration and expenses

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	963,600	942,110
Employer's National Insurance contributions (social security costs)	81,497	82,604
Employer's contribution to defined contribution pension schemes	47,858	45,068
Agency staff	-	26,584
Redundancy costs	-	10,448
Other staff costs	1,670	2,473
Total	<u>1,094,625</u>	<u>1,109,287</u>

During the year there were two employees whose total employee benefits (excluding employer pension contributions) fell within the banding £60,000 to £69,999 (2022: two). Employer payments in the year to defined contribution pension schemes in respect of these employees totalled £6,524 (2022: £6,524).

The key management personnel of the charity consists of the Trustees and the Executive. The Executive comprises the Chief Executive Officer, the Chief Financial Officer & Operations Director, the Deputy CEO and the Artistic Director (also Director of Totleigh Barton). The total employee benefits including employer's pension and National Insurance contributions of the key management personnel (excluding trustees) in the year were £253,184 (2022: £256,292). (The figure for total employee benefits of key management personnel for 2022 disclosed in the prior year financial statements of £229,749 did not include employer's National Insurance contributions.) No staff loans were outstanding at the year end in relation to any employees (2022: none).

No member of the Board of Trustees was paid any remuneration or received any other benefits from an employment with the charity in the year (2022: none). One trustee (2022: one) received payment for professional or other services supplied to the charity, as permitted by its Memorandum of Association, totalling £735 (2022: £1,281). This includes payments for tutoring or being the guest speaker at Arvon courses.

Trustees' expenses, representing the payment or reimbursement of travel, accommodation and subsistence costs relating to attendance at meetings of the trustees and visits to the writing houses, totalled £1,052 (2022: £426) and were incurred by ten trustees (2022: eight).

Details of other transactions with trustees and connected parties of trustees are disclosed in note 10.

9 Staff numbers

The average monthly head count (number of staff employed) during the year, analysed between full-time and part-time staff, was as follows:

	2023 No.	2022 No.
Full-time staff	14.9	14.6
Part-time staff	29.3	30.1
Total average head count	44.2	44.7

The figures above include casual relief workers within part-time staff and one agency worker (part of the year, 2022 only) within full-time staff.

The average monthly number of full-time equivalent employees during the year, analysed by activity, was as follows:

	2023 No.	2022 No.
Raising funds	2.7	2.5
Charitable activities	19.0	19.1
Communications and marketing	1.8	1.9
Other support, central (including governance)	6.4	5.7
Total full-time equivalent employees	29.9	29.2

The figures above include casual relief workers within 'charitable activities' and one agency worker (part of the year, 2022 only) within 'other support, central'.

10 Related party transactions

Payments made to trustees in relation to professional or other services supplied to the charity and trustees' expenses are disclosed in note 8 above.

Aggregate donations from related parties (including trustees, members of the Leadership Team and their respective close family members) during the year were £4,035 (2022: £2,953), including Gift Aid claims outstanding at the year end of £807 (2022: £338). Of total donations of £4,035 from related parties, £3,763 was included in restricted income funds.

In March 2023 Arvon made a payment of £350 to Obsidian Foundation, founded and run by Arvon trustee Nicholas Makoha. This payment was bursary sponsorship for one participant on the 2023 Obsidian Foundation Retreat. We also offered all 50 Obsidian fellows free places for the Arvon/Obsidian Black Poets Masterclass Series; the offer was taken up by 16 individuals. In addition, we awarded one Obsidian participant a free place on an Arvon residential course and one participant a free place on an Arvon at Home online course. Obsidian Foundation is a one-week retreat for black poets of African descent selected by application who want to advance their writing practice led by five black acclaimed tutors.

11 Taxation

The charitable company is exempt from corporation tax as all its trading income beyond primary purpose trading falls below the small trading tax exemption limit and all of its income is applied for charitable purposes.

12 Tangible fixed assets

	Freehold land and buildings £	Asset under development £	Fixtures and fittings, plant and machinery £	Computers and other office equipment £	Motor vehicles £	Total £
Historical cost						
At the start of the year	4,542,127	47,047	132,710	61,406	10,593	4,793,883
Additions	–	165,366	7,449	3,222	4,945	180,982
Disposals	–	–	(110)	(5,323)	(10,593)	(16,026)
At the end of the year	<u>4,542,127</u>	<u>212,413</u>	<u>140,049</u>	<u>59,305</u>	<u>4,945</u>	<u>4,958,839</u>
Accumulated depreciation						
At the start of the year	1,223,862	–	90,197	40,407	10,593	1,365,059
Disposals	–	–	(66)	(4,562)	(10,593)	(15,221)
Charge for the year	87,512	–	15,400	10,449	989	114,350
At the end of the year	<u>1,311,374</u>	<u>–</u>	<u>105,531</u>	<u>46,294</u>	<u>989</u>	<u>1,464,188</u>
Net book value						
At the start of the year	<u>3,318,265</u>	<u>47,047</u>	<u>42,513</u>	<u>20,999</u>	<u>–</u>	<u>3,428,824</u>
At the end of the year	<u>3,230,753</u>	<u>212,413</u>	<u>34,518</u>	<u>13,011</u>	<u>3,956</u>	<u>3,494,651</u>

'Freehold Land and Buildings' at 31 December 2023 includes £410,000 in respect of the historical cost of land which is not depreciated (2022: £410,000).

All of the above assets are used (or, in the case of the 'Asset under development', are intended to be used) for charitable purposes. Details of restrictions on the freehold title of The Hurst and the freehold title of Lumb Bank are disclosed in note 23 below.

13 Investments

	2023 £	2022 £
Shares in Common Investment Funds:		
Fair value at the start of the year	76,554	84,502
Net losses on revaluation	–	(7,948)
Realised net gains on disposal	998	–
Disposal proceeds	(77,552)	–
Fair value at the end of the year	<u>–</u>	<u>76,554</u>
Historic cost at the end of the year	<u>–</u>	<u>75,410</u>
Investments comprise:		
	2023 £	2022 £
Shares in Common Investment Funds at fair value (see above)	<u>–</u>	<u>76,554</u>
Total investments	<u>–</u>	<u>76,554</u>

Investments in Common Investment Funds at fair value are analysed by investment manager and fund in the table below:

	2023 £	2022 £
M&G Securities Ltd: Charibond	–	57,450
M&G Securities Ltd: Charifund	–	19,104
Total	<u>–</u>	<u>76,554</u>

14 Debtors

	2023 £	2022 £
Trade debtors	56,458	62,395
National Office rent deposit paid	–	5,857
Other debtors	27,884	8,638
Prepayments	24,054	24,465
Accrued income	19,933	18,752
Total debtors	128,329	120,107

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	48,244	39,648
PAYE taxation and social security (National Insurance contributions)	21,249	21,268
VAT payable	9,969	7,787
Holiday pay accrual	3,973	16,864
Other accruals	42,436	49,364
Deferred income (Note 16)	320,782	377,008
Total creditors	446,653	511,939

16 Deferred income

Deferred income comprises income received during the year for courses and retreats taking place in future periods (including gift vouchers purchased or issued as refunds for redemption against future courses).

	2023 £	2022 £
Balance at the beginning of the year	377,008	212,046
Amount released to income in the year	(351,272)	(161,468)
Amount refunded in the year (course cancellations and gift vouchers refunded)	(815)	(650)
Amount deferred in the year	295,861	327,080
Balance at the end of the year	320,782	377,008

17a Analysis of net assets between funds (current year)

	Unrestricted General £	Unrestricted Designated £	Restricted £	Total funds £
Tangible fixed assets	–	360,617	3,134,034	3,494,651
Net current assets	158,317	216,178	441,885	816,380
Net assets at the end of the year	158,317	576,795	3,575,919	4,311,031

17b Analysis of net assets between funds (prior year)

	Unrestricted General £	Unrestricted Designated £	Restricted £	Total funds £
Tangible fixed assets	–	376,013	3,052,811	3,428,824
Net current assets	197,881	302,604	66,979	567,464
Net assets at the end of the year	197,881	678,617	3,119,790	3,996,288

18a Endowment fund (current year)

	At 1 January 2023 £	At 31 December 2023 £
Endowment fund	–	–

18b Endowment fund (prior year)

	At 1 January 2022 £	Unrealised losses on investments £	Transfers £	At 31 December 2022 £
Endowment fund	323,484	(3,819)	(319,665)	–

The Endowment fund ('EF') was a trust established under a separate trust deed whose assets were invested to generate income in order to provide bursaries to participants on Arvon courses on low incomes who would not otherwise be able to afford the full cost of a course. The EF was established as a permanent endowment in 1993. The Arvon Foundation Limited was the sole corporate trustee of the EF. On 11 May 2022 the Board of Trustees of Arvon, acting as the charity trustee of the EF, passed written resolutions (i) to fully align the charitable objects of the EF with those of Arvon and (ii) to free the capital within the EF from the restrictions on its expenditure, pursuant to Section 282 of the Charities Act 2011. The Charity Commission confirmed that their consent to the above resolutions came into legal effect on 12 August 2022 and that from that date the capital of the EF can be spent as if it were income. Therefore, with effect from 12 August 2022 the EF is no longer classified as permanent endowment and the assets held within the fund at that date were transferred to unrestricted funds. This comprised a transfer of £275,000 to the designated 'Lumb Bank Redevelopment' fund (made up of cash of £238,982 and investments with a fair value at that date of £36,018) and a transfer of investments with a fair value of £44,665 to 'General funds'.

The EF continued to exist as a separate legal trust and to hold these assets after that date. On 23 November 2022 the Board of Trustees of Arvon, acting as charity trustee of the EF, passed a written resolution to instruct that the investment funds held by the trust should be sold and that subsequently the EF should be wound up by transferring its assets as cash to The Arvon Foundation. The investments were disposed of in March 2023 and the winding up of the EF was notified to the Charity Commission as a merger of the EF (linked charity number 306694-1) with The Arvon Foundation (charity number 306694-0), with a transfer date of 8 March 2023. The merger was registered by the Charity Commission on 16 May 2023 and the EF was removed from the Register of Charities.

The Arvon Foundation Limited

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For the year ended 31 December 2023

19a Restricted income funds (current year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
<u>Tangible fixed assets: Restricted</u>					
The Hurst Property	2,732,089	–	(66,034)	–	2,666,055
Lumb Bank Property	166,139	–	(9,544)	–	156,595
Totleigh Barton Property	154,583	–	(6,165)	–	148,418
Asset under development	–	–	–	162,966	162,966
<u>For Bursaries: the David Pease Grant Fund</u>					
Endowment fund income account	17,693	699	(5,000)	–	13,392
The Barbara and Philip Denny Charitable Trust	4,000	8,000	(10,000)	–	2,000
The T. S. Eliot Foundation	9,000	9,600	(9,000)	–	9,600
The Francis W Reckitt Arts Trust	3,000	–	(3,000)	–	–
The Harold Hyam Wingate Foundation	–	5,000	(5,000)	–	–
The Noël Coward Foundation	–	2,000	(1,500)	–	500
Other general bursary funders	4,742	9,295	(4,995)	–	9,042
The David Pease Award for playwrights	2,400	–	–	–	2,400
<u>For Learning Programme courses and projects:</u>					
John Lyon's Charity	–	24,000	(24,000)	–	–
The Unwin Charitable Trust	–	5,000	(5,000)	–	–
The John Thaw Foundation re Schools	–	1,000	(1,000)	–	–
The John R. Murray Charitable Trust	–	10,000	(10,000)	–	–
Community Foundation for Calderdale	–	5,000	(5,000)	–	–
Amazon Literary Partnership	3,400	30,000	(33,400)	–	–
Kevin Jackson Award	8,728	938	(9,666)	–	–
Gift from Peter Emery re Schools Programme	2,250	4,900	(1,436)	–	5,714
McNelly Family Trust	10,000	–	(10,000)	–	–
Individual donations to Learning Programme	–	16,790	(10,000)	–	6,790
<u>Lumb Bank Redevelopment Project</u>					
The Unwin Charitable Trust	–	500,000	–	(161,403)	338,597
The Charlotte Aitken Trust	–	50,000	–	–	50,000
Individual donations	1,563	100	–	(1,563)	100
<u>Other projects</u>					
South West Water: grants to purchase bees, beehive and water butts for Totleigh Barton	203	560	(763)	–	–
Anon. donation towards EV charger	–	3,750	–	–	3,750
Total restricted income funds	3,119,790	686,632	(230,503)	–	3,575,919

19b Restricted income funds (prior year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
<u>Tangible fixed assets: Restricted</u>					
The Hurst Property	2,798,123	–	(66,034)	–	2,732,089
Lumb Bank Property	175,683	–	(9,544)	–	166,139
Totleigh Barton Property	160,748	–	(6,165)	–	154,583
<u>For Bursaries (to individuals incl. teachers)</u>					
Endowment fund income account	18,844	3,849	(5,000)	–	17,693
The Barbara and Philip Denny Charitable Trust	6,000	8,000	(10,000)	–	4,000
The T. S. Eliot Foundation	8,500	9,000	(8,500)	–	9,000
The Garrick Charitable Trust	–	5,000	(5,000)	–	–
The Francis W Reckitt Arts Trust	–	3,500	(500)	–	3,000
Other general bursary funders	21,364	4,338	(20,960)	–	4,742
The David Pease Award for playwrights	2,400	–	–	–	2,400
<u>For Learning Programme courses and projects:</u>					
Comic Relief (Writing the Game)	2,342	–	(2,342)	–	–
The McGrath Trust	12,587	–	(12,587)	–	–
John Lyon's Charity	–	23,500	(23,500)	–	–
The Mercers' Charitable Foundation	2,400	–	(2,400)	–	–
The Unwin Charitable Trust	–	5,000	(5,000)	–	–
SHINE re Schools Programme	13,500	6,000	(19,500)	–	–
The John Thaw Foundation re Schools	–	2,000	(2,000)	–	–
The Barbour Foundation re North East Schools	–	1,500	(1,500)	–	–
Amazon Literary Partnership	6,378	30,000	(32,978)	–	3,400
The Oliver Black Memorial Fund	16,902	–	(16,902)	–	–
Annie's Fund: Inspiring Young People to Write	11,759	1,250	(13,009)	–	–
Kevin Jackson Award	6,000	13,728	(11,000)	–	8,728
The Harold Hyam Wingate Foundation	5,000	–	(5,000)	–	–
Donations to fund Crenham Award	1,125	–	(1,125)	–	–
Gift from Peter Emery re Schools Programme	–	3,750	(1,500)	–	2,250
McNelly Family Trust	–	10,000	–	–	10,000
<u>Lumb Bank Redevelopment Project</u>					
Individual donations	–	1,563	–	–	1,563
<u>Other projects</u>					
Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank)	182	882	(1,064)	–	–
Rural Payments Agency: grant for restoration of field boundaries at Lumb Bank	–	6,484	(6,484)	–	–
South West Water: grant to purchase bees and beehive for Totleigh Barton	–	1,000	(65)	(732)	203
Other	250	–	–	(250)	–
Total restricted income funds	3,270,087	140,344	(289,659)	(982)	3,119,790

19 Restricted income funds (continued)

Purposes of restricted funds:

- a) The Hurst, Lumb Bank, Totleigh Barton Properties. These funds represent the accounting net book value of land and buildings (freehold property) to be used by Arvon for creative writing courses and retreats.

Expenditure charged to these funds in the year totalling £81,743 (2022: £81,743) relates to the depreciation charges against freehold property assets held within restricted funds; a further £5,769 of depreciation has been charged during the year against elements of freehold property held within the designated fund 'Tangible fixed assets: Unrestricted' (2022: £5,769) (see note 12).

Transfers in of £162,966 relate to capital expenditure (architects' fees and other professional fees and charges) funded from restricted funds in the year in connection with the Lumb Bank Redevelopment Project (see note 19k). The 'asset under development' is not depreciated pending completion of the capital project.

- b) Bursaries: the David Pease Grant Fund. In 2023, Arvon's bursary scheme was renamed in affectionate memory of David Pease, Arvon's National Director from 1973 to 2000. These funds (including the Endowment fund income account) provide financial support to attend an Arvon course to adult applicants on low incomes who would otherwise not be able to meet the full cost of a creative writing course fee, or to teachers. Bursaries are provided in the form of fee reductions granted to participants on courses. The Endowment fund income account is a restricted fund established to receive the income arising from the investments and cash deposits held within the Arvon Endowment Fund in order to apply these resources to provide bursaries to applicants on low incomes. The investments were disposed of in March 2023 and the Endowment Fund was wound up by merger with The Arvon Foundation immediately thereafter (see note 18).
- c) John Lyon's Charity. Supporting Arvon's First Lines programme providing young people in care the opportunity to participate in a residential week and pre/post residential arts activities.
- d) The Unwin Charitable Trust; The John Thaw Foundation; The John R. Murray Charitable Trust: Grants in support of Arvon's Schools Programme.
- e) Community Foundation for Calderdale. A donation towards a partnership residential week with St Augustine's Centre, Halifax.
- f) Amazon Literary Partnership. A donation towards the Learning Programme supporting courses for state schools, young people and vulnerable adults.
- g) Kevin Jackson Award. Donations in memory of Kevin Jackson towards Arvon's Schools Programme.
- h) Gift from Peter Emery. Donations made towards the Schools Programme.
- i) McNelly Family Trust. A donation in support of the Learning Programme.
- j) Individual donations to Learning Programme. Gifts in support of the Learning Programme.
- k) Lumb Bank Redevelopment Project. Grants from The Unwin Charitable Trust and The Charlotte Aitken Trust, and gifts received from individuals, towards the costs of the planned capital redevelopment of Lumb Bank. Transfers out from these funds in the current year totalling £162,966 relate to the capitalisation of architects' fees and other professional fees and charges incurred in connection with the project ('Asset under development') (see note 19a).
- l) South West Water. A community grant from the South West Water Neighbourhood Fund 2022 towards the purchase of bees and a beehive at Totleigh Barton; a further community grant in 2023 towards the purchase and installation of water butts at Totleigh Barton.
- m) Anonymous donation towards EV charger. A gift received to fund the purchase of an electric vehicle charging station for The Hurst.

20a Unrestricted funds (current year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Designated funds:					
Tangible fixed asset fund: Unrestricted	376,013	–	(33,412)	18,016	360,617
Lumb Bank Redevelopment fund:	266,204	–	(49,540)	(2,400)	214,264
National Office rent deposit fund:	5,857	–	(3,040)	(2,817)	–
Property maintenance fund:	30,543	–	(18,428)	(10,201)	1,914
Total designated funds	678,617	–	(104,420)	2,598	576,795
Free Reserves:					
General funds	197,881	1,914,339	(1,951,305)	(2,598)	158,317
Total Free Reserves	197,881	1,914,339	(1,951,305)	(2,598)	158,317
Total unrestricted funds	876,498	1,914,339	(2,055,725)	–	735,112

20b Unrestricted funds (prior year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Designated funds:					
Tangible fixed asset fund: Unrestricted	364,131	–	(34,650)	46,532	376,013
Lumb Bank Redevelopment fund:	–	–	(8,796)	275,000	266,204
National Office rent deposit fund:	5,857	–	–	–	5,857
Property maintenance fund:	80,000	–	(20,298)	(29,159)	30,543
Total designated funds	449,988	–	(63,744)	292,373	678,617
Free Reserves:					
General funds	494,029	1,583,902	(1,908,324)	28,274	197,881
Total Free Reserves	494,029	1,583,902	(1,908,324)	28,274	197,881
Total unrestricted funds	944,017	1,583,902	(1,972,068)	320,647	876,498

20 Unrestricted funds (continued)

Purposes of unrestricted funds

- a) Tangible fixed asset fund: Unrestricted. Expenditure charged to this fund in the year totalling £33,412 (2022: £34,650) is made up of: depreciation charges of £26,838 (2022: £28,176) against the tangible fixed asset categories 'fixtures and fittings, plant and machinery', 'computers and other office equipment' and 'motor vehicles'; a depreciation charge of £5,769 (2022: £5,769) against those elements of 'freehold property' held within designated funds (see note 12); and losses on disposals of tangible fixed assets in the year of £805 (2022: £705).

Transfers in to this fund totalling £18,016 (2022: £46,532) relate to fixed asset additions as follows:

	2023 £	2022 £
Fixed asset additions (asset under development), transfer in from designated Lumb Bank Redevelopment fund:	2,400	-
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from general funds:	2,193	2,397
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from designated property maintenance fund:	5,256	29,159
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from restricted funds:	-	982
Fixed asset additions (computers and other office equipment), transfer in from general funds:	3,222	13,994
Fixed asset additions (motor vehicles), transfer in from designated property maintenance fund:	4,945	-
Total transfers in to Tangible Fixed Asset fund: Unrestricted	18,016	46,532

- b) Designated fund: Lumb Bank Redevelopment. Following the release of the capital held within the Endowment fund ('EF') from the restrictions on its expenditure, which came into effect on 12 August 2022, the assets held within the EF were transferred to unrestricted funds at that date (see note 18 above). This included the transfer of £275,000 to a newly created designated fund for the Lumb Bank Redevelopment project (made up of cash of £238,982 and investments with a fair value of £36,018 on the date of transfer). This amount represents the commitment by the trustees from Arvon's existing resources towards the costs of the Lumb Bank Redevelopment project, as reflected in the charity's funding agreement with Arts Council England under the ACE Capital Investment Programme.

Unrealised losses on the total amount of investments transferred to unrestricted funds in August 2022 from the date of transfer to 31 December 2022 were charged in full to 'General funds', with no losses on investments charged to the designated 'Lumb Bank Redevelopment' fund. Realised gains on disposal of these investments in March 2023 have been credited in full to 'General funds'.

Transfers out of this fund in the current year totalling £2,400 relate to the capitalisation of certain professional fees incurred in connection with the Lumb Bank Redevelopment project ('Asset under development') (see note 20a).

- c) Designated fund: National Office rent deposit. In May 2021 the charity took on a new lease for office premises in Clerkenwell, London. This fund represents the amount of £5,857 paid as a deposit under the terms of the occupation agreement. Arvon terminated the lease and vacated the office in May 2023. The transfer out to General funds of £2,817 represents the return of the balance of the deposit after settlement of dilapidation charges incurred.
- d) Designated fund: Property maintenance. The purpose of this fund is to ringfence resources for necessary maintenance and improvements of the charity's freehold buildings and estates and to allow for longer term forward planning based on quinquennial inspection reports. This fund has also been used in 2023 for replacement of the vehicle used by the charity at Lumb Bank. Transfers out of this fund in the current year totalling £10,201 relate to the purchase of items of plant and machinery (£5,256) and the motor vehicle for Lumb Bank (£4,945) (see note 20a).

20 Unrestricted funds (continued)

e) Net transfers out from general funds of £2,598 (2022: net transfers in of £28,274) can be analysed as follows:

	2023 £	2022 £
Transfers out to 'Tangible fixed asset fund: Unrestricted' in respect of fixed asset additions, as noted above:	(5,415)	(16,391)
Transfer in from designated fund 'National Office rent deposit' (see note 20c):	2,817	–
Transfer in from Endowment Fund (see note 18):	–	44,665
Total net transfers (out of) / in to General funds:	<u>(2,598)</u>	<u>28,274</u>

21 Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	1,134,704	882,742
Total cash and cash equivalents	<u><u>1,134,704</u></u>	<u><u>882,742</u></u>

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

23 Contingencies / Restrictions on title of freehold properties

Arts Council England Lottery funding for the development of The Hurst totalled £1,650,000 between 2011 and 2014. This funding is conditional on The Hurst remaining as a writing centre for 30 years from 24 June 2011. If the condition is not met, the funding is liable for repayment to Arts Council England. Arts Council England has a fixed charge security over the freehold of The Hurst and a floating charge over the assets of The Arvon Foundation Limited to the value of the Lottery funding. This security is in place for a period of 30 years from 24 June 2011. No disposition of land within the freehold estate of The Hurst may be registered without the written consent of Arts Council England. The net book value of land and buildings within the Hurst estate (including The Clockhouse) as at 31 December 2023 was £2,865,784 (2022: £2,933,344).

In 2022 Arts Council England awarded the charity a grant of £725,000 towards the redevelopment of Lumb Bank under its Capital Investment Programme (see note 2). As a condition of the funding agreement, Arvon entered into a deed of covenant with Arts Council England on 28 October 2022. For a period of 15 years from the date of this deed, no disposition of land within the freehold estate of Lumb Bank may be registered without the written consent of Arts Council England and the property may only be used as a literary house for residential writing courses and community activities (with certain permitted exceptions). The net book value of the Lumb Bank property (including 'Asset under development') as at 31 December 2023 was £392,734 (2022: £236,912).

Accounts

Company number: 1086582

Charity Number: 306694



The Arvon Foundation Limited

Trustees' Annual Report and Financial Statements
For the year ended 31 December 2022

Contents

For the year ended 31 December 2022

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The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2022

Country of registration England and Wales

Country of incorporation United Kingdom

Company number 1086582

Charity number 306694

VAT registration number 287 9329 41

Registered office address
Lumb Bank
Heptonstall
Hebden Bridge
West Yorkshire
HX7 6DF

Trustees Trustees serving during the year and up to the date of this report (who are also the directors of The Arvon Foundation Limited under company law) were as follows:

Jeremy Treglown	Chair of Trustees (retired 27 January 2022)
Patricia Cumper	Chair of Trustees (appointed 27 January 2022)
Dr Judith Abbott	Chair of Finance Committee
Bisha K. Ali	(appointed 23 November 2022)
Lee Bilson	Chair of Properties Committee
Rachel Cleverly	(appointed 23 November 2022)
Joshua Cockcroft	
Kim Evans	Chair of Appointments and Remuneration Committee
Dr Maria Evans	(appointed 23 November 2022)
Alison Flood	(resigned 4 February 2022)
Neil Harris	
Sarah Harwood	
Niharika Jain	(appointed 23 November 2022)
Christian Lewis	(retired 23 November 2022)
Catherine McCallam	(appointed 23 November 2022)
Nicholas Makoha	
Jack Redfern	(appointed 23 November 2022)
Jonathan Teckman	
Andrew Wimble	(retired 16 September 2022)

Founders John Fairfax and John Moat

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2022

Chief Executive Officer	Andrew Kidd
Chief Financial Officer and Operations Director	Richard Haseldine
Deputy Chief Executive Officer	Natasha Carlish
Artistic Director	Mary Morris
Company Secretary	Natasha Carlish (resigned 12 December 2022) Rosemary Scott (appointed 12 December 2022; resigned 23 March 2023) Natasha Carlish (appointed 23 March 2023)
Other names used by the Charity	Arvon The Arvon Foundation
Our Writing Houses	Lumb Bank The Ted Hughes Arvon Writing House Heptonstall Hebden Bridge West Yorkshire HX7 6DF The Hurst The John Osborne Arvon Writing House Clunton Craven Arms Shropshire SY7 0JA Totleigh Barton Sheepwash Beaworthy Devon EX21 5NS

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2022

Website	www.arvon.org
Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

This document comprises the Trustees' annual report (incorporating the Directors' Report as required by company law) and the audited financial statements of The Arvon Foundation Limited for the year ended 31 December 2022.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements appear in the format required by the Companies Act 2006, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Statement of Recommended Practice for Accounting and Reporting by Charities Preparing their Accounts in Accordance with FRS 102 ("Charities SORP (FRS 102)").

About Arvon

The first Arvon writing course took place in Beaford, North Devon in 1968. It was taught and run by Arvon's founders, the poets John Fairfax and John Moat, with the original aim of providing time and space away from school for young people to write poetry. John Moat wrote that they were inspired to create Arvon as "a space where individuals, and in particular young committed writers, could be given a sanctuary away from, as we saw it, the creative deprivation imposed by the system of standard education – and there offered . . . the guidance of experienced writers". The spirit and intentions of Arvon's founders remain as relevant and essential today as they were in 1968.

Objects of the Charity

The Arvon Foundation's objects are:

"to promote and assist in the advancement of education of students of educational establishments and others in the arts and crafts including the arts of poetry and literature, drama, music, dancing, mime, painting, sculpture and the graphic arts, and to extend and increase the appreciation, knowledge and understanding of such persons of the arts and crafts in all their forms."

The charity's primary activity to deliver its charitable objects is to provide residential and non-residential writing courses for individuals, schools and groups, led by highly respected authors, with a particular focus on courses relating to poetry, fiction, non-fiction writing and drama. Since its foundation in 1968, Arvon has supported the development of thousands of writers. We are the UK's "home for creative writing", where anyone, regardless of writing experience, can step away from their normal routine, immerse themselves in the creative process, be inspired by experienced writers and release their imaginative potential. We also provide a unique dedicated Writers' Retreat facility at The Clockhouse in the grounds of The Hurst in Shropshire.

These activities are described below.

Our Vision

We believe that writing can change lives for the better.

Creative writing allows us to harness our imagination and find our voice. It creates new possibilities, new ideas, new futures. It unlocks our potential, our empathy and our hope. And we are keen to share this opportunity with as many people as possible.

Our Mission

Arvon's mission is to be the UK's home for creative writing, where anyone, regardless of writing experience, can benefit from the transformative power of writing.

Our Values

INCLUSIVE: Everyone is creative. We make spaces that are open to all, where anyone, regardless of writing experience, feels welcome and included as part of a community of writers.

INSPIRING: Step away from the routine, be inspired by writers and Arvon's beautiful locations and unlock your imaginative potential. Arvon is a place for contemplation, challenge and going beyond what you thought you were capable of achieving.

SUPPORTIVE: Creative writing is a craft that can be learnt, through guidance from experts, and through the peer support that comes from creative friendships with fellow writers. At Arvon writers teach writers, and everyone encourages each other to become a better writer.

TRANSFORMATIVE: Immersing yourself in creative writing nourishes the imagination, can deepen the connection to self and to the world, and can lead to dramatic change and progress.

Our Artistic Offer

Arvon's main programme of work comprises eight strands of activity, as articulated in its Business Plan for 2022–23 (an extension and refinement of its previous 2018–22 Business Plan):

Open Programme: Residential

The Open Programme: Residential is a year-round offer of mostly five-day tutored residential creative writing courses at our three writing houses located in Devon, Shropshire and Yorkshire.

The Open Programme is intended for writers from all ranges of experience and backgrounds aged 18+ and is open to bookings from the general public. Courses have a maximum capacity of between 14 and 16 participants. Grants are available to help people on a low or no income. Starting to Write courses are intended for beginner writers; our Work-in-Progress, Preparing for Publication and Completing a Collection courses, as well as our retreats, are intended for more

experienced writers. All remaining courses (which comprise the bulk of the offer) are intended for mixed abilities and cover multiple genres.

Every course is tutored by published writers chosen for their expertise and their ability to share their skill and knowledge of the craft of writing. We have a pool of tutors that we are constantly refreshing with new writers, as new genres emerge in the world of literature, and as emerging writers mature. Each year, we have provided paid work for approximately 400 professional writers as tutors and guest readers through our residential programme.

Arvon at Home (Open and Learning programmes online)

Since April 2020, our virtual 'fourth house', Arvon at Home, has offered a full programme of online courses that supplement both our open and learning programmes.

This has enabled us to increase the total number of freelance professional writers we engage to over 500 a year, with Arvon's 'fourth house' now embedded as a permanent part of our offer. The Arvon at Home programme includes a year-round programme of Online Writing Weeks, Online Writing Days, Online Evening Courses (a five-day engagement spread over five weeks), Masterclasses and How I Write Sessions. We also offer online general and tailored workshops for students and young people, as well as online masterclasses and writing weeks via Learning and Participation partnerships.

Arvon at Home has dramatically increased and improved access to Arvon.

Retreats

The Writers' Retreat at The Clockhouse at our Shropshire site is a resource for talented writers looking to further their writing independently, without facilitation from a tutor. It is designed to provide everything a writer needs to be as productive as possible. The building is able to accommodate up to four writers at a time and is fully catered and independent of the main house.

Mentoring and Online Support

Arvon offers mentoring and support as part of our commitment to talent development. We have begun to establish an Arvon online community, connecting writers to Arvon tutors and to each other, and making www.arvon.org a source of expertise on the craft of writing. This includes one-to-one tutorials and tips and exercises available to Arvon Friends.

This strand includes:

- Partnerships with regional, national and international competitions and talent development programmes such as SI Leeds Literary Prize, Commonword's Diversity Young Adult Fiction Prize, Obsidian, New Writing North, Foyle Young Poets, Africa Writes and the Bocas Lit Fest, Trinidad and Tobago's annual literary festival
- Arvon 1-1: one-to-one online tutorials and mentoring
- Online writing advice for Arvon Friends membership (free to 18 to 25-year-old writers)

Residential Courses with Schools and Under-18s

Arvon hosts five-day residential creative writing courses for primary and secondary schools at the three Arvon writing houses. We work to raise funds to subsidise visits by state schools in areas of disadvantage across England and aim to build sustained relationships with schools, encouraging continued work in the classroom and enrichment activities. Ages range from 10 to 18, with occasional multi-year projects, including work with e.g. schools based in north-east England. In 2020, we also piloted online writing workshops for Children and Young People. These have now been embedded in our core offer, with online workshops now offered at no charge to schools and individuals. The workshops are also offered as recorded versions in our online Learning Resources Library to make them available for classroom use at a teacher's convenience.

Residential Courses with Partner Organisations

Arvon hosts residential creative writing courses for community and arts organisations, particularly those supporting young people and adults who are vulnerable or marginalised. We collaborate with partners to raise funds to support participation in a residential week.

This strand has included:

- Multi-year partnerships with e.g. Foyle Young Poets, Apples and Snakes and First Story, supporting talented young writers;
- Work with men leaving prison, asylum seekers and survivors of/people bereaved by the Grenfell Tower fire;
- Work with young people in care through Virtual Schools across several London boroughs; and
- Start360, which supports vulnerable young people with complex needs in Northern Ireland.

Arvon Live

Arvon Live is a new strand for Arvon, which has evolved from a former initiative, Arvon City, and from what we have learned through the creation of Arvon at Home. Successfully piloted in October 2021 and subsequently rolled out in 2022, Arvon Live days recreate our online Masterclasses and How I Write sessions in a live setting, with up to 50 participants. Arvon Live is integral to our plans to amplify Arvon's community outreach, particularly in relation to our 'Arvon North' strategy for the redevelopment of Lumb Bank (which will close for redevelopment in spring 2024). Other community outreach initiatives in 2022 included Open Days at Lumb Bank and The Hurst, writing workshops in Exeter and one-day school engagements at Lumb Bank and The Hurst.

Professional Development (including research projects)

Arvon supports writers and teachers of writing to develop their practice. This strand includes: Arvon Tutor Development – a programme of learning and development for both new and established writing tutors, which in 2022 included a much celebrated online workshop tutored by Caroline Bird, in addition to other strands of engagement; and also opportunities for Teacher

Development, via Arvon's Learning Programme and by offering Open Programme grants for teachers.

Structure, Governance and Management

The Arvon Foundation Limited is a charitable company limited by guarantee without share capital, incorporated on 13 December 1972 and registered as a charity on 28 March 1973.

The Memorandum of Association and Articles of Association of The Arvon Foundation Limited form the governing documents of the charity.

Method of Appointment and Election of Trustees

The management of the charitable company is the responsibility of the body of trustees, referred to as the "Board of Trustees" (or as the "Council of Management" in the governing documents of the charitable company). Trustees are selected with a view to ensuring an appropriate mix of backgrounds, skills and expertise. An Appointments and Remuneration Committee advises the Board on the selection and recruitment of new trustees and may recommend various methods of recruitment including public advertisement.

Trustees are elected by the Board for a period of four years and have the option of stepping down or putting their name forward for re-election for a further four-year period in accordance with the Articles of Association and the procedures agreed by the Board.

The trustees who served during the year and up to the date of this report are shown on page 1.

Policies adopted for the Induction and Training of Trustees

All trustees are issued with the Charity Commission booklet setting out the duties and responsibilities of trustees. New trustees also receive an Induction Guide, which includes the Memorandum and Articles of Association, the latest Trustees' Annual Report and Financial Statements, management accounts and other briefing documentation explaining Arvon's organisational structure and practices. Trustees are invited to make visits to a writing house while a course is running. Training is offered to trustees where appropriate, either individually or collectively.

The induction and ongoing training of trustees is reviewed regularly with a view to enhancing their skills and knowledge relating to charity affairs.

Board and governance reviews are carried out from time to time.

Public Benefit

The trustees confirm that they have complied with the duty set out in section 17(5) of the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission when exercising any powers or duties to which the guidance is relevant. The review of objectives and activities set out below gives examples of how Arvon has furthered its charitable purposes for the public benefit.

Organisational Structure and Decision Making

The Board meets at least four times per year and receives reports from the Executive and trustee committees:

- Finance Committee
- Properties Committee
- Appointments and Remuneration Committee

The charity's staff team is led by the Executive, which comprises:

- The Chief Executive Officer
- The Chief Financial Officer and Operations Director
- The Deputy Chief Executive Officer
- The Artistic Director

Each of the three writing houses is managed by a Director or Co-directors, who are responsible for the management of the house and are supported by a Deputy Director, a House Administrator and House Managers. Part-time housekeeping and gardening/groundskeeping staff are also employed at the writing houses. Our digital 'Fourth House', Arvon at Home, is overseen by two Co-directors.

The Chief Executive Officer, the Chief Financial Officer and Operations Director, the Deputy Chief Executive Officer, the five House Directors/Co-directors (one of whom is also Artistic Director), together with the Head of Development and the Head of Digital and Communications form the Leadership Team. The Leadership Team meets on a regular basis throughout the year.

The Company Secretary is appointed by the Board of Trustees and is normally one of the members of the Executive / Leadership Team.

The charity's fundraising, communications, finance and central administration staff comprise the 'National Team' and all work remotely and/or (from May 2023) at The Exchange in Somerset House, London. Arvon's leased National office space at Clerkenwell Workshops in London was vacated in May 2023.

Remuneration Policy

The Appointments and Remuneration ('A&R') Committee is responsible for overseeing the process of setting the remuneration of the Chief Executive Officer ('CEO') on behalf of the Board of

Trustees. When the Chair of Trustees has completed the CEO's annual appraisal, he or she puts forward a proposal for discussion to the trustee members of the A&R Committee. The Committee considers the proposal of the Chair, taking into account relevant factors including performance, any updates to the CEO's job description and current market rates for CEOs in comparable arts sector organisations. The A&R Committee then forwards its recommendation to the Finance Committee, which considers the proposal in the light of the broader budgetary context. If the Finance Committee endorses the salary recommendation, it is presented to the full Board of Trustees for approval.

The CEO is responsible for overseeing the remuneration of all other employees, in particular for the annual salary review which is an important element of the annual budget setting process. As part of this process, the Chief Financial Officer makes a proposal for salary increases (with the exception of his own, which the CEO considers separately), taking into consideration inflation and other cost of living increases, staff retention, opportunities for staff progression, recognition of changes in responsibility, staff overall remuneration and benefits, Arvon's financial circumstances and the wider economic and political environment. The outcome of the salary review is incorporated into the proposed organisational budget, which is presented to the Finance Committee for its consideration. The Finance Committee then makes a recommendation to the Board, normally at its November meeting, for implementation from the beginning of the next financial year in January.

Related Party Relationships

The charity has no current related party relationships except those with the trustees, other key management personnel and their close family members. (Related party transactions, including those with trustees who act as tutors or guest speakers on Arvon courses, are disclosed in notes 8 and 10 to the Financial Statements.)

Risk Management

The trustees have implemented a risk management policy which identifies all significant risks the organisation faces and proposes measures to mitigate those risks and the potential harm arising from them.

The Executive produces a risk register for the organisation and reports to the Finance Committee quarterly on the major risks to the organisation that have been identified, and on measures in place or planned in order to manage and mitigate those risks.

The Board of Trustees formally reviews the risks and mitigating measures at least annually. Risks assessed relate primarily to finance and assets, operations and the reputation of the charity. Key risks include: the potential failure to fundraise sufficient funds in order to achieve the charity's objectives; an erosion in the quality of accommodation provided at the writing houses or a failure to continue to meet the expectations of users in this regard; a substantial drop in the occupancy

rate of Arvon's courses; the potential loss or significant reduction of Arts Council England funding in the future; or other factors leading to a material erosion of the charity's free reserves. Proposed mitigating actions include: maintaining adequate reserves and healthy cashflow; avoiding becoming over-reliant on fundraising; developing long-term strategic plans for developing/upgrading the writing houses; plans for effective ongoing property maintenance, and implementation of strong safeguarding and health and safety procedures at all four of our houses. From early 2020 Arvon's residential activities were heavily exposed to the impact of the Covid-19 pandemic. Arvon was able to mitigate the risks associated with Covid-19 in a number of important ways, including support from local authorities in the form of Retail, Hospitality and Leisure sector grants and Local Restrictions Support Grants; support from the Government's Coronavirus Job Retention Scheme and the Culture Recovery Fund; and the successful launch in April 2020 of Arvon at Home, Arvon's 'Fourth House', which enabled us to reach significant new audiences during this period and generated vital income in 2020 and 2021. Arvon at Home also provided additional income in 2022, which helped Arvon to offset some of the impact of what proved to be an unpredictable and challenging year.

Arvon's Business Plan 2022-23

During the year under review Arvon came to the end of its 2018-22 Business Plan period and implemented its Business Plan for the 2022-23 NPO extension year (April 2022 to March 2023). The business plan spelled out four key aims:

1. To broaden and enrich our offer to writers by defining and further developing three distinct channels for delivery: residential, online and community
2. To increase Arvon's accessibility for people from all backgrounds, addressing any remaining barriers to engagement, whether related to race, gender, disability, financial circumstances, caring responsibilities or geography, both in terms of our programme and within our approach to governance and recruitment
3. To further increase Arvon's financial resilience, enabling us to be as dynamic and innovative as possible in enriching and expanding our offer
4. To advance our plans to redevelop Lumb Bank, creating a fit-for-purpose northern hub for writers that has sustainability at the heart of its design and is emblematic of Arvon's commitment to making environmental responsibility its priority in all aspects of its estate management

Aims and Activities for 2022

As with most arts charities, 2022 was an irregular and challenging year for Arvon in the wake of the Covid-19 pandemic, with the first two months of the year still affected by remaining Coronavirus restrictions and the first half of the year impacted by an understandable hesitancy amongst the public to fully re-engage with in-person activity. May 2022 proved particularly challenging, with a number of residential courses cancelled. However, during this period we continued to reach more people than we had pre-pandemic, thanks to Arvon at Home, and from July 2022 we experienced a significant recovery of residential booking numbers.

1. TO BROADEN AND ENRICH OUR OFFER TO WRITERS BY DEFINING AND FURTHER DEVELOPING THREE DISTINCT CHANNELS FOR DELIVERY: RESIDENTIAL, ONLINE AND COMMUNITY

Open Programme

Over the course of 2022 Arvon offered a range of activity across these strands, with total activities and attendance as follows:

- 80 Arvon open residential writing weeks – total attendance: 933
- 29 Arvon online 'How I Write' Sessions – total attendance: 1,956
- 53 Arvon online Masterclasses – total attendance: 4,037
- 21 Arvon online Writing Weeks – total attendance: 235
- 7 Arvon online Writing Days and 5 Writing Weekends – total attendance: 469
- 3 Arvon online five-week Evening Courses – total attendance: 34
- 52 Arvon online 1:1s

Because Arvon's 'How I Write' sessions and Masterclasses have no caps on numbers, we have been able to continue offering an Arvon experience to a much larger audience (at much more affordable price points) than we did pre-pandemic.

Our dedicated retreat space, The Clockhouse, offered writing development opportunities to 129 individuals in 2022.

Finally, over 2022 we were able to offer short-term engagements to over 500 self-employed writers during what continued to be a challenging period for many.

Mentoring and Online Support

The ninth cohort on the Jerwood/Arvon Mentoring Programme ran from 2019–2020, with nine mentees having been selected out of a pool of nearly 350 applicants who had participated in Arvon courses over the previous two years. The scheme was suspended in 2021 due to the pandemic, and in 2022 it was confirmed that, as a result of a change in priorities for Jerwood Arts, it would not run for the foreseeable future. We are currently devising a replacement programme for the scheme, which will launch in 2023.

In 2022 we continued to run our Arvon one-to-one offer, as well as expanding our overall tutored online writing provision, which includes one-to-one tutorials as part of the Online Writing Weeks and Online Evening Courses, and in 2022 we engaged over 400 people with one-to-one online provision.

We also added a steady stream of new writing tips and exercises for Arvon Friends.

Learning and Partnerships programme

Arvon's celebrated Learning and Partnerships programme was significantly impacted by the Covid pandemic in 2020 and the first half of 2021. We were able to revive the offer in the second half of 2021 and then run a full annual programme once again in 2022. However, funding for the Learning and Partnerships programme has become more challenging in the aftermath of the pandemic, a reality that we are focussed on addressing through the relaunch of our L&P strategy in autumn 2023.

Highlights included welcoming students from years 5 to 8 attending schools in the Northern Education Trust (a multi-academy trust operating across the North of England) for a fully funded week and supported by numerous in-school and online activities, including a six-week writer-in-residence programme funded by SHINE Trust. We were also pleased to welcome back Grenfell Dedicated Service for two residential weeks serving students from ages 9–17, and after many setbacks we were able to support Start360, a service which works with young people across Northern Ireland, to return to Lumb Bank for a fully funded course week.

Our Learning Resource Library now has 33 pre-recorded workshops, with new videos and PDF resources added monthly, all of which are available free. Additionally, the Learning Team have been working to welcome local schools to the houses for day visits, enabled by funding generously provided by Peter Emery.

Arvon's L&P programme is overseen by our Learning and Partnerships Manager, who works closely with the Artistic Director and a team of individuals from across the organisation to steer this vitally important part of our work.

Community

Arvon significantly expanded our community engagement in 2022, running a series of Arvon Live days, with up to 50 participants per session. These occurred in both West Yorkshire and the South West. As previously noted, Arvon Live is integral to our plans to amplify Arvon's community outreach, particularly in relation to 'Arvon North'. Other community outreach initiatives in 2022 included Open Days at Lumb Bank and The Hurst, writing workshops in Exeter and one-day school engagements at Lumb Bank and The Hurst.

We also continued to partner with other organisations in a number of high-profile writing competitions during 2022, offering winners the chance to participate in an Arvon course. These included: Foyle Young Poets, run by The Poetry Society; the Harvill Secker BAME Crime Writing Competition; The SI Leeds Prize for Black and Asian Women Writers; course grants for two Obsidian poets; and The Northern Writers Awards.

2. TO INCREASE ARVON'S ACCESSIBILITY FOR PEOPLE FROM ALL BACKGROUNDS, ADDRESSING ANY REMAINING BARRIERS TO ENGAGEMENT, WHETHER RELATED TO RACE, GENDER, DISABILITY, FINANCIAL CIRCUMSTANCES, CARING RESPONSIBILITIES OR GEOGRAPHY, BOTH IN TERMS OF OUR PROGRAMME AND WITHIN OUR APPROACH TO GOVERNANCE AND RECRUITMENT

Equality Action Plan and Audience Development Plan

We continued to work hard to increase the diversity of our audience in 2022, focusing on our target groups, and since the start of the pandemic we have made significant progress against a number of KPIs, with targets significantly exceeded for writers of colour and disabled writers. The low-income participant target was also exceeded, with the most persistently challenging target being attracting young people to our open programme (a challenge we met in 2022 by programming courses specifically targeting this audience).

Arvon at Home has made our offer dramatically more accessible, with our How I Write sessions now entirely free-to-access (with an option to donate to Arvon) and our most costly digital offer – our Online Writing Weeks – still priced at less than 50% of the cost of a Residential Writing Week. Arvon at Home is also more accessible for participants with physical and/or mental health disabilities and those unable to travel or internationally based (we regularly reach participants from continental Europe, Asia and the Americas).

Arvon also made positive use of accessibility features offered by its digital platform, with close captioning now enabled for all Arvon at Home events and courses and with offers especially tailored for disabled participants.

Over the last three years we have continued to develop partnerships with diverse-led organisations including Bi'an – The UK Chinese Writers' Network, Africa Writes festival and Obsidian. We have continued to build strong collaborations with diverse-led writing competitions, to offer winners a chance to take part in an Arvon course, including the SI Leeds Literary Prize and in our partnership with Obsidian, a writing development programme for Black writers founded by Arvon trustee Nick Makoha, offering all its 50 participants a free Arvon Masterclass and two participants, selected by Obsidian's tutors, a complimentary place on an Arvon at Home Writing Week.

Grants and financial assistance

A fundamental part of the public benefit of Arvon's work is an objective that our activities remain open to all and that no-one is prevented from attending one of our courses by a lack of financial means. To this end, we provide substantial subsidies for individuals and community organisations who would otherwise be unable to afford our courses, through our Grant Fund. These subsidies are funded in part by Arvon and in part by fundraising from charitable trusts and foundations, corporate donors and individuals.

In 2022, we awarded £49,960 in bursaries to 84 individuals through our main bursary programme (up from £31,905 in bursaries to 67 individuals in 2021). We also continued to offer self-

identifying concessions across the Open programme, benefiting hundreds of individuals on low incomes.

We will continue to work to secure more funds to support our commitment to provide opportunities to writers on low incomes.

3. TO FURTHER INCREASE ARVON'S FINANCIAL RESILIENCE, ENABLING US TO BE AS DYNAMIC AND INNOVATIVE AS POSSIBLE IN ENRICHING AND EXPANDING OUR OFFER

Development of new income streams

In 2020, Arvon created the first major new income stream in its history. Arvon at Home provided vitally important income over a uniquely difficult period, and in 2022 it became a permanent part of Arvon's offer in a post-pandemic world. In addition, with no cap on numbers for some of its strands, Arvon at Home provides the charity with its first truly 'scalable' income stream.

Fundraising

Arvon prioritises the development of our fundraising capability and opportunities for income diversification to secure long-term financial sustainability, by continuing to build strong relationships with donors and via our longstanding relationship with Arts Council England. Arvon is grateful to Arts Council England, all trusts and foundations and the many generous individual donors for their valuable support each year.

In November 2022, we were delighted to receive confirmation that our Arts Council England National Portfolio Organisation status would continue through ACE's next funding period (April 2023 to March 2026).

Additionally, we are deeply grateful to Arts Council England for its generous support of Lumb Bank's redevelopment. In March 2022 we were awarded a grant of £725,000 towards the project as part of ACE's Capital Investment Programme and we formally entered into a funding agreement with ACE in April 2022. This was the largest award for a Northern based organisation in ACE's capital investment round. (The grant is subject to fulfilment of certain conditions including conditions relating to fundraising from other sources and confirmation of the final contract sum for the project. Therefore, it is not recognised as income in Arvon's 2022 financial statements, but is treated as a contingent asset.)

In general, fundraising for our L&P programme in 2022 proved more challenging than in the recent past, with a number of trusts and foundations shifting priorities and/or pausing their giving. This 'new normal' has spurred us to take action in 2023, with the imminent launch of a new Individual Giving scheme and the rearticulation of our charitable outreach strategy post-pandemic.

Environmental sustainability

Arvon pursues an ambitious sustainability policy in relation to the environmental impacts of its activity at all levels of the organisation. We are committed to reducing our environmental 'footprint', particularly in the way we run our houses and courses. This agenda also supports long-term aims to strengthen the financial sustainability of the organisation and present an ethos consistent with the values we espouse through our artistic work.

Our key current priorities are to: improve land management; increase sustainable sources of heating and power; reduce waste; and obtain food for our houses from sustainable, local sources, including growing some of our own produce. We monitor our performance closely, using methods established by Julie's Bicycle for Arts Council England.

Throughout 2020 and 2021, we participated in Arts Council England's Environmental Accelerator Programme as an 'Accelerator Peer' with Julie's Bicycle, and in 2022 we continued to engage with the programme, turning our attention to putting in place policies that will effect significant improvements on our impact going forward.

4. TO ADVANCE OUR PLANS TO REDEVELOP LUMB BANK, CREATING A FIT-FOR-PURPOSE NORTHERN HUB FOR WRITERS THAT HAS SUSTAINABILITY AT THE HEART OF ITS DESIGN AND IS EMBLEMATIC OF ARVON'S COMMITMENT TO MAKING ENVIRONMENTAL RESPONSIBILITY ITS PRIORITY IN ALL ASPECTS OF ITS ESTATE MANAGEMENT

Arvon has long planned to make Lumb Bank, which now serves as Arvon's registered office location and de facto 'HQ', the subject of its next capital programme. These plans are now fully articulated in our vision for Arvon North, which will have positive impacts not just for Arvon and its attendees but also for the Calder Valley and, by extension, the North of England as a whole.

Having worked in 2021 with the prize-winning, Calderdale-based practice Gagarin Studio to take the project to RIBA Stage 3, Arvon made major strides with this project in 2022. Planning approval was granted in September 2022.

Most importantly, as noted above, in March 2022 we were offered a grant of £725,000 by ACE towards the costs of the project, and we formally entered into a funding agreement with ACE in April 2022. As part of the funding agreement, the trustees committed £275,000 from Arvon's own resources towards the project. (As noted above, this grant from ACE remains subject to certain conditions including those relating to fundraising from other sources and confirmation of the final contract sum for the project, and therefore it is not recognised as income in the financial statements for 2022.)

Between January and September 2023, Arvon has secured an additional £930,000 in funding from five different trusts and foundations, and it is now confirmed that Lumb Bank will close for redevelopment in March 2024. During the closure period Arvon North will offer a full programme off-site, with Lumb Bank reopening in spring 2025.

Evaluation and Assessment of Achievement of Objectives

Arvon uses a number of methods to assess the quality of its work and progress against its objectives:

We evaluate all our projects in order to demonstrate the impact and reach of our work and we continue to refine the information we gather.

For every course and retreat, and for our grant scheme, we ask for both feedback and equal opportunities data from course participants, tutors and staff. All of this data is collated and evaluated in-house, enabling us to rapidly respond to issues and to refine our offer accordingly. For some projects, we engage in extended evaluation to measure impact over time and this information is used to shape future activities.

We use key measures, including booking rates, numbers of schools and partnership courses run, plus demographic and equal opportunities information (particularly region, age, ethnic diversity and income levels) and levels of engagement online.

Financial Review

The Arvon Foundation's total income in 2022 was £1,724,246, compared to £1,895,294 in 2021, a decrease of c. 9.0%. Income from donations (including grants) and legacies fell by around 43% from £1,025,742 to £581,646, following the receipt of a legacy of just over £300,000 in the prior year as well as substantial financial support from public sector sources in response to the Covid-19 crisis.

Income from fees paid for creative writing courses, masterclasses, tutorials and retreats grew by 33.5% from £837,712 in 2021 to £1,118,741 in 2022. This represents a return to a similar level of fee income earned from courses, retreats etc to that recorded in 2019, the last full financial year before Covid (£1,101,316).

We received a contribution to income of £4,832 in 2022 from royalties deriving from Arvon's copyright interest in the works of John Osborne (2021: £6,303).

We received the following grant income from Arts Council England and other public sector sources during the year:

	2022 £	2021 £
ACE National Portfolio funding	393,624	395,411
Government Coronavirus Job Retention Scheme	–	50,980
Local Authority Support Grants (Coronavirus)	10,667	62,770
DCMS Culture Recovery Fund grant	–	24,600
Other Public Sector grants	7,367	20,576
Total public sector funding	411,658	554,337

Our total income from public sector sources (Arts Council England, central and local government) in 2022 of £411,658 was equivalent to c. 24% of total income (2021: £554,337, equivalent to c. 29% of total income).

The charity's total expenditure in 2022 was £2,257,598, compared to £1,866,972 in 2021, an increase of c. 21%. Staff costs (excluding training and recruitment) rose by around 15% from £964,428 to £1,109,287. Variable costs of residential courses and retreats (including tutor and guest fees) rose from £229,274 in 2021 to £494,015 in 2022, while tutor and guest fees for the online programme fell from £164,619 to £89,433. Property running and administrative costs for the writing houses increased from £101,507 in 2021 to £126,070 in 2022.

After net losses on investments of £7,948 (2021: net gains of £101), the charity recorded net expenditure for the year of £541,300 (2021: net income of £28,423). Within this figure, net expenditure on unrestricted funds only was £388,166 (income of £1,583,902 less expenditure of £1,967,939 and net losses on investments of £4,129), compared to net income on unrestricted funds in 2021 of £153,260.

Total net transfers from restricted income funds to unrestricted funds were £982 in 2022. In addition, there was a transfer of £319,665 from the Endowment fund to unrestricted funds in 2022, following the release of the legal restrictions on the expenditure of the capital in Arvon's Endowment fund, which took effect on 12 August 2022.

Following net transfers from restricted income funds and the Endowment fund to unrestricted funds, our total unrestricted funds have decreased by £67,519 to £876,498 (2021: £944,017). The balances on restricted income funds totalled £3,119,790 (2021: £3,270,087). Following the transfer from the Endowment fund to unrestricted funds, the balance on the Endowment fund at 31 December 2022 was £nil (2021: £323,484).

Reserves Policy

Arvon's total funds of £3,996,288 at 31 December 2022 are made up of the following elements:

Restricted Funds totalling £3,119,790 at 31 December 2022. These are funds held for specific purposes. They include £3,052,811 held as Freehold Property which cannot be disposed of without adhering to certain conditions. The remaining £66,979 represents funds held for projects as stipulated by the donors or in accordance with restrictions on the use of investment income from the Endowment Fund. Details of these are set out in note 19 to the Financial Statements.

Unrestricted Funds of £876,498 at 31 December 2022. These are made up of five elements:

- Designated Fixed Assets Fund of £376,013 at 31 December 2022. This is a fund which comprises the unrestricted funds held in fixed assets which cannot be utilised elsewhere in the charity in the short term.
- Designated Lumb Bank Redevelopment Fund of £266,204 at 31 December 2022. This fund was created by a transfer from the Endowment fund as at 12 August 2022 of

£275,000, representing the commitment by the trustees from Arvon's existing resources towards the cost of the Lumb Bank Redevelopment project, as reflected in the charity's funding agreement with Arts Council England under its Capital Investment Programme.

- National Office Rent Deposit Fund of £5,857 at 31 December 2022. This fund represents the amount paid as a rent deposit under the terms of the charity's occupation agreement for rented office premises in Clerkenwell, London.
- Designated Property Maintenance Fund of £30,543 at 31 December 2022. This fund represents resources earmarked for necessary maintenance and improvements of the charity's freehold buildings and estates, and may also be used to fund the replacement of vehicles owned by the charity.
- Free Reserves totalling £197,881 at 31 December 2022. These funds are intended, first, to allow Arvon to cope with unexpected events such as a sudden fall in income or major unanticipated expenditure without resort to disproportionate reduction in planned expenditure and, secondly, to allow Arvon stability and time to restructure in the event of a radical change to the funding of the organisation or serious misadventure.

The Trustees have previously set a target range for free reserves of 3–4 months of total expenditure from unrestricted funds. This is equivalent to a range of approximately £490,000 to £655,000 based on 2022 expenditure levels. The level of free reserves at 31 December 2022 of £197,881 is equivalent to approximately 1.2 months of expenditure from unrestricted funds (2021: 3 months of expenditure from unrestricted funds based on 2022 budget levels). During the period of the Lumb Bank Redevelopment project, the Trustees have decided to temporarily suspend the free reserves target range of 3–4 months of expenditure from unrestricted funds, and instead to set a floor of £150,000. If free reserves fall below this level at any point, the Board will instigate measures to reflate the reserves, including a potential sale of surplus property and/or structural cost reductions.

Investment Policy

Since 2017 Arvon's endowment fund had held £238,982 in the form of cash deposits following the closure of two investment funds in which the charity previously held shares. These cash deposits were held pending determination of a revised investment strategy, including consideration of whether the assets of the fund could be best deployed in developing the charity's own properties. The remainder of the endowment fund's assets remained invested in specialist charity common investment funds.

As part of the charity's strategy to redevelop Lumb Bank, the trustees committed to setting aside £275,000 of the capital held in the endowment fund as Arvon's contribution to the costs of the redevelopment. As set out in notes 1g) and 18 to the financial statements, the Charity Commission gave its consent to the resolutions passed by the Board of Trustees of Arvon, acting as the charity trustee of the endowment fund, to release the restrictions on the expenditure of capital in the fund. These resolutions took effect from 12 August 2022. The endowment fund continued to exist as a separate legal trust and to hold its cash and investment assets after that date. On 23 November 2022 the Board of Trustees of Arvon passed a written resolution to instruct that the

investment funds held by the trust should be sold and that subsequently the endowment fund should be wound up by transferring its assets as cash to The Arvon Foundation. The investments were therefore disposed of in March 2023 and the winding up of the endowment fund was notified to the Charity Commission as a merger of the endowment fund with The Arvon Foundation.

Trustees' Liability

The trustees of the charitable company each undertake to contribute an amount not exceeding £1 to the assets of the charity in the event of a winding up while they are a member of the charitable company or within one year after they cease to be a member.

The total number of such guarantees at 31 December 2022 was 19 (2021: 13). The trustees are members of the charitable company but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Employee Involvement and Employment of the Disabled

Employees are consulted on issues of concern to them by means of regular staff meetings, including two full in-person staff meetings per year, and are kept informed on specific matters directly by senior management. The company carries out exit interviews for all staff leaving the organisation and regular appraisals.

Arvon has a clear equal opportunities policy and is committed to encouraging and enabling participation in all our activities, and employment, by the widest range of people, including disabled workers.

Statement of Responsibility in Relation to Fundraising

Arvon's trustees and senior managers take their responsibility to donors and compliance with laws and regulations relating to fundraising very seriously. Trustees oversee the overall approach and monitor standards of fundraising. Arvon's fundraising is performed by in-house fundraisers who are members of the Chartered Institute of Fundraising. Arvon does not use third party professional fundraisers or commercial participators. Arvon nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and Arvon received no complaints relating to its fundraising practice. Measures have been taken to ensure that Arvon manages all personal data in line with the General Data Protection Regulation.

Statement of Trustees' Responsibilities

The trustees, who are also the directors of The Arvon Foundation Limited for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Trustees' annual report

For the year ended 31 December 2022

The law applicable to charities in England and Wales requires the trustees to prepare the annual report and financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which 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 Companies Act 2006. 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.

The trustees are not aware of any relevant audit information that has not been disclosed to the charity's auditors. The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP acted as auditor during the period under review. A resolution proposing the re-appointment of Sayer Vincent LLP will be put to the 2023 Annual General Meeting.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 15 September 2023 and signed on their behalf by:

Patricia Cumper – Chair

Opinion

We have audited the financial statements of The Arvon Foundation (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Arvon Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 trustees' 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Independent auditor's report

To the members of

The Arvon Foundation Limited

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company's members 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

21 September 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Arvon Foundation Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	Endowment £	2022 Total £	Unrestricted £	Restricted £	Endowment £	2021 Total £
Income from:									
Donations and legacies	2	445,151	136,495	–	581,646	893,249	132,493	–	1,025,742
Charitable activities	3								
Creative writing courses and retreats		1,118,741	–	–	1,118,741	837,712	–	–	837,712
Investments	4	1,239	3,849	–	5,088	514	2,932	–	3,446
Other	5	18,771	–	–	18,771	28,394	–	–	28,394
Total income		1,583,902	140,344	–	1,724,246	1,759,869	135,425	–	1,895,294
Expenditure on:									
Raising funds	6	(141,166)	(8,624)	–	(149,790)	(169,902)	(8,163)	–	(178,065)
Charitable activities	6								
Creative writing courses and retreats		(1,826,546)	(281,035)	–	(2,107,581)	(1,434,699)	(252,200)	–	(1,686,899)
Other charitable activities		–	–	–	–	(1,600)	–	–	(1,600)
Other	6	(227)	–	–	(227)	(408)	–	–	(408)
Total expenditure		(1,967,939)	(289,659)	–	(2,257,598)	(1,606,609)	(260,363)	–	(1,866,972)
Net (losses) / gains on investments		(4,129)	–	(3,819)	(7,948)	–	–	101	101
Net (expenditure) / income	7	(388,166)	(149,315)	(3,819)	(541,300)	153,260	(124,938)	101	28,423
Transfers between funds		320,647	(982)	(319,665)	–	95,446	(95,446)	–	–
Net movement in funds		(67,519)	(150,297)	(323,484)	(541,300)	248,706	(220,384)	101	28,423
Reconciliation of funds:									
Total funds brought forward		944,017	3,270,087	323,484	4,537,588	695,311	3,490,471	323,383	4,509,165
Total funds carried forward		876,498	3,119,790	–	3,996,288	944,017	3,270,087	323,484	4,537,588

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in notes 18–20 to the financial statements.

The Arvon Foundation Limited

Balance sheet

Registered company number: 1086582

As at 31 December 2022

Charity number: 306694

	Notes	£	Total 2022 £	£	Total 2021 £
Fixed assets:					
Tangible fixed assets	12		3,428,824		3,498,685
			3,428,824		3,498,685
Current assets:					
Debtors	14	120,107		65,244	
Investments	13	76,554		84,502	
Cash at bank and in hand	21	882,742		1,191,675	
			1,079,403	1,341,421	
Liabilities:					
Creditors: amounts falling due within one year	15	(511,939)		(302,518)	
Net current assets			567,464		1,038,903
Total net assets	17		3,996,288		4,537,588
The funds of the charity:					
Endowment fund	18		–		323,484
Restricted income funds:	19				
Tangible fixed assets: Restricted		3,052,811		3,134,554	
Other restricted income funds		66,979		135,533	
Total restricted funds			3,119,790		3,270,087
Unrestricted funds:	20				
Designated fund: Tangible fixed assets		376,013		364,131	
Designated fund: Lumb Bank redevelopment		266,204		–	
Designated fund: National Office rent deposit		5,857		5,857	
Designated fund: Property maintenance		30,543		80,000	
Free Reserves					
General funds		197,881		494,029	
Total Free Reserves		197,881		494,029	
Total unrestricted funds			876,498		944,017
Total charity funds	17		3,996,288		4,537,588

The financial statements were approved by the Board of Trustees on 15 September 2023 and signed on its behalf by:

Patricia Cumper
Chair

Statement of cash flows

For the year ended 31 December 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities:					
Net (expenditure) / income for the year (as per the statement of financial activities)		(541,300)		28,423	
Depreciation charges	6, 12	115,688		110,089	
Losses / (gains) on investments per the SOFA		7,948		(101)	
Dividends and interest from investments per the SOFA		(5,088)		(3,446)	
Losses on disposals of fixed assets	6	705		10,347	
(Increase) / decrease in debtors		(54,863)		48,950	
Increase in creditors		209,421		121,480	
Net cash (used in) / provided by operating activities		(267,489)		315,742	
Cash flows from investing activities:					
Dividends and interest from investments per the SOFA		5,088		3,446	
Purchase of tangible fixed assets	12	(46,532)		(153,733)	
Net cash used in investing activities		(41,444)		(150,287)	
Change in cash and cash equivalents in the year		(308,933)		165,455	
Cash and cash equivalents at the beginning of the year		1,191,675		1,026,220	
Cash and cash equivalents at the end of the year	21	882,742		1,191,675	

1 Accounting policies

a) Statutory information

The Arvon Foundation Limited is a charitable company limited by guarantee and is incorporated in England and Wales.

Its registered office address is Lumb Bank, Heptonstall, Hebden Bridge, West Yorkshire HX7 6DF.

b) Basis of preparation

The financial statements have been prepared in accordance with:

- The reporting requirements of the Companies Act 2006;
- The Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") (September 2015);
- 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102' ("Charities SORP (FRS 102)"), issued by the Charity Commission and the Office of the Scottish Charity Regulator in their role as the joint SORP-making body.

The financial statements have been prepared on the going concern basis (see note 1d) below).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Arvon Foundation Limited meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Board of Trustees is not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern.

In reaching this conclusion, the trustees have reviewed forecasts of income and expenditure, cash flow, cash balances and free reserves, prepared by the Executive, which demonstrate that, although free reserves remain below the previously stated target range, the charity will be able to meet its liabilities as they fall due and continue in operation for the foreseeable future. Based on these forecasts (including budgets and cash flow forecasts for the Lumb Bank redevelopment project) and the available information on the charity's financial position and after making appropriate enquiries of management, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, in preparing the accounts the trustees continue to adopt the going concern basis of accounting, which assumes that the charity will continue in operation for a period of at least twelve months from the date of approval of these financial statements.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably. In the case of a donation, entitlement usually arises immediately on its receipt. In the case of a grant, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity. However, some grants contain terms or conditions that must be met before the charity has entitlement to the resources. Where grants or donations specify a time period within which the funds must be spent and the funds are received before the start of that period, then the income is deferred and only recognised in the statement of financial activities at the start of the relevant period.

1 Accounting policies (continued)

e) Income (continued)

Course and retreat income represents the value of the goods and services rendered to course and retreat participants during the year. Course and retreat fees are recognised in the accounts when the relevant course or retreat takes place. Where they relate to a course or retreat taking place in the following financial year, the income is deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Claims made through the UK Government's Coronavirus Job Retention Scheme are recognised as income in the period in which the associated staff were furloughed. This income is considered to be unrestricted.

Gift Aid recoverable from HMRC in relation to donations recognised in the year is included in income on an accruals basis where there is a valid Gift Aid declaration from the donor.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made; or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Interest receivable

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

The Endowment fund ('EF') was a trust established under a separate trust deed whose assets were invested to generate income in order to provide bursaries to participants on Arvon courses on low incomes who would not otherwise be able to afford the full cost of a course. The EF was established in 1993 as a permanent endowment. The Arvon Foundation Limited was the sole corporate trustee of the EF. On 11 May 2022 the Board of Trustees of Arvon, acting as charity trustee of the EF, passed written resolutions (i) to fully align the charitable objects of the EF with those of Arvon and (ii) to free the capital within the EF from the restrictions on its expenditure, pursuant to Section 282 of the Charities Act 2011. The Charity Commission confirmed that their consent to the above resolutions came into legal effect on 12 August 2022 and that from that date the capital of the EF can be spent as if it were income.

Therefore, with effect from 12 August 2022 the EF is no longer classified as permanent endowment and the assets held within the EF at that date were transferred to unrestricted funds. This comprised a transfer of £275,000 to the designated 'Lumb Bank Redevelopment' fund and a transfer of £44,665 to 'General funds'. The EF continued to exist as a separate legal trust and to hold these assets after that date. On 23 November 2022 the Board of Trustees of Arvon, acting as charity trustee of the EF, passed a written resolution to instruct that the investment funds held by the trust should be sold and that subsequently the EF should be wound up by transferring its assets as cash to The Arvon Foundation. The investments were disposed of in March 2023 and the winding up of the EF was notified to the Charity Commission as a merger of the EF (linked charity number 306694-1) with The Arvon Foundation (charity number 306694-0), with a transfer date of 8 March 2023. The merger was registered by the Charity Commission on 16 May 2023 and the EF was removed from the Register of Charities.

Restricted income funds can only be used for particular purposes (within the objects of the charity) specified by the donor or grantor or the terms of an appeal. Expenditure which meets these criteria is charged to the relevant fund.

1 Accounting policies (continued)

g) Fund accounting (continued)

Designated funds are unrestricted funds of the charity set aside out of the general funds by the trustees for specific purposes or projects for the furtherance of particular aspects of the charity's objects, but over which the trustees retain full discretion. Designated funds include the unrestricted tangible fixed asset fund, representing the carrying value of those of the charity's tangible fixed assets which are not held in restricted funds.

General funds comprise the funds which are available to be used for any purpose within the charity's objects.

h) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is reported on an activity basis, as required by Charities SORP (FRS 102). This involves identifying the total cost of an activity, including direct, shared and indirect (or support) costs. Expenditure is classified under the following activity headings:

- Expenditure on raising funds relates to the costs incurred by the charity in seeking voluntary contributions from third parties, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering creative writing courses, retreats and other educational and research activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is not separately analysed and is included as a cost against the activity for which the related expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs, including relevant staff costs, which are not directly attributable to activities for raising funds or charitable activities, are allocated to those categories on a basis consistent with the use of resources. Support costs include:

- Governance costs;
- Costs of the Finance function, including financial accounting, banking, budgeting, payroll management and day-to-day financial administration;
- Human resources management, recruitment, central office, general and administration costs;
- Costs of central information technology resources and telecommunications;
- Costs of general communications and marketing, including distribution of information about the aims, objectives and projects of the charity to potential beneficiaries and course participants;
- Senior general management (where not allocated as a direct cost to specific activities) and other central costs;
- Depreciation charges in relation to tangible fixed assets; and
- Losses on disposals of fixed assets.

Governance costs are those associated with the governance arrangements of the charity, including external audit, general legal advice for the trustees and costs associated with constitutional and statutory requirements and ensuring proper public accountability, e.g. the costs of preparing statutory accounts. Governance costs include any costs associated with the strategic as opposed to day-to-day management of the charity's activities and the cost of charity employees in respect of their time when involved in and preparing for meetings with trustees.

1 Accounting policies (continued)

i) Allocation of support costs (continued)

Depreciation charges and losses on disposal of fixed assets are allocated in full as support costs to 'charitable activities: creative writing courses and retreats' to reflect the way in which the charity's tangible fixed assets are employed. Non-capitalised costs relating to the Lumb Bank Redevelopment project have also been fully allocated as support costs to 'charitable activities: creative writing courses and retreats'. Other support costs, including governance costs, are re-allocated to each of the principal activities on the following basis which is an estimate, based on approximate relative proportion of direct costs incurred, of the amount attributable to each activity:

▪ Cost of raising funds	7% (prior year: 10%)
▪ Creative writing courses and retreats	93% (prior year: 90%)

j) Operating leases

Licence fees for the occupation of office space and property lease rentals, which are reviewed annually to adjust for general inflation, are charged to the statement of financial activities in line with the amounts payable for the year. Other rentals paid under operating leases are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Tangible assets are capitalised if their initial cost is £500 or greater. Depreciation costs are allocated as support costs to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Freehold buildings* (excl. replacement roofing as below)	50 years
▪ Replacement roofing, excluding thatch (within Freehold buildings)	20 years
▪ Thatch roofing (within Freehold buildings)	15 years
▪ Motor vehicles	5 years
▪ Fixtures, fittings, plant and machinery	5 years
▪ Computers and other office equipment	4 years

* Land is not depreciated.

The tangible fixed asset category 'Asset under development' relates to the capitalised costs of professional fees (including architects' and cost consultants' fees) and other charges incurred in 2021 in the preparation of designs up to RIBA Stage 3 and the preparation of a statutory planning application in respect of the planned capital redevelopment of Lumb Bank. Subject to the achievement of fundraising targets, the charity plans to begin the main construction phase of the redevelopment project in 2024. No depreciation is charged on the 'Asset under development'.

1 Accounting policies (continued)

l) Fixed asset investments / Current asset investments

Investments in quoted collective investment funds are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Realised gains and losses are accounted for by reference to the sale proceeds and either the market value at the previous balance sheet date, or the cost of purchase, if later. Unrealised gains and losses are calculated by comparing the market value at the previous balance sheet date, or cost of purchase, if later, to the year end valuation. Any gain or loss arising in the period is shown under the heading "Net gains/(losses) on investments" in the statement of financial activities. Changes in fair value of investments held in the Endowment fund are shown as movements within the Endowment fund. Unrealised losses on investments held in unrestricted funds are charged to 'General funds'.

The trustees originally intended to dispose of the charity's investments in collective investment funds in the second half of 2022, in order to help fulfil the commitment under Arvon's funding agreement with Arts Council England to contribute £275,000 towards the planned redevelopment of Lumb Bank. Therefore, the fair value of investments held was reclassified on the balance sheet from "Fixed asset investments" to "Current asset investments" as at 31 December 2021. The disposal of these investments was actually completed in March 2023.

The charity does not acquire put options, derivatives or other complex financial instruments.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Creditors also include deferred income.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

o) Pensions

The amounts charged to the statement of financial activities for defined contribution pension schemes represent the employer contributions payable in the period.

Notes to the financial statements

For the year ended 31 December 2022

2 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Arts Council England: National Portfolio Funding	393,624	–	393,624	395,411	–	395,411
Government Coronavirus Job Retention Scheme	–	–	–	50,980	–	50,980
Local Authority Support Grants (Coronavirus)	10,667	–	10,667	62,770	–	62,770
DCMS Culture Recovery Fund grant	–	–	–	–	24,600	24,600
Other Public Sector grants	–	7,367	7,367	19,694	882	20,576
Grants from trusts and foundations	–	63,500	63,500	1,000	36,500	37,500
Friends Scheme (including Angels)	28,389	–	28,389	35,891	–	35,891
Other donations	4,783	62,937	67,720	18,947	67,109	86,056
Gift Aid reclaimed / recoverable	6,638	2,691	9,329	6,868	3,402	10,270
Donated goods, facilities and services	50	–	50	–	–	–
Legacies	1,000	–	1,000	301,688	–	301,688
	445,151	136,495	581,646	893,249	132,493	1,025,742

During the year Arts Council England awarded the charity a grant of £725,000 towards the redevelopment of Lumb Bank under its Capital Investment Programme. The grant remains subject to fulfilment of certain conditions including those relating to fundraising from other sources and confirmation of the final contract sum for the project. It will be paid by Arts Council in instalments subject to submission of periodic payment claims and invoices evidencing actual costs incurred during the project. Therefore, the grant is not recognised as income in the current year, but is treated as a contingent asset.

3 Income from charitable activities

	2022 Total £	2021 Total £
Fees for creative writing courses, retreats, masterclasses and tutorials (including online programme)	1,118,741	837,712
Total income from charitable activities	1,118,741	837,712

All income in the current and prior year was unrestricted.

4 Income from investments

	Unrestricted funds £	Restricted funds £	2022 Total £	Unrestricted funds £	Restricted funds £	2021 Total £
Bank interest	1,239	1,603	2,842	514	644	1,158
Dividends	–	2,246	2,246	–	2,288	2,288
	1,239	3,849	5,088	514	2,932	3,446

5 Other income

	2022 Total £	2021 Total £
John Osborne royalties (gross of agent's commission)	4,832	6,303
Government Renewable Heat Incentive payments (The Hurst)	–	5,932
Private lettings (including holiday lettings)	579	6,837
Insurance claims	2,458	–
Other miscellaneous income	10,902	9,322
	18,771	28,394

All income in the current and prior year was unrestricted.

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2022

6a Analysis of expenditure (current year)

	Charitable activities			Support costs			2022	2021
	Costs of raising funds	Creative writing courses, retreats and tutorials	Other charitable activities	Other expenditure	Governance costs	Other support costs	Total	Total
	£	£	£	£	£	£	£	£
Residential courses: tutor and guest fees	-	287,707	-	-	-	-	287,707	130,876
Residential courses: tutor and guest expenses	-	44,976	-	-	-	-	44,976	17,451
Residential courses/retreats: other variable costs	-	161,332	-	-	-	-	161,332	80,947
Writing Houses: repairs and maintenance*	-	64,501	-	-	-	-	64,501	37,760
Writing Houses: admin and property running costs**	-	126,070	-	-	-	-	126,070	101,507
Writing Houses: private lettings: variable costs	-	-	-	-	-	-	-	1,620
Learning Programme (non-resid): tutor/mentor fees	-	12,233	-	-	-	-	12,233	14,846
Learning Programme (non-resid): other project costs	-	5,786	-	-	-	-	5,786	3,784
Arvon at Home (online programme): tutor and guest fees	-	89,433	-	-	-	-	89,433	164,619
Arvon at Home (online programme): other costs	-	6,909	-	-	-	-	6,909	12,456
Other charitable activities: project costs	-	-	-	-	-	-	-	1,600
Lumb Bank Redevelopment: project costs	-	-	-	-	-	10,266	10,266	-
Fundraising: non-staff costs	1,424	-	-	-	-	-	1,424	3,390
Marketing and communications: non-staff costs	-	-	-	-	-	21,552	21,552	15,384
Staff costs (note 8)	104,248	655,928	-	-	40,888	308,223	1,109,287	964,428
Staff training and professional development	-	4,552	-	-	-	5,464	10,016	3,908
Staff recruitment	805	45	-	-	-	522	1,372	1,086
Staff travel and subsistence	-	6,737	-	-	-	5,472	12,209	3,637
National: central admin and office costs***	5,265	9,213	-	-	-	91,792	106,270	100,797
Insurance	-	-	-	-	2,403	40,264	42,667	38,796
Audit fees (see note 7)	-	-	-	-	16,320	-	16,320	14,520
Other fees paid to the auditors (see note 7)	-	-	-	-	-	-	-	4,104
Fees for professional services and consultancy	-	-	-	-	540	9,682	10,222	23,111
Trustee meeting costs, incl. travel and accommodation	-	-	-	-	426	-	426	646
Costs of trustee recruitment (incl. advertising)	-	-	-	-	-	-	-	4,855
Agent's commission on royalties	-	-	-	227	-	-	227	408
Losses on disposals of fixed assets (note 7)	-	-	-	-	-	705	705	10,347
Depreciation charges (note 7)	-	-	-	-	-	115,688	115,688	110,089
	111,742	1,475,422	-	227	60,577	609,630	2,257,598	1,866,972
Governance costs	4,240	56,337	-	-	(60,577)	-	-	-
Other support costs	33,808	575,822	-	-	-	(609,630)	-	-
Total expenditure 2022	149,790	2,107,581	-	227	-	-	2,257,598	1,866,972
Total expenditure 2021	178,065	1,686,899	1,600	408	-	-	1,866,972	

Notes:

* Includes non-payroll costs of grounds maintenance and forestry work.

** Includes Writing Houses office costs, IT, telecoms, fuel, water rates, non-staff gardening, business rates; excludes property repair and maintenance costs.

*** Includes licence fee to occupy office space (to May 2021); office lease rental costs; National Office IT equipment, software and licences; IT support and consultancy; bank and merchant services / credit card charges; costs of telecoms, postage, stationery and photocopyers.

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2022

6b Analysis of expenditure (prior year)

	Charitable activities			Support costs			
	Costs of raising funds	Creative writing courses, retreats and tutorials	Other charitable activities	Other expenditure	Governance costs	Other support costs	2021 Total
	£	£	£	£	£	£	£
Residential courses: tutor and guest fees	-	130,876	-	-	-	-	130,876
Residential courses: tutor and guest expenses	-	17,451	-	-	-	-	17,451
Residential courses/retreats: other variable costs	-	80,947	-	-	-	-	80,947
Writing Houses: repairs and maintenance*	-	37,760	-	-	-	-	37,760
Writing Houses: admin and property running costs**	-	101,507	-	-	-	-	101,507
Writing Houses: private lettings: variable costs	1,620	-	-	-	-	-	1,620
Learning Programme (non-resid): tutor/mentor fees	-	14,846	-	-	-	-	14,846
Learning Programme (non-resid): other project costs	-	3,784	-	-	-	-	3,784
Arvon at Home (online programme): tutor and guest fees	-	164,619	-	-	-	-	164,619
Arvon at Home (online programme): other costs	-	12,456	-	-	-	-	12,456
Other charitable activities: project costs	-	-	1,600	-	-	-	1,600
Fundraising: non-staff costs	3,390	-	-	-	-	-	3,390
Marketing and communications: non-staff costs	-	-	-	-	-	15,384	15,384
Staff costs (note 8)	116,413	570,292	-	-	46,122	231,601	964,428
Staff training and professional development	-	2,662	-	-	646	600	3,908
Staff recruitment	-	1,086	-	-	-	-	1,086
Staff travel and subsistence	-	1,510	-	-	-	2,127	3,637
National: central admin and office costs***	6,199	5,078	-	-	526	88,994	100,797
Insurance	-	-	-	-	1,794	37,002	38,796
Audit fees (see note 7)	-	-	-	-	14,520	-	14,520
Other fees paid to the auditors (note 7)	3,600	-	-	-	-	504	4,104
Fees for professional services and consultancy	-	-	-	-	-	23,111	23,111
Trustee meeting costs, incl. travel and accommodation	-	-	-	-	646	-	646
Costs of trustee recruitment (incl. advertising)	-	-	-	-	4,855	-	4,855
Agent's commission on royalties	-	-	-	408	-	-	408
Losses on disposals of fixed assets (note 7)	-	-	-	-	-	10,347	10,347
Depreciation charges (note 7)	-	-	-	-	-	110,089	110,089
	131,222	1,144,874	1,600	408	69,109	519,759	1,866,972
Governance costs	6,911	62,198	-	-	(69,109)	-	-
Other support costs	39,932	479,827	-	-	-	(519,759)	-
Total expenditure 2021	178,065	1,686,899	1,600	408	-	-	1,866,972

Notes:

* Includes non-payroll costs of grounds maintenance and forestry work.

** Includes Writing Houses office costs, IT, telecoms, fuel, water rates, non-staff gardening, business rates; excludes property repair and maintenance costs.

*** Includes licence fee to occupy office space (to May 2021); office lease rental costs; National Office IT equipment, software and licences; IT support and consultancy; bank and merchant services / credit card charges; costs of telecoms, postage, stationery and photocopyers.

Notes to the financial statements

For the year ended 31 December 2022

7 Net (expenditure) / income for the year

This is stated after charging:

	2022 £	2021 £
Depreciation	115,688	110,089
Losses on disposals of tangible fixed assets	705	10,347
Property: licence fee to occupy office space (including irrecoverable VAT)	–	10,521
Property: rent on office lease (including irrecoverable VAT)	23,016	14,220
Auditor's remuneration (excluding VAT):		
Audit: current year	12,600	10,600
Audit: prior year under provision	1,000	1,500
VAT and other tax advice	–	420
Independent examination of Culture Recovery Fund expenditure	–	3,000

8 Staff costs and employee benefits, trustee remuneration and expenses

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	942,110	851,719
Employer's National Insurance contributions (social security costs)	82,604	69,941
Employer's contribution to defined contribution pension schemes	45,068	40,268
Agency staff	26,584	–
Redundancy costs	10,448	–
Other staff costs	2,473	2,500
	1,109,287	964,428

During the year there were two employees whose total employee benefits (excluding employer pension contributions) fell within the banding £60,000 to £69,999 (2021: one). Employer payments in the year to defined contribution pension schemes in respect of these employees totalled £6,524 (2021: £3,414).

The key management personnel of the charity consists of the Trustees and the Executive. Until 31st January 2021, the 'Executive' comprised the Chief Executive Officer and the Chief Financial Officer & Operations Director. With effect from 1st February 2021, the Executive was expanded to include the Deputy CEO (also Co-Director of The Hurst and The Clockhouse) and the Artistic Director (also Director of Totleigh Barton). The total employee benefits including pension contributions of the key management personnel (excluding trustees) in the year were £229,749 (2021: £210,372). No staff loans were outstanding at the year end in relation to any employees (2021: none).

No member of the Board of Trustees was paid any remuneration or received any other benefits from an employment with the charity in the year (2021: none). One trustee (2021: one) received payment for professional or other services supplied to the charity, as permitted by its Memorandum of Association, totalling £1,281 (2021: £2,215). This includes payments for tutoring or being the guest speaker at Arvon courses.

Trustees' expenses, representing the payment or reimbursement of travel, accommodation and subsistence costs relating to attendance at meetings of the trustees and visits to the writing houses, totalled £426 (2021: £646) and were incurred by eight trustees (2021: nine).

Details of other transactions with trustees and connected parties of trustees are disclosed in note 10.

9 Staff numbers

The average monthly head count (number of staff employed) during the year, analysed between full-time and part-time staff, was as follows:

	2022 No.	2021 No.
Full-time staff	14.6	13.2
Part-time staff	30.1	28.5
Total average head count	44.7	41.7

The figures above include casual relief workers within part-time staff and one agency worker (part of the year, 2022 only) within full-time staff.

The average monthly number of full-time equivalent employees during the year, analysed by activity, was as follows:

	2022 No.	2021 No.
Raising funds	2.5	2.7
Charitable activities	19.1	17.7
Communications and marketing	1.9	1.7
Other support, central (including governance)	5.7	5.0
Total full-time equivalent employees	29.2	27.1

The figures above include casual relief workers within 'charitable activities' and one agency worker (part of the year, 2022 only) within 'other support, central'.

10 Related party transactions

Payments made to trustees in relation to professional or other services supplied to the charity and trustees' expenses are disclosed in note 8 above.

Aggregate donations from related parties (including trustees, members of the Leadership Team and their respective close family members) during the year were £2,953 (2021: £1,061), including Gift Aid claims outstanding at the year end of £338 (2021: £137). Of total donations of £2,953 from related parties, £2,898 was included in restricted income funds.

11 Taxation

The charitable company is exempt from corporation tax as all its trading income beyond primary purpose trading falls below the small trading tax exemption limit and all of its income is applied for charitable purposes.

12 Tangible fixed assets

	Freehold land and buildings £	Asset under development £	Fixtures and fittings, plant and machinery £	Computers and other office equipment £	Motor vehicles £	Total £
Historical cost						
At the start of the year	4,542,127	47,047	101,188	51,538	27,543	4,769,443
Additions	–	–	32,538	13,994	–	46,532
Disposals	–	–	(1,016)	(4,126)	(16,950)	(22,092)
At the end of the year	<u>4,542,127</u>	<u>47,047</u>	<u>132,710</u>	<u>61,406</u>	<u>10,593</u>	4,793,883
Accumulated depreciation						
At the start of the year	1,136,350	–	75,906	30,959	27,543	1,270,758
Disposals	–	–	(1,016)	(3,421)	(16,950)	(21,387)
Charge for the year	87,512	–	15,307	12,869	–	115,688
At the end of the year	<u>1,223,862</u>	<u>–</u>	<u>90,197</u>	<u>40,407</u>	<u>10,593</u>	1,365,059
Net book value						
At the start of the year	3,405,777	47,047	25,282	20,579	–	3,498,685
At the end of the year	<u>3,318,265</u>	<u>47,047</u>	<u>42,513</u>	<u>20,999</u>	<u>–</u>	3,428,824

'Freehold Land and Buildings' at 31 December 2022 includes £410,000 in respect of the historical cost of land which is not depreciated (2021: £410,000).

All of the above assets are used (or, in the case of the 'Asset under development', are intended to be used) for charitable purposes.

13 Investments

	2022 £	2021 £
Shares in Common Investment Funds:		
Fair value at the start of the year	84,502	84,401
Net (losses) / gains on revaluation	(7,948)	101
Fair value at the end of the year	<u>76,554</u>	<u>84,502</u>
Historic cost at the end of the year	<u>75,410</u>	<u>75,410</u>
Investments comprise:		
	2022 £	2021 £
Shares in Common Investment Funds at fair value (see above)	<u>76,554</u>	<u>84,502</u>
Total investments	<u>76,554</u>	<u>84,502</u>

Investments in Common Investment Funds at fair value are analysed by investment manager and fund in the table below:

	2022 £	2021 £
M&G Securities Ltd: Charibond	57,450	64,271
M&G Securities Ltd: Charifund	19,104	20,231
Total	<u>76,554</u>	<u>84,502</u>

Notes to the financial statements

For the year ended 31 December 2022

14 Debtors

	2022 £	2021 £
Long term debtors (receivable after more than one year)		
National Office rent deposit paid	–	5,857
Short term debtors		
Trade debtors	62,395	18,390
National Office rent deposit paid	5,857	–
Other debtors	8,638	1,743
Prepayments	24,465	20,428
Accrued income	18,752	18,826
Total debtors	120,107	65,244

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	39,648	28,645
PAYE taxation and social security (National Insurance contributions)	21,268	20,270
VAT payable	7,787	5,236
Holiday pay accrual	16,864	11,130
Other accruals	49,364	25,191
Deferred income (Note 16)	377,008	212,046
Total	511,939	302,518

16 Deferred income

Deferred income comprises income received during the year for courses and retreats taking place in future periods (including gift vouchers purchased or issued as refunds for redemption against future courses).

	2022 £	2021 £
Balance at the beginning of the year	212,046	114,161
Amount released to income in the year	(161,468)	(51,565)
Amount refunded in the year (course cancellations and gift vouchers refunded)	(650)	(5,847)
Amount deferred in the year	327,080	155,297
Balance at the end of the year	377,008	212,046

17a Analysis of net assets between funds (current year)

	Unrestricted General £	Unrestricted Designated £	Restricted £	Total funds £
Tangible fixed assets	–	376,013	3,052,811	3,428,824
Net current assets	197,881	302,604	66,979	567,464
Net assets at the end of the year	197,881	678,617	3,119,790	3,996,288

17b Analysis of net assets between funds (prior year)

	Unrestricted General £	Unrestricted Designated £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	–	364,131	3,134,554	–	3,498,685
Net current assets	494,029	85,857	135,533	323,484	1,038,903
Net assets at the end of the year	494,029	449,988	3,270,087	323,484	4,537,588

18a Endowment fund (current year)

	At 1 January 2022 £	Unrealised losses on investments £	Transfers £	At 31 December 2022 £
Endowment fund	323,484	(3,819)	(319,665)	–

18b Endowment fund (prior year)

	At 1 January 2021 £	Unrealised gains on investments £	At 31 December 2021 £
Endowment fund	323,383	101	323,484

The Endowment fund ('EF') was a trust established under a separate trust deed whose assets were invested to generate income in order to provide bursaries to participants on Arvon courses on low incomes who would not otherwise be able to afford the full cost of a course. The EF was established as a permanent endowment in 1993. The Arvon Foundation Limited was the sole corporate trustee of the EF. On 11 May 2022 the Board of Trustees of Arvon, acting as the charity trustee of the EF, passed written resolutions (i) to fully align the charitable objects of the EF with those of Arvon and (ii) to free the capital within the EF from the restrictions on its expenditure, pursuant to Section 282 of the Charities Act 2011. The Charity Commission confirmed that their consent to the above resolutions came into legal effect on 12 August 2022 and that from that date the capital of the EF can be spent as if it were income. Therefore, with effect from 12 August 2022 the EF is no longer classified as permanent endowment and the assets held within the fund at that date were transferred to unrestricted funds. This comprised a transfer of £275,000 to the designated 'Lumb Bank Redevelopment' fund (made up of cash of £238,982 and investments with a fair value at that date of £36,018) and a transfer of investments with a fair value of £44,665 to 'General funds'.

The EF continued to exist as a separate legal trust and to hold these assets after that date. On 23 November 2022 the Board of Trustees of Arvon, acting as charity trustee of the EF, passed a written resolution to instruct that the investment funds held by the trust should be sold and that subsequently the EF should be wound up by transferring its assets as cash to The Arvon Foundation. The investments were disposed of in March 2023 and the winding up of the EF was notified to the Charity Commission as a merger of the EF (linked charity number 306694-1) with The Arvon Foundation (charity number 306694-0), with a transfer date of 8 March 2023. The merger was registered by the Charity Commission on 16 May 2023 and the EF was removed from the Register of Charities.

19a Restricted income funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
<u>Tangible fixed assets: Restricted</u>					
The Hurst Property	2,798,123	–	(66,034)	–	2,732,089
Lumb Bank Property	175,683	–	(9,544)	–	166,139
Totleigh Barton Property	160,748	–	(6,165)	–	154,583
<u>For Bursaries (to individuals incl. teachers)</u>					
Endowment fund income account	18,844	3,849	(5,000)	–	17,693
The Barbara and Philip Denny Charitable Trust	6,000	8,000	(10,000)	–	4,000
The T. S. Eliot Foundation	8,500	9,000	(8,500)	–	9,000
The Garrick Charitable Trust	–	5,000	(5,000)	–	–
The Francis W Reckitt Arts Trust	–	3,500	(500)	–	3,000
Other general bursary funders	21,364	4,338	(20,960)	–	4,742
The David Pease Award	2,400	–	–	–	2,400
<u>For Learning Programme courses and projects:</u>					
Comic Relief (Writing the Game)	2,342	–	(2,342)	–	–
The McGrath Trust	12,587	–	(12,587)	–	–
John Lyon's Charity	–	23,500	(23,500)	–	–
The Mercers' Charitable Foundation	2,400	–	(2,400)	–	–
Unwin Charitable Trust	–	5,000	(5,000)	–	–
SHINE re Schools Programme	13,500	6,000	(19,500)	–	–
The John Thaw Foundation re Schools	–	2,000	(2,000)	–	–
The Barbour Foundation re North East Schools	–	1,500	(1,500)	–	–
Amazon Literary Partnership	6,378	30,000	(32,978)	–	3,400
The Oliver Black Memorial Fund	16,902	–	(16,902)	–	–
Annie's Fund: Inspiring Young People to Write	11,759	1,250	(13,009)	–	–
Kevin Jackson Award	6,000	13,728	(11,000)	–	8,728
The Harold Hyam Wingate Foundation	5,000	–	(5,000)	–	–
Donations to fund Crenham Award	1,125	–	(1,125)	–	–
Gift from Peter Emery re Schools Programme	–	3,750	(1,500)	–	2,250
McNelly Family Trust	–	10,000	–	–	10,000
<u>Lumb Bank Redevelopment Project</u>					
Individual donations	–	1,563	–	–	1,563
<u>Other projects</u>					
Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank)	182	882	(1,064)	–	–
Rural Payments Agency: grant for restoration of field boundaries at Lumb Bank	–	6,484	(6,484)	–	–
South West Water: grant to purchase bees and beehive for Totleigh Barton	–	1,000	(65)	(732)	203
Other	250	–	–	(250)	–
Total restricted income funds	3,270,087	140,344	(289,659)	(982)	3,119,790

Notes to the financial statements

For the year ended 31 December 2022

19b Restricted income funds (prior year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
<u>Tangible fixed assets: Restricted</u>					
The Hurst Property	2,848,600	-	(66,035)	15,558	2,798,123
Lumb Bank Property	185,227	-	(9,544)	-	175,683
Totleigh Barton Property	166,913	-	(6,165)	-	160,748
<u>For Bursaries (to individuals incl. teachers)</u>					
Endowment fund income account	15,912	2,932	-	-	18,844
The Barbara and Philip Denny Charitable Trust	6,000	6,000	(6,000)	-	6,000
The Derek Hill Foundation	3,000	-	(3,000)	-	-
The D'Oyly Carte Charitable Trust	3,500	-	(3,500)	-	-
The T. S. Eliot Foundation	16,850	8,500	(16,850)	-	8,500
Other general bursary funders	18,131	5,788	(2,555)	-	21,364
The David Pease Award	2,400	-	-	-	2,400
<u>For Learning Programme courses and projects:</u>					
Comic Relief (Writing the Game)	2,942	-	(600)	-	2,342
The Jerwood Charitable Foundation (t/a Jerwood Arts) – Mentoring	9,540	-	(9,540)	-	-
The McGrath Trust	12,587	-	-	-	12,587
John Lyon's Charity	23,063	-	(23,063)	-	-
The Mercers' Charitable Foundation	-	6,000	(3,600)	-	2,400
Unwin Charitable Trust	-	5,000	(5,000)	-	-
SHINE re Schools Programme	9,000	6,000	(1,500)	-	13,500
Normanby Charitable Trust re Schools Prog.	5,000	-	(5,000)	-	-
Amazon Literary Partnership	30,000	30,000	(53,622)	-	6,378
The Oliver Black Memorial Fund	-	16,902	-	-	16,902
Annie's Fund: Inspiring Young People to Write	-	11,759	-	-	11,759
Kevin Jackson Award	-	6,000	-	-	6,000
The Harold Hyam Wingate Foundation	-	5,000	-	-	5,000
Donations to fund Crenham Award	1,063	62	-	-	1,125
<u>DCMS: Culture Recovery Fund grant</u>	124,950	24,600	(42,839)	(106,711)	-
<u>Lumb Bank Redevelopment Project</u>					
Lumb Bank Redevelopment: Preparation Costs The John S Cohen Foundation	4,293	-	-	(4,293)	-
<u>Other projects</u>					
Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank)	-	882	(700)	-	182
The Margaret Ingram Bursary Fund for Trainee Gardener at The Hurst	1,250	-	(1,250)	-	-
Other	250	-	-	-	250
Total restricted income funds	3,490,471	135,425	(260,363)	(95,446)	3,270,087

19 Restricted Income Funds (continued)

Purposes of restricted funds:

- a) The Hurst, Lumb Bank, Totleigh Barton Properties. These funds represent the accounting net book value of land and buildings (freehold property) to be used by Arvon for creative writing courses and retreats.

Expenditure charged to these funds in the year totalling £81,743 (2021: £81,744) relates to the depreciation charges against freehold property assets held within restricted funds; a further £5,769 of depreciation has been charged during the year against elements of freehold property held within the designated fund 'Tangible fixed assets: Unrestricted' (2021: £5,770) (see note 12). Transfers in during the prior year of £15,558 relate to fixed asset additions to freehold properties in that year as shown below:

	2022 £	2021 £
The Hurst: fixed asset additions in relation to works to improve the condition of the stores area and prevent water ingress, transfer in from general funds:	–	15,558
Total transfers in to Restricted Tangible Fixed Asset funds:	–	15,558

- b) Bursary funds, including Endowment fund income account. These funds provide financial support to attend an Arvon course to adult applicants on low incomes who would otherwise not be able to meet the full cost of a creative writing course fee, or to teachers. The Endowment fund income account is a restricted fund established to receive the income arising from the investments and cash deposits held within the Arvon Endowment Fund in order to apply these resources to provide bursaries to applicants on low incomes. Bursaries are provided in the form of fee reductions granted to participants on courses.
- c) Writing the Game – Grant funds from Comic Relief towards a project for under 18s which aims to harness young people's love of football to encourage a life-long interest in writing and words.
- d) The McGrath Trust. Supporting courses for young people from Northern Ireland.
- e) John Lyon's Charity. Supporting Arvon's First Lines programme providing young people in care the opportunity to participate in a residential week and pre/post residential arts activities.
- f) The Mercers' Charitable Foundation; Unwin Charitable Trust; SHINE; The John Thaw Foundation; The Barbour Foundation: Grants in support of Arvon's Schools Programme.
- g) Amazon Literary Partnership. A donation towards the Learning Programme supporting courses for state schools, young people and vulnerable adults.
- h) The Oliver Black Memorial Fund. Crowdfunding income in support of the Learning Programme (courses for state schools, disadvantaged young people and vulnerable adults).
- i) Annie's Fund: Inspiring Young People to Write. Crowdfunding income in support of the Schools Programme.
- j) Kevin Jackson Award. Donations in memory of Kevin Jackson towards Arvon's Schools Programme.
- k) Harold Hyam Wingate Foundation. Grant to support 12 emerging playwrights to participate in an Arvon at Home course and follow-up online one-to-one tutorials.
- l) Crenham Award. An award aimed at increasing access to creative writing for marginalised young people and vulnerable adults. Supported by a number of trusts and individual donors.

19 Restricted Income Funds (continued)

- m) Gift from Peter Emery. A donation towards the Schools Programme: online and in-person school workshops.
- n) McNelly Family Trust. A donation in support of the Learning Programme.
- o) Lumb Bank Redevelopment Project: individual donations. Gifts received from individuals towards the costs of the planned capital redevelopment of Lumb Bank.
- p) Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank). A grant awarded by Calderdale Council under its Flood Recovery and Resilience Programme, whose aim is to reduce the impact of flooding in Calderdale. The funds awarded over the period 2019–22 have enabled Arvon to invest in measures at Lumb Bank, including earth bunds, Himalayan balsam control and woodland thinning, which will contribute to the management of flood risk in the area.
- q) Rural Payments Agency. A grant awarded by the Rural Payments Agency (an executive agency of the Department for Environment, Food and Rural Affairs) to support the restoration of field boundaries and hedgerows at Lumb Bank.
- r) South West Water. A community grant from the South West Water Neighbourhood Fund 2022 towards the purchase of bees and a beehive at Tottleigh Barton.

20a Unrestricted funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Designated funds:					
Tangible fixed asset fund: Unrestricted	364,131	–	(34,650)	46,532	376,013
Lumb Bank Redevelopment fund:	–	–	(8,796)	275,000	266,204
National Office rent deposit fund:	5,857	–	–	–	5,857
Property maintenance fund:	80,000	–	(20,298)	(29,159)	30,543
Total designated funds	449,988	–	(63,744)	292,373	678,617
Free Reserves:					
General funds	494,029	1,583,902	(1,908,324)	28,274	197,881
Total Free Reserves	494,029	1,583,902	(1,908,324)	28,274	197,881
Total unrestricted funds	944,017	1,583,902	(1,972,068)	320,647	876,498

20b Unrestricted funds (prior year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Designated funds:					
Tangible fixed asset fund: Unrestricted	264,648	–	(38,692)	138,175	364,131
National Office rent deposit fund:	–	–	–	5,857	5,857
Property maintenance fund:	–	–	–	80,000	80,000
Total designated funds	264,648	–	(38,692)	224,032	449,988
Free Reserves:					
General funds	430,663	1,759,869	(1,567,917)	(128,586)	494,029
Total Free Reserves	430,663	1,759,869	(1,567,917)	(128,586)	494,029
Total unrestricted funds	695,311	1,759,869	(1,606,609)	95,446	944,017

Purposes of unrestricted funds

- a) Tangible fixed asset fund: Unrestricted. Expenditure charged to this fund in the year totalling £34,650 (2021: £38,692) is made up of: depreciation charges of £28,176 (2021: £22,575) against the tangible fixed asset categories 'fixtures and fittings, plant and machinery' and 'computers and other office equipment'; a depreciation charge of £5,769 (2021: £5,770) against those elements of 'freehold property' held within designated funds (see note 12); and losses on disposals of tangible fixed assets in the year of £705 (2021: £10,347).

Transfers in to this fund totalling £46,532 (2021: £138,175) relate to fixed asset additions as follows:

	2022 £	2021 £
Fixed asset additions (land and buildings), transfer in from general funds:	–	10,316
Fixed asset additions (land and buildings), transfer in from restricted funds:	–	52,440
Fixed asset additions (asset under development), transfer in from general funds:	–	42,754
Fixed asset additions (asset under development), transfer in from restricted funds:	–	4,293
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from general funds:	2,397	11,088
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from designated property maintenance fund:	29,159	–
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from restricted funds:	982	–
Fixed asset additions (computers and other office equipment), transfer in from general funds:	13,994	17,284
Total transfers in to Tangible Fixed Asset fund: Unrestricted	46,532	138,175

- b) Designated fund: Lumb Bank Redevelopment. Following the release of the capital held within the Endowment fund ('EF') from the restrictions on its expenditure, which came into effect on 12 August 2022, the assets held within the EF were transferred to unrestricted funds at that date (see note 18 above). This included the transfer of £275,000 to a newly created designated fund for the Lumb Bank Redevelopment project (made up of cash of £238,982 and investments with a fair value of £36,018 on the date of transfer). This amount represents the commitment by the trustees from Arvon's existing resources towards the costs of the Lumb Bank Redevelopment project, as reflected in the charity's funding agreement with Arts Council England under the ACE Capital Investment Programme.

Unrealised losses on the total amount of investments transferred to unrestricted funds in August 2022 following the date of transfer have been charged in full to 'General funds', with no losses on investments charged to the designated 'Lumb Bank Redevelopment' fund.

- c) Designated fund: National Office rent deposit. In May 2021 the charity took on a new lease for office premises in Clerkenwell, London. This fund represents the amount of £5,857 paid as a deposit under the terms of the occupation agreement, which is to be refunded at the end of the tenancy. This amount is included in debtors on the balance sheet (see note 14).

20 Unrestricted funds (continued)

d) Designated fund: Property maintenance. The purpose of this fund is to ringfence resources for necessary maintenance and improvements of the charity's freehold buildings and estates and to allow for longer term forward planning based on quinquennial inspection reports. This fund may also be used in future for replacement of the vehicles used by the charity at the writing houses.

e) Net transfers in to general funds of £28,274 (2021: transfers out of £128,586) can be analysed as follows:

	2022 £	2021 £
Transfers out to 'Tangible fixed asset fund: Restricted' in respect of fixed asset additions, as noted above:	–	(15,558)
Transfers out to 'Tangible fixed asset fund: Unrestricted' in respect of fixed asset additions, as noted above:	(16,391)	(81,442)
Transfer in from restricted fund 'DCMS: Culture Recovery Fund grant':	–	54,271
Transfer out to designated fund 'National Office rent deposit' (see note 20c):	–	(5,857)
Transfer out to designated fund 'Property maintenance' (see note 20d):	–	(80,000)
Transfer in from Endowment Fund (see note 18):	44,665	–
Total net transfers in to / (out of) General funds:	<u>28,274</u>	<u>(128,586)</u>

21 Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	882,742	1,191,675
Total cash and cash equivalents	<u><u>882,742</u></u>	<u><u>1,191,675</u></u>

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

23 Contingencies

Arts Council England Lottery funding for the development of The Hurst totalled £1,650,000 between 2011 and 2014. This funding is conditional on The Hurst remaining as a writing centre for 30 years from 24 June 2011. If the condition is not met, the funding is liable for repayment to Arts Council England. Arts Council England has a fixed charge security over the freehold of The Hurst and a floating charge over the assets of The Arvon Foundation Limited to the value of the Lottery funding. This security is in place for a period of 30 years from 24 June 2011.

Accounts

Company number: 1086582

Charity Number: 306694



The Arvon Foundation Limited

Trustees' Annual Report and Financial Statements
For the year ended 31 December 2021

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For the year ended 31 December 2021

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The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2021

Country of registration	England and Wales
Country of incorporation	United Kingdom
Company number	1086582
Charity number	306694
VAT registration number	287 9329 41
Registered and principal office address (to 25 May 2021)	Free Word 60 Farringdon Road London EC1R 3GA
Registered office address (from 25 May 2021)	Lumb Bank Heptonstall, Hebden Bridge West Yorkshire HX7 6DF
National office address (from 25 May 2021)	Unit 103 Clerkenwell Workshops 27/31 Clerkenwell Close London EC1R 0AT
Trustees	Trustees serving during the year and up to the date of this report (who are also the directors of The Arvon Foundation Limited under company law) were as follows: Jeremy Treglown Chair of Trustees (retired 27 January 2022) Patricia Cumper Chair of Trustees (appointed 27 January 2022) Dr Judith Abbott Chair of Finance Committee Lee Bilson Chair of Properties Committee from 21 October 2021 Joshua Cockcroft Kim Evans Chair of Appointments and Remuneration Committee from 27 January 2021 Alison Flood (resigned 4 February 2022) Neil Harris Chair of Properties Committee to 21 October 2021 Sarah Harwood Christian Lewis Nicholas Makoha

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2021

	Meriel Schindler	(retired 30 June 2021) Chair of Nominations Committee to 27 January 2021
	Jonathan Teckman	
	Andrew Wimble	(retired 16 September 2022)
Founders	John Fairfax and John Moat	
Chief Executive Officer	Andrew Kidd	
Chief Financial Officer and Operations Director	Richard Haseldine	
Deputy Chief Executive Officer	Natasha Carlish (from 1 February 2021)	
Artistic Director	Mary Morris (from 1 February 2021)	
Company Secretary	Natasha Carlish	
Other names used by the Charity	Arvon The Arvon Foundation	
Our Writing Houses	Lumb Bank The Ted Hughes Arvon Writing House Heptonstall Hebden Bridge West Yorkshire HX7 6DF The Hurst The John Osborne Arvon Writing House Clunton Craven Arms Shropshire SY7 0JA Totleigh Barton Sheepwash Beaworthy Devon EX21 5NS	

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2021

Website	www.arvon.org
Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN
Solicitors	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

This document comprises the Trustees' annual report (incorporating the Directors' Report as required by company law) and the audited financial statements of The Arvon Foundation Limited for the year ended 31 December 2021.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements appear in the format required by the Companies Act 2006, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Statement of Recommended Practice for Accounting and Reporting by Charities Preparing their Accounts in Accordance with FRS 102 ("Charities SORP (FRS 102)").

Statement concerning the impact of the Coronavirus Pandemic (COVID-19) on Arvon

From the third week of March 2020, Arvon's three writing houses and the Clockhouse Writers' Retreat facility were forced to close as the country went into lockdown. The Clockhouse was able to re-open in mid-August 2020 under strict Covid-secure, 'hotel-standard' conditions, and from September both Lumb Bank and Totleigh Barton were partially re-opened for private holiday lettings. From early November 2020, following the introduction of new national lockdown legislation, all residential activities again ceased and planned Covid-secure retreats at The Clockhouse, Lumb Bank and Totleigh had to be cancelled. The houses then remained closed until the spring of 2021. In accordance with the Government's 'unlocking roadmap', The Clockhouse reopened for single person retreats on 13 April 2021 and then expanded to full capacity from 17 May 2021. Lumb Bank also reopened for 6-person untutored retreats on 17 May, with Totleigh Barton reopening for 5-person untutored retreats the following week. From 21 June 2021, Lumb Bank offered three consecutive weeks of 6-person tutored retreats, and on 12 July 2021 The Hurst and Totleigh Barton both resumed standard tutored Arvon courses, with Lumb Bank resuming standard tutored courses the following week. Weekly participant capacity for all three houses was limited, until the end of September 2021, to 9 for Totleigh Barton, 11 for Lumb Bank and 13 for The Hurst. The houses returned to full capacity operation – 14/14/16 – from the beginning of October 2021. All of Arvon's digital activity, under the banner Arvon at Home, continued throughout the pandemic and will remain a new, essential part of Arvon's offer post-pandemic as well.

By March 2021, the cancellation of 12 months of residential courses is estimated to have resulted in the loss of approximately £1.1 million of gross income and c. £550,000 of contribution to the charity's fixed costs. However, Arvon was able to effectively mitigate these losses through a combination of local authority grants, individual donations and grants from funders in response to the crisis, the Government's Coronavirus Job Retention Scheme to support the employment costs of furloughed staff members and the highly successful launch, from April 2020, of our 'Fourth House', Arvon at Home, which offers weekly masterclasses, readings and 5-day courses online. Arvon at Home has been transformative for the charity in terms of both accessibility and reach. Over the course of 2021, the total sum of course engagements with Arvon was 10,157, comprising 4,606 individuals (compared to 4,282 in 2020 and 1,242 in 2019).

In addition, in October 2020 we were awarded a grant of £246,000 from the Government's Culture Recovery Fund, administered by Arts Council England, to fund vital expenditure in the period from October 2020 to March 2021. Further local authority grants were awarded in 2021, and Arvon also benefitted from receipt of a legacy of just over £300,000 in 2021.

Nevertheless, there remains a high level of general uncertainty in the charity's operating environment in the aftermath of the Covid-19 pandemic. In common with the experience of organisations across the arts sector and beyond, Arvon's income from charitable activities has continued to be negatively impacted since re-opening and uncertainty persists in the outlook for future course sales as audience activity adjusts post pandemic. The fundraising landscape post-Covid is challenging as a result of the impact on funders. Arvon plans to mitigate these risks and the challenges presented by high inflation and a worsening general economic outlook by introducing a more flexible approach to course pricing in response to inflation, by continuing to develop opportunities to broaden the charity's revenue streams and by making contingency plans for deeper cost savings and restructuring in the event that income falls short and / or deficits increase beyond the levels envisaged in current forecasts for the remainder of 2022 and 2023.

About Arvon

The first Arvon writing course took place in Beaford, North Devon, in 1968. It was taught and run by Arvon's founders, the poets John Fairfax and John Moat, with the original aim of providing time and space away from school for young people to write poetry. John Moat wrote that they were inspired to create Arvon as "a space where individuals, and in particular young committed writers, could be given a sanctuary away from, as we saw it, the creative deprivation imposed by the system of standard education – and there offered . . . the guidance of experienced writers". The spirit and intentions of Arvon's founders remain as relevant and essential today as they were in 1968.

Objects of the Charity

The Arvon Foundation's objects are:

"to promote and assist in the advancement of education of students of educational establishments and others in the arts and crafts including the arts of poetry and literature, drama, music, dancing, mime, painting, sculpture and the graphic arts, and to extend and increase the appreciation, knowledge and understanding of such persons of the arts and crafts in all their forms."

The charity's primary activity to deliver its charitable objects is to provide residential and non-residential writing courses for individuals, schools and groups, led by highly respected authors, with a particular focus on courses relating to poetry, fiction, non-fiction writing and drama. Since its foundation in 1968, Arvon has supported the development of thousands of writers. We are the UK's "home for creative writing", where anyone, regardless of writing experience, can step away from their normal routine, immerse themselves in the creative process, be inspired by experienced

writers and release their imaginative potential. We also provide a unique dedicated Writers' Retreat facility at The Clockhouse in the grounds of The Hurst in Shropshire.

These activities are described below.

Our Vision

We believe that writing can change lives for the better.

Creative writing allows us to harness our imagination and find our voice. It creates new possibilities, new ideas, new futures. It unlocks our potential, our empathy and our hope. And we are keen to share this opportunity with as many people as possible.

Our Mission

Arvon's mission is to be the UK's home for creative writing, where anyone, regardless of writing experience, can benefit from the transformative power of writing.

Our Values

INCLUSIVE: Everyone is creative. We make spaces that are open to all, where anyone, regardless of writing experience, feels welcome and included as part of a community of writers.

INSPIRING: Step away from the routine, be inspired by writers and Arvon's beautiful locations and unlock your imaginative potential. Arvon is a place for contemplation, challenge and going beyond what you thought you were capable of achieving.

SUPPORTIVE: Creative writing is a craft that can be learnt, through guidance from experts, and through the peer support that comes from creative friendships with fellow writers. At Arvon writers teach writers, and everyone encourages each other to become a better writer.

TRANSFORMATIVE: Immersing yourself in creative writing nourishes the imagination, can deepen the connection to self and to the world, and can lead to dramatic change and progress.

Our Artistic Offer

Arvon's main programme of work comprises seven strands of activity:

Open Programme

The Open Programme is a year-round offer of mostly five-day tutored creative writing residential courses at our three writing houses located in Devon, Shropshire and Yorkshire, and now also in our fourth 'virtual house', Avon at Home.

The Open Programme is intended for writers from all ranges of experience and backgrounds aged 18+ and is open to bookings from the general public. Courses have a maximum capacity of between 14 and 16 participants. Grants are available to help people on a low income or none. Starting to Write courses are intended for beginner writers, our Work-in-Progress courses and Retreats are intended for emerging and experienced writers, and all remaining courses are intended for mixed abilities and cover multiple genres.

Every course is tutored by published writers chosen for their expertise and their ability to share their skill and knowledge of the craft of writing. We have a pool of tutors which we are constantly refreshing with new writers, as new genres emerge in the world of literature, and as emerging writers mature. Each year we have provided paid work for approximately 400 professional writers as tutors and guest readers.

With the advent of our online programme, Arvon at Home, this number has increased to over 500 a year, with Arvon at Home now embedded as a permanent part of our offer. The Arvon at Home programme includes a year-round programme of Online Writing Weeks, Online Writing Weekends, Online Writing Days, Online Evening Courses (a five-day engagement spread over five weeks), Masterclasses and How I Write Sessions. Arvon at Home has dramatically increased and improved access to Arvon.

Retreats

The Writers' Retreat at The Clockhouse at our Shropshire site is a resource for talented writers looking to further their writing independently, without facilitation from a tutor. It is designed to provide everything a writer needs to be as productive as possible. The building is able to accommodate up to four writers at a time and is fully catered and independent of the main house.

Mentoring and Online Support

Arvon offers mentoring and support as part of our commitment to talent development. We have begun to establish an Arvon online community, connecting writers to Arvon tutors and to each other, and making www.arvon.org a source of expertise on the craft of writing. This includes one-to-one tutorials and tips and exercises available to Arvon Friends.

This strand includes:

- The Jerwood/Arvon Mentoring Programme, a biennial award for emerging writers (last offered in 2020; we hope to resume the programme in 2023)
- Partnerships with regional, national and international competitions and talent development programmes such as SI Leeds Literary Prize, Commonword's Diversity Young Adult Fiction Prize, Obsidian, New Writing North, Foyle Young Poets and the Bocas Lit Fest, Trinidad and Tobago's annual literary festival
- Arvon 1-1: one-to-one online tutorials and mentoring
- Online writing advice for Arvon Friends membership (free to 18 to 25-year-old writers)

Residential Courses with Schools and Under-18s

Arvon hosts five-day residential creative writing courses for primary and secondary schools at the three Arvon writing houses. We work to raise funds to subsidise visits by some state schools in areas of disadvantage across England and aim to build sustained relationships with schools, encouraging continued work in the classroom and enrichment activities. Ages range from 10 to 18, with occasional multi-year projects, including work with e.g. schools based in north-east England. In 2020, we also piloted online writing workshops for Children and Young People. These have now been embedded in our core offer, with monthly online workshops now offered at no charge to schools and individuals (and recorded to make them available for classroom use at a teacher's convenience).

Residential Courses with Partner Organisations

Arvon hosts residential creative writing courses for community and arts organisations, particularly those supporting young people and adults who are vulnerable or marginalised. We collaborate with partners to raise funds to support participation in a residential week.

This strand has included:

- Multi-year partnerships with Foyle Young Poets and First Story, supporting talented young writers;
- The Crenham Award, working with marginalised adults;
- Work with young people in care through Virtual Schools across several London boroughs; and
- Start360, working in Belfast with vulnerable young people with complex needs.

Arvon Live

Arvon Live is an emerging strand, which has evolved from a former initiative, Arvon City, and from what we have learned through the creation of Arvon at Home. Successfully piloted in October 2021, Arvon Live days recreate our online Masterclasses and How I Write sessions in a live setting, with up to 50 participants. Arvon Live is integral to our plans to amplify Arvon's community outreach, particularly in relation to our 'Arvon North' strategy for the redevelopment of Lumb Bank. (Other community outreach initiatives in 2021 included an Open Day at Lumb Bank (incorporating a Lumb Bank Redevelopment stakeholder engagement event led by Gagarin Studio, the architectural practice overseeing the first stages of the redevelopment project, poetry in the landscape and a pop-up exhibition of artworks inspired by the work and landscape of Ted Hughes) and an Arvon Community Day (Arvon tasters for Children and Young People, local schools and community groups).

Professional Development (including research projects)

Arvon supports writers and teachers of writing to develop their practice. This strand includes:

Arvon Tutor Development – a programme of learning and development for new and established writing tutors, including an annual residential week for up to 16 Arvon tutors.

Arvon Teacher Development – including an annual residential exclusively for teachers; research programmes with teachers and writers; and Open Programme grants for teachers.

Structure, Governance and Management

The Arvon Foundation Limited is a charitable company limited by guarantee without share capital, incorporated on 13 December 1972 and registered as a charity on 28 March 1973.

The Memorandum of Association and Articles of Association of The Arvon Foundation Limited form the governing documents of the charity.

Method of Appointment and Election of Trustees

The management of the charitable company is the responsibility of the body of trustees, referred to as the “Board of Trustees” (or as the “Council of Management” in the governing documents of the charitable company). Trustees are selected with a view to ensuring an appropriate mix of backgrounds, skills and expertise. A Nominations Committee advises the Board on the selection and recruitment of new trustees and may recommend various methods of recruitment including public advertisement. From January 2021 the Nominations Committee was replaced by a newly constituted Appointments and Remuneration Committee.

Trustees are elected by the Board for a period of four years and have the option of stepping down or putting their name forward for re-election for a further four-year period in accordance with the Articles of Association and the procedures agreed by the Board.

The trustees who served during the year and up to the date of this report are shown on pages 1–2.

Policies adopted for the Induction and Training of Trustees

All trustees are issued with the Charity Commission booklet setting out the duties and responsibilities of trustees. New trustees also receive an Induction Guide, which includes the Memorandum and Articles of Association, the latest Trustees' Annual Report and Financial Statements, management accounts and other briefing documentation explaining Arvon's organisational structure and practices. Trustees are invited to make visits to a writing house while a course is running. Training is offered to trustees where appropriate, either individually or collectively.

The induction and ongoing training of trustees is reviewed regularly with a view to enhancing their skills and knowledge relating to charity affairs.

Board and governance reviews are carried out from time to time.

Public Benefit

The trustees confirm that they have complied with the duty set out in section 17(5) of the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission when exercising any powers or duties to which the guidance is relevant. The review of objectives and activities set out below gives examples of how Arvon has furthered its charitable purposes for the public benefit.

Organisational Structure and Decision Making

The Board meets at least four times per year and receives reports from the Executive and trustee committees:

- Finance Committee
- Properties Committee
- Appointments and Remuneration Committee (from January 2021, replacing the Nominations Committee)

The charity's staff team is led by the Executive, which comprises:

- The Chief Executive Officer (until February 2021 this role was combined with that of Artistic Director)
- The Chief Financial Officer and Operations Director
- The Deputy Chief Executive Officer (from February 2021)
- The Artistic Director (from February 2021)

Each of the three writing houses is managed by a Director or Co-directors, who are responsible for the management of the house and are supported by a Deputy Director, a House Administrator and House Managers. Part-time housekeeping and gardening/groundskeeping staff are also employed at the writing houses. Our digital 'Fourth House', Arvon at Home, is overseen by two Co-directors.

The Chief Executive Officer, the Chief Financial Officer and Operations Director, the six Directors / Co-directors (two of whom are also Deputy Chief Executive and Artistic Director), together with the Director of Digital and Communications and the Head of Development form the Leadership Team (formerly known as the Senior Management Team). The Leadership Team meets on a regular basis throughout the year.

The Company Secretary is appointed by the Board of Trustees and is normally one of the members of the Executive.

The charity's fundraising, communications, finance and central administration staff are based in the National office in London.

Remuneration Policy

Since its establishment in January 2021, the Appointments and Remuneration ('A&R') Committee has been responsible for overseeing the process of setting the remuneration of the Chief Executive Officer ('CEO') on behalf of the Board of Trustees. When the Chair of Trustees has completed the CEO's annual appraisal, he or she puts forward a proposal for discussion to the trustee members of the A&R Committee. The Committee considers the proposal of the Chair, taking into account relevant factors including performance, any updates to the CEO's job description and current market rates for CEOs in comparable arts sector organisations. The A&R Committee then forwards its recommendation to the Finance Committee, which considers the proposal in the light of the broader budgetary context. If the Finance Committee endorses the salary recommendation, it is presented to the full Board of Trustees for approval.

The CEO is responsible for overseeing the remuneration of all other employees, in particular for the annual salary review which is an important element of the annual budget setting process. As part of this process, the Chief Financial Officer makes a proposal for salary increases (with the exception of his own, which the CEO considers separately), taking into consideration inflation and other cost of living increases, staff retention, opportunities for staff progression, recognition of changes in responsibility, staff overall remuneration and benefits, Arvon's financial circumstances and the wider economic and political environment. The outcome of the salary review is incorporated into the proposed organisational budget, which is presented to the Finance Committee for its consideration. The Finance Committee then makes a recommendation to the Board, normally at its November meeting, for implementation from the beginning of the next financial year in January.

Related Party Relationships

The charity has no current related party relationships except those with the trustees, other key management personnel and their close family members. (Related party transactions, including those with trustees who act as tutors or guest speakers on Arvon courses, are disclosed in notes 8 and 10 to the Financial Statements).

Risk Management

The trustees have implemented a risk management policy which identifies the significant risks which the organisation faces and proposes measures to mitigate those risks and the potential harm arising from them.

The Executive produces a risk register for the organisation and reports to the Finance Committee quarterly on the major risks to the organisation which have been identified and on measures in place or planned in order to manage and mitigate those risks.

The Board of Trustees formally reviews the risks and mitigating measures at least annually. Risks assessed relate primarily to finance and assets, operations and the reputation of the charity. Key risks include: the potential failure to fundraise sufficient funds in order to achieve the charity's objectives; an erosion in the quality of accommodation provided at the writing houses or a failure to continue to meet the expectations of users in this regard; a substantial drop in the occupancy rate of Arvon's courses; the potential loss or significant reduction of Arts Council England funding in the future, or other factors leading to a material erosion of the charity's free reserves.

Proposed mitigating actions include: maintaining adequate reserves and healthy cashflow; avoiding becoming over-reliant on fundraising; developing long-term strategic plans for developing/upgrading the writing houses; plans for effective ongoing property maintenance, and implementation of strong safeguarding and health and safety procedures at all four of our houses.

As set out on pages 4–5 of this report, from early 2020 Arvon's residential activities were heavily exposed to the impact of the Covid-19 pandemic. Arvon has been able to mitigate the risks associated with Covid-19 in a number of important ways:

- We applied for and received support from local authorities in the form of Retail, Hospitality and Leisure sector grants in April 2020 and Local Restrictions Support Grants later in 2020 and in 2021;
- We made use of the Government's Coronavirus Job Retention Scheme from April 2020 to May 2021 in order to furlough members of staff where appropriate and have thereby received significant funding towards salary costs throughout the crisis;
- We successfully launched Arvon at Home, our new 'Fourth House', which offers weekly masterclasses, readings and 5-day courses online, and which has enabled us to reach significant new audiences during this period;
- We reduced the ongoing running costs of our writing houses as far as possible during periods of enforced closure and we have significantly reduced the costs of office space occupied by our National office from the beginning of 2021;
- We have benefited from the tremendous generosity of our supporters who made additional donations in response to the crisis and from the understanding of many funders who have shown flexibility over the timing of use of restricted funds granted prior to the start of the pandemic;
- We applied for and in October 2020 were awarded a grant of £246,000 from the Government's Culture Recovery Fund (administered by Arts Council England) which enabled us to fund vital expenditure in the period from October 2020 to March 2021.

Arvon's Business Plan 2018–22

During the year under review Arvon continued the implementation of its Business Plan for the period 2018–22 (while also drawing up an additional business plan to cover the period from April 2022 to March 2023, as required by Arts Council England as a condition of its 2022–23 NPO extension). The 2018–22 Business Plan spells out four strategic aims. These are to:

- Broaden and deepen our offer to writers, so that Arvon provides a continuum of support in a writer's journey, from beginner to experienced;

- Celebrate and reflect the diversity of modern British society by increasing the reach of our work to writers from all backgrounds;
- Strengthen Arvon's financial resilience and sustainability;
- Renovate Lumb Bank, creating a fit-for-purpose northern hub for writers.

Aims and Activities for 2021

As with most arts charities, 2021 was another irregular year for Arvon, with the first five months of the year restricted to digital activity. However, during this period we continued to reach more people than we had pre-pandemic, and from May 2021 we began to reopen the houses (see 'Statement concerning the impact of the Coronavirus Pandemic (COVID-19) on Arvon' – page 4 – for further detail), and by October 2021 we were offering full-capacity residential courses in all three houses, alongside continued activity in our fourth, 'digital house'.

BROADEN AND DEEPEN OUR OFFER TO WRITERS, SO THAT ARVON PROVIDES A CONTINUUM OF SUPPORT IN A WRITER'S JOURNEY.

Open Programme

Over the course of 2021 Arvon offered a range of activity with total activities and attendance as follows:

- 46 Arvon online Live Guest readings – total attendance: 1,583
- 47 Arvon online Masterclasses – total attendance: 4,113
- 64 Arvon online Writing Weeks – total attendance: 674
- 10 Arvon online Craft of Writing Sessions – total attendance: 1,194
- 103 Arvon online 1:1s – total attendance: 87
- 39 Arvon residential writing weeks – total attendance: 412

Because Arvon's online Readings (now rebranded as 'How I Write' sessions), Masterclasses and Craft of Writing sessions have no caps on numbers, we have been able to continue offering an Arvon experience to a much larger audience (at much more affordable price points) than we did pre-pandemic. As a result, we maintained a year-on-year increase (vs 2019) of individual engagement with Arvon of 375%.

Our dedicated retreat space, The Clockhouse, reopened in April 2021, offering writing development opportunities to 182 individuals.

Finally, over 2021 we were able to offer short-term engagements to over 450 self-employed writers during what continued to be a challenging period for many.

Mentoring and Online Support

The Jerwood/Arvon mentoring programme has benefited 84 writers since being launched in 2009; recent achievements by Jerwood/Arvon alumni include: Ella Frears being shortlisted for the T.S.

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Eliot Prize and her debut collection *Shine, Darling* (Offord Road Books, 2020) being shortlisted for the Forward Prizes' Felix Dennis Award for Best First Collection along with Rachel Long's *My Darling From the Lions* (Picador, 2020); Sarah Franklin publishing her second novel *How to Belong* (Zaffre, 2020) and Dom Bury and Romalyn Ante publishing their debut collections *Rite of Passage* (Bloodaxe, 2021) and *Antiemetic for Homesickness* (Penguin, 2020).

The ninth cohort on the Jerwood/Arvon Mentoring Programme ran from 2019–2020, with 9 mentees having been selected out of a pool of nearly 350 applicants who had participated in Arvon courses over the previous two years. The scheme was suspended in 2021 due to the pandemic, and we hope to revive it in 2023.

In 2021 we also ran 103 online Arvon one-to-one tutorials, as we continued to grow this unique offer.

Finally, we added 26 new writing tips and exercises to the Friends premium content on our website.

Learning and Partnerships programme

Arvon's celebrated Learning and Partnerships programme was significantly impacted by the pandemic in 2020, but in 2021 we were delighted to fully revive the offer, and in the second half of the year we were able to programme nine L&P groups for residential writing weeks.

Highlights included the Tri-Borough Virtual School group, supporting young people in care from Kensington & Chelsea, Hammersmith & Fulham and Westminster; Grenfell Dedicated Service, supporting bereaved and survivors of the Grenfell Tower tragedy; Ralph Thoresby School, and Apples and Snakes, an adult partnership, both of which we were able to fully fund.

Having piloted online CYP workshops in 2020, we further developed this new, entirely free-to-access offer in 2021, with 15 additional workshops created.

Arvon's L&P programme is now overseen by our Learning and Partnerships Manager, who works closely with the Artistic Director and a team of individuals from across the organisation to steer this vitally important part of our work.

Competitions

Arvon continued to partner with other organisations in a number of high-profile writing competitions during 2021, offering winners the chance to participate in an Arvon course. These included: Foyle Young Poets, run by The Poetry Society; Diversity Young Adult Fiction Prize in partnership with Commonword; the Harvill Secker BAME Crime Writing Competition; The SI Leeds Prize for Black and Asian Women Writers; The Poetry Business 16–25 New Poets Prize; The Northern Writers Awards; and the Johnson and Amoy Achong Caribbean Writers Prize in association with the Bocas Lit Fest.

2. CELEBRATE AND REFLECT THE DIVERSITY OF MODERN BRITISH SOCIETY BY INCREASING THE REACH OF OUR WORK TO WRITERS FROM ALL BACKGROUNDS.

Equality Action Plan and Audience Development Plan

We continued to work hard to increase the diversity of our audience in 2021, focusing on our target groups, and since the start of the pandemic we have made significant progress against a number of KPIs, with targets significantly exceeded for writers of colour (18.6% against 14.5% target) and disabled writers (21% against 12% target). The low-income participant target was also exceeded (44% vs 40%), with the only target not met being 6% for under-26s for our Open Programme.

Arvon at Home has made our offer dramatically more accessible, with our How I Write sessions now entirely free-to-access (with an option to donate to Arvon) and our most costly digital offer – our Online Writing Weeks – still priced at less than 50% of the cost of a Residential Writing Week. Arvon at Home is also more accessible for participants with physical and/or mental health disabilities and those unable to travel or internationally based (we regularly reach participants from continental Europe, Asia and the Americas).

Arvon also made positive use of accessibility features offered by its digital platform, with close captioning now enabled for all Arvon at Home events and courses and with offers especially tailored for disabled participants.

Over the last two years we have continued to develop partnerships with diverse-led organisations including Bi'an – The UK Chinese Writers' Network, Africa Writes festival and Commonword. We have continued to build strong collaborations with diverse-led writing competitions, to offer winners a chance to take part in an Arvon course, including the SI Leeds Literary Prize and the Commonword Diversity Young Adult Fiction Prize. We continue to strengthen our partnership with the Bocas Lit Fest in Trinidad and Tobago to support the creative development of the winners of the Johnson and Amoy Achong Caribbean Writers' Prize by providing mentoring and the opportunity to take part in an Arvon residential course. We also fostered a partnership with Obsidian, a writing development programme for Black writers founded by Arvon trustee Nick Makoha, offering all its 50 participants a free Arvon Masterclass and two participants, selected by Obsidian's tutors, a complimentary place on an Arvon at Home Writing Week.

Grants and financial assistance

A fundamental part of the public benefit of Arvon's work is an objective that our activities remain open to all and that no-one is prevented from attending one of our courses by a lack of financial means. To this end, we provide substantial subsidies for individuals and community organisations who would otherwise be unable to afford our courses, through our Grant Fund. These subsidies are funded in part by Arvon and in part by fundraising from charitable trusts and foundations, corporate donors and individuals.

In 2021, we awarded £31,905 in bursaries to 67 individuals through our main bursary programme. We also for the first time introduced self-identifying concessions across the Open programme, benefiting hundreds of individuals on low incomes.

As we return to normal operations, we will continue to work to secure more funds to support our commitment to provide opportunities to writers on low incomes.

3. STRENGTHEN ARVON'S FINANCIAL RESILIENCE AND SUSTAINABILITY.

Development of new income streams

In 2020, Arvon created the first major new income stream in its history. While our existing digital offer, Arvon's 1:1 programme, saw target-beating growth in 2021, it was the launch of Arvon at Home that not only provided vitally important income over a uniquely difficult period but also pointed the way forward for Arvon in a post-pandemic world. Our Fourth House is now a permanent part of Arvon's offer, providing access to Arvon for thousands more people each year, and also providing Arvon with an additional and (for the first time) scalable income stream.

Fundraising

Arvon prioritises the development of our fundraising capability and opportunities for income diversification to secure long-term financial sustainability, by continuing to build strong relationships with donors and via our longstanding relationship with Arts Council England. Arvon is grateful to Arts Council England, all trusts and foundations and the many generous individual donors for their valuable support each year.

Arvon delivered two successful crowdfunding campaigns in 2021, raising over £28,000 towards the Learning Programme. We secured funding towards piloting new activities with state schools ranging from in-person workshops for primary schools in West Yorkshire to online workshops for secondary school students.

In addition to local authority grants awarded over periods of lockdown, in October 2020 we were awarded a grant of £246,000 from the Government's Culture Recovery Fund, administered by Arts Council England, of which £221,400 was received in 2020 and the balance in 2021.

Environmental sustainability

Arvon pursues an ambitious sustainability policy in relation to the environmental impacts of its activity at all levels of the organisation. We are committed to reducing our environmental 'footprint', particularly in the way we run our houses and courses. This agenda also supports long-term aims to strengthen the financial sustainability of the organisation and present an ethos consistent with the values we espouse through our artistic work.

Our key current priorities are to: improve land management; increase sustainable sources of heating and power; reduce waste; and obtain food for our houses from sustainable, local sources,

including growing some of our own produce. We monitor our performance closely, using methods established by Julie's Bicycle for Arts Council England.

Throughout 2020 and 2021, we participated in Arts Council England's Environmental Accelerator Programme as an 'Accelerator Peer'. As the houses reopened in 2021, we turned our attention to putting in place policies that will effect significant improvements on our impact going forward.

4. RENOVATE LUMB BANK, CREATING A FIT-FOR-PURPOSE NORTHERN HUB FOR WRITERS.

Following the great success of our work at The Hurst to improve the residential facility and teaching space, and to enable greater access across the site, Arvon has long planned to make Lumb Bank, The Ted Hughes Arvon Writing House, the subject of its next capital programme.

Despite funding delays and the complexities of the pandemic, in late 2020 we resolved to press forward with the project, regardless of impediments, and the Co-directors of Lumb Bank devised a visioning plan for how Lumb Bank's redevelopment could produce positive impacts not just for Arvon and its attendees but also for the Calder Valley and, by extension, the North of England as a whole: 'Arvon North'.

In spring 2021, when Arvon was compelled to relocate its London-based National Office, as a result of the closure of Free Word, a decision was taken to move the charity's registered office address to Lumb Bank, in large part to underscore our commitment to Arvon North.

Also in early 2021, an esteemed retired architect, Harry Butterworth, was retained as an advisor, and five architectural practices were invited to submit expressions of interest, from which a shortlist was drawn up for interview. As a result of this process, a Calderdale based firm, Gagarin Studio, were appointed to take the project to RIBA Stage 3 and submission of a planning application by the end of 2021, which was accomplished.

In December 2021 Arvon submitted an application to Arts Council England's Capital Investment Programme for support of its ambition to redevelop Lumb Bank. In March 2022, we were offered a grant of £725,000 towards the costs of the project, and we formally entered into a funding agreement with ACE in April 2022. This was the largest award for a Northern based organisation in ACE's capital investment round.

Evaluation and Assessment of Achievement of Objectives

Arvon uses a number of methods to assess the quality of its work and progress against its objectives:

We evaluate all our projects in order to demonstrate the impact and reach of our work and we continue to refine the information we gather.

For every course and retreat, and for our grant scheme, we ask for both feedback and equal opportunities data from course participants, tutors and staff. All of this data is now collated and evaluated in-house, enabling us to rapidly respond to issues and to refine

our offer accordingly. For some projects, we engage in extended evaluation to measure impact over time and this information is used to shape future activities.

We use key measures, including booking rates, numbers of schools and partnership courses run, plus demographic and equal opportunities information (particularly region, age, ethnic diversity and income levels) and levels of engagement online.

Financial Review

The Arvon Foundation's total income in 2021 was £1,895,294, compared to £1,730,810 in 2020, an increase of c. 9.5%. Income from donations (including grants) and legacies fell by around 13% from £1,181,837 to £1,025,742, following the receipt of a significant amount of financial support in the prior year from public sector sources in response to the Covid-19 crisis.

Income from fees paid for creative writing courses, tutorials and retreats grew by around 64% from £510,403 in 2020 to £837,712 in 2021, albeit this level of fee income remained at only around 72% of total income from charitable activities for 2019, the last full financial year before Covid.

We received a contribution to income of £6,303 in 2021 from royalties deriving from Arvon's copyright interest in the works of John Osborne (2020: £13,574). This further reduction in royalties income reflects the ongoing devastating impact of Covid-19 on theatres across the world.

We received the following grant income from Arts Council England and other public sector sources during the year:

	2021 £	2020 £
ACE National Portfolio funding	395,411	395,411
Government Coronavirus Job Retention Scheme	50,980	213,673
Local Authority Support Grants (Coronavirus)	62,770	63,334
DCMS Culture Recovery Fund grant	24,600	221,400
Other Public Sector grants	20,576	10,310
Total public sector funding	554,337	904,128

Our total income from public sector sources (Arts Council England, central and local government) in 2021 of £554,337 was equivalent to c. 29% of total income (2020: £904,128, equivalent to c. 52% of total income).

The charity's total expenditure in 2021 was £1,866,972, compared to £1,578,258 in 2020, an increase of c. 18%. Staff costs (excluding training and recruitment) rose by around 8.4% from £889,405 to £964,428. Variable costs of residential courses and retreats (including tutor and guest fees) rose from £116,357 in 2020 to £229,274 in 2021, while tutor and guest fees for the

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online programme grew from £106,289 to £164,619. Property running and administrative costs for the writing houses increased from £84,953 in 2020 to £101,507 in 2021.

After net gains on investments of £101 (2020: net losses of £2,987), the charity recorded net income for the year of £28,423 (2020: net income of £149,565). Within this figure, net income on unrestricted funds only was £153,260 (income of £1,759,869 less expenditure of £1,606,609), compared to net income on unrestricted funds in 2020 of £88,869.

Total net transfers from restricted income funds to unrestricted funds were £95,446 in 2021. The largest element of these net transfers related to a transfer of £106,711 from the restricted income fund 'DCMS: Culture Recovery Fund grant'. £52,440 of this represented the contribution from the Culture Recovery Fund grant to the costs of rethatching Totleigh Barton in the first quarter of 2021 and is a transfer to the designated 'Tangible fixed assets fund'. The balance of £54,271 represents that part of the grant set aside for reinflating Arvon's free reserves as at the end of March 2021, in accordance with the terms of the grant award.

Following net transfers from restricted income funds to unrestricted funds, our total unrestricted funds have increased by £248,706 to £944,017 (2020: £695,311). The balances on restricted income funds and endowment funds were £3,270,087 (2020: £3,490,471) and £323,484 (2020: £323,383) respectively.

Reserves Policy

Arvon's total funds of £4,537,588 at 31 December 2021 are made up of the following elements:

Restricted Funds totalling £3,270,087 at 31 December 2021. These are funds held for specific purposes. They include £3,134,554 held as Freehold Property which cannot be disposed of without adhering to certain conditions. The remaining £135,533 represents funds held for projects as stipulated by the donors or in accordance with restrictions on the use of investment income from the Endowment Fund. Details of these are set out in note 19 to the Financial Statements.

An Endowment Fund totalling £323,484 at 31 December 2021. The income from this fund is used to pay for bursaries for participants who would otherwise be unable to afford the full costs of an Arvon course. The Endowment Fund was originally established in 1993 as a permanent endowment. However, in May 2022 the Board of Trustees of Arvon, acting as the charity trustee of the fund, passed written resolutions to free the capital in the fund from the restrictions on its expenditure. The Charity Commission confirmed their consent to these resolutions on 12 August 2022, and from that date the capital in the Endowment Fund can be spent as if it were income. The trustees have committed to set aside £275,000 of the capital held in the Endowment Fund towards the costs of the planned redevelopment of Lumb Bank.

Unrestricted Funds of £944,017 at 31 December 2021. These are made up of four elements:

- Designated Fixed Assets Fund of £364,131 at 31 December 2021. This is a fund which comprises the unrestricted funds held in fixed assets which cannot be utilised elsewhere in the charity in the short term.
- National Office Rent Deposit Fund of £5,857 at 31 December 2021. This fund represents the amount paid as a rent deposit under the terms of the charity's occupation agreement for rented office premises in Clerkenwell, London.
- Designated Property Maintenance Fund of £80,000 at 31 December 2021. This fund has been created by a transfer from General funds as at 31 December 2021 in order to ringfence resources for necessary maintenance and improvements of the charity's freehold buildings and estates, and may also be used in future for replacement of vehicles owned by the charity.
- Free Reserves totalling £494,029 at 31 December 2021. These funds are intended, first, to allow Arvon to cope with unexpected events such as a sudden fall in income or major unanticipated expenditure without resort to disproportionate reduction in planned expenditure and, secondly, to allow Arvon stability and time to restructure in the event of a radical change to the funding of the organisation or serious misadventure.

The Trustees have set a target range for free reserves of 3–4 months of total expenditure from unrestricted funds. Prior to Covid, this target range was calculated with reference to the historical annual expenditure of the year under review. However, 2020 and 2021 levels of expenditure are considered to be untypical due to the impacts of Covid-19 on the charity's operations and therefore an unrepresentative measure for this purpose. Therefore, in this report we have used the level of expenditure from unrestricted funds according to the annual budget set for 2022 of c. £1.95 million as the reference point. This gives a free reserves target range of approximately £487,500 to £650,000. The level of free reserves at 31 December 2021 of £494,029 is equivalent to 3 months of expenditure from unrestricted funds at 2022 budget levels (2020: 3.1 months of expenditure from unrestricted funds based on actual 2019 pre-Covid expenditure figures). The level of reserves is monitored by Trustees on a quarterly basis.

Investment Policy

Since 2017 the endowment fund has held £238,982 (equivalent to approximately 74% of the value of the fund at 31 December 2021) in the form of cash deposits following the closure of two investment funds in which the charity previously held shares. These cash deposits have been held pending determination of a revised investment strategy, including consideration of whether the assets of the fund could be best deployed in developing the charity's own properties. The remainder of the endowment fund's assets remain invested in specialist charity common investment funds.

As part of the charity's strategy to redevelop Lumb Bank, the trustees have committed to setting aside £275,000 of the capital held in the endowment fund as Arvon's contribution to the costs of the redevelopment. As noted above, the Charity Commission has given its consent to the resolutions passed by the Board of Trustees of Arvon, acting as the charity trustee of the endowment fund, to release the restrictions on the expenditure of capital in the fund. These

resolutions have therefore taken effect from 12 August 2022. The trustees also intend to dispose of the remaining investment funds held in the endowment fund in the second half of 2022 in order to provide liquid cash resources for the Lumb Bank redevelopment project.

Trustees' Liability

The trustees of the charitable company each undertake to contribute an amount not exceeding £1 to the assets of the charity in the event of a winding up while they are a member of the charitable company or within one year after they cease to be a member.

The total number of such guarantees at 31 December 2021 was 13 (2020: 13). The trustees are members of the charitable company but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Employee Involvement and Employment of the Disabled

Employees are consulted on issues of concern to them by means of regular staff meetings, including two full in-person staff meetings per year, and are kept informed on specific matters directly by senior management. The company carries out exit interviews for all staff leaving the organisation and regular appraisals.

Arvon has a clear equal opportunities policy and is committed to encouraging and enabling participation in all our activities, and employment, by the widest range of people, including disabled workers.

Statement of Responsibility in Relation to Fundraising

Arvon's trustees and senior managers take their responsibility to donors and compliance with laws and regulations relating to fundraising very seriously. Trustees oversee the overall approach and monitor standards of fundraising. Arvon's fundraising is performed by in-house fundraisers who are members of the Chartered Institute of Fundraising. Arvon does not use third party professional fundraisers or commercial participators. Arvon nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and Arvon received no complaints relating to its fundraising practice. Measures have been taken to ensure that Arvon manages all personal data in line with the General Data Protection Regulation.

Statement of Trustees' Responsibilities

The trustees, who are also the directors of The Arvon Foundation Limited for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Trustees' annual report

For the year ended 31 December 2021

The law applicable to charities in England and Wales requires the trustees to prepare the annual report and financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which 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 Companies Act 2006. 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.

The trustees are not aware of any relevant audit information that has not been disclosed to the charity's auditors. The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP acted as auditor during the period under review. A resolution proposing the re-appointment of Sayer Vincent LLP will be put to the 2022 Annual General Meeting.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 16 September 2022 and signed on their behalf by:

Patricia Cumper – Chair

Opinion

We have audited the financial statements of The Arvon Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Arvon Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 trustees' 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Independent auditor's report

To the members of

The Arvon Foundation Limited

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company's members 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

27 September 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Arvon Foundation Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	Endowment £	2021 Total £	Unrestricted £	Restricted £	Endowment £	2020 Total £
Income from:									
Donations and legacies	2	893,249	132,493	–	1,025,742	834,602	347,235	–	1,181,837
Charitable activities	3								
Creative writing courses and retreats		837,712	–	–	837,712	510,403	–	–	510,403
Other charitable activities		–	–	–	–	642	–	–	642
Investments	4	514	2,932	–	3,446	1,478	3,458	–	4,936
Other	5	28,394	–	–	28,394	32,992	–	–	32,992
Total income		1,759,869	135,425	–	1,895,294	1,380,117	350,693	–	1,730,810
Expenditure on:									
Raising funds	6	(169,902)	(8,163)	–	(178,065)	(164,361)	(11,174)	–	(175,535)
Charitable activities	6								
Creative writing courses and retreats		(1,434,699)	(252,200)	–	(1,686,899)	(1,123,615)	(275,836)	–	(1,399,451)
Other charitable activities		(1,600)	–	–	(1,600)	(1,800)	–	–	(1,800)
Other	6	(408)	–	–	(408)	(1,472)	–	–	(1,472)
Total expenditure		(1,606,609)	(260,363)	–	(1,866,972)	(1,291,248)	(287,010)	–	(1,578,258)
Net gains / (losses) on investments		–	–	101	101	–	–	(2,987)	(2,987)
Net income / (expenditure)	7	153,260	(124,938)	101	28,423	88,869	63,683	(2,987)	149,565
Transfers between funds		95,446	(95,446)	–	–	950	(950)	–	–
Net movement in funds		248,706	(220,384)	101	28,423	89,819	62,733	(2,987)	149,565
Reconciliation of funds:									
Total funds brought forward		695,311	3,490,471	323,383	4,509,165	605,492	3,427,738	326,370	4,359,600
Total funds carried forward		944,017	3,270,087	323,484	4,537,588	695,311	3,490,471	323,383	4,509,165

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in notes 18–20 to the financial statements.

The Arvon Foundation Limited

Balance sheet

Registered company number: 1086582

Charity number: 306694

As at 31 December 2021

	Notes	£	Total 2021 £	£	Total 2020 £
Fixed assets:					
Tangible fixed assets	12		3,498,685		3,465,388
Investments	13		–		84,401
			<u>3,498,685</u>		<u>3,549,789</u>
Current assets:					
Debtors	14	65,244		114,194	
Investments	13	84,502		–	
Cash at bank and in hand	21	1,191,675		1,026,220	
			<u>1,341,421</u>	<u>1,140,414</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(302,518)		(181,038)	
			<u>1,038,903</u>		<u>959,376</u>
Net current assets					
			<u>1,038,903</u>		<u>959,376</u>
Total net assets	17		<u>4,537,588</u>		<u>4,509,165</u>
The funds of the charity:					
Endowment fund	18		323,484		323,383
Restricted income funds:	19				
Tangible fixed assets: Restricted		3,134,554		3,200,740	
Other restricted income funds		135,533		289,731	
			<u>3,270,087</u>	<u>3,490,471</u>	
Total restricted funds					
			<u>3,270,087</u>	<u>3,490,471</u>	
Unrestricted funds:	20				
Designated fund: Tangible fixed assets		364,131		264,648	
Designated fund: National Office rent deposit		5,857		–	
Designated fund: Property maintenance		80,000		–	
Free Reserves					
General funds		494,029		430,663	
Total Free Reserves		<u>494,029</u>		<u>430,663</u>	
Total unrestricted funds			<u>944,017</u>		<u>695,311</u>
Total charity funds	17		<u>4,537,588</u>		<u>4,509,165</u>

The financial statements were approved by the Board of Trustees on 16 September 2022 and signed on its behalf by:

Patricia Cumper
Chair

The Arvon Foundation Limited

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities:					
Net income for the year (as per the statement of financial activities)		28,423		149,565	
Depreciation charges	6, 12	110,089		107,193	
(Gains) / losses on investments per the SOFA		(101)		2,987	
Dividends and interest from investments per the SOFA		(3,446)		(4,936)	
Losses on disposals of fixed assets	6	10,347		–	
Decrease / (increase) in debtors		48,950		(24,925)	
Increase / (decrease) in creditors		121,480		(206,663)	
Net cash provided by operating activities			315,742		23,221
Cash flows from investing activities:					
Dividends and interest from investments per the SOFA		3,446		4,936	
Purchase of tangible fixed assets	12	(153,733)		(28,913)	
Net cash used in investing activities			(150,287)		(23,977)
Change in cash and cash equivalents in the year					
			165,455		(756)
Cash and cash equivalents at the beginning of the year			1,026,220		1,026,976
Cash and cash equivalents at the end of the year	21		1,191,675		1,026,220

1 Accounting policies

a) Statutory information

The Arvon Foundation Limited is a charitable company limited by guarantee and is incorporated in England and Wales.

Its registered office address is Lumb Bank, Heptonstall, Hebden Bridge, West Yorkshire HX7 6DF.

b) Basis of preparation

The financial statements have been prepared in accordance with:

- The reporting requirements of the Companies Act 2006;
- The Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") (September 2015);
- 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102' ("Charities SORP (FRS 102)"), issued by the Charity Commission and the Office of the Scottish Charity Regulator in their role as the joint SORP-making body.

The financial statements have been prepared on the going concern basis (see note 1d) below).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Arvon Foundation Limited meets the definition of a public benefit entity under FRS 102.

d) Going concern

The financial statements have been prepared on the going concern basis, which assumes that the charity will continue in operation for a period of at least twelve months from the date of approval of these financial statements.

There has been a high level of uncertainty generally in the charity's operating environment since the start of the Covid-19 pandemic and in its aftermath, with Arvon's three physical writing houses forced to close for residential courses for over a year and then operating at reduced capacity until the end of September 2021. In common with the experience of organisations across the arts sector and beyond, Arvon's income from charitable activities has continued to be negatively impacted since re-opening and uncertainty persists in the outlook for future course sales as audience activity adjusts post-pandemic. The future effect on audience behaviour of high and rising general inflation, combined with the potential for a severe recession, is hard to predict. The fundraising landscape post-Covid is challenging as a result of the impact on funders. Rising inflation in the charity's own cost base also presents a heightened level of risk to the charity's cash and reserves levels over the coming 12-24 months.

Management intends to mitigate these risks by introducing a more flexible approach to course pricing in response to inflation, by continuing to develop opportunities to broaden the charity's revenue streams and by making contingency plans for deeper cost savings and restructuring in the event that income falls short and/or deficits increase beyond the levels envisaged in current forecasts for the remainder of 2022 and 2023. One of Arvon's key strategic objectives is to proceed with the planned redevelopment of Lumb Bank, as described in the Trustees' Annual Report. However, the trustees recognise the financial uncertainties connected with the costs of this project in the current environment and are keenly aware of the need to keep those risks under constant review in order to minimise risk to the operating stability of the charity.

1 Accounting policies (continued)

d) Going concern (continued)

The Executive have prepared and the trustees have reviewed forecasts of income and expenditure, cash flow, cash and free reserves balances, which demonstrate that, in spite of the general uncertainties outlined above, the charity will be able to meet its liabilities as they fall due and continue in operation for a period of at least twelve months from the date of approval of these financial statements. Based on these forecasts and the available information on the charity's financial position, the trustees consider that the financial statements can be prepared on a going concern basis.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably. In the case of a donation, entitlement usually arises immediately on its receipt. In the case of a grant, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity. However, some grants contain terms or conditions that must be met before the charity has entitlement to the resources. Where grants or donations specify a time period within which the funds must be spent and the funds are received before the start of that period, then the income is deferred and only recognised in the statement of financial activities at the start of the relevant period.

Course and retreat income represents the value of the goods and services rendered to course and retreat participants during the year. Course and retreat fees are recognised in the accounts when the relevant course or retreat takes place. Where they relate to a course or retreat taking place in the following financial year, the income is deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Claims made through the UK Government's Coronavirus Job Retention Scheme are recognised as income in the period in which the associated staff were furloughed. This income is considered to be unrestricted.

Gift Aid recoverable from HMRC in relation to donations recognised in the year is included in income on an accruals basis where there is a valid Gift Aid declaration from the donor.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made; or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Interest receivable

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

g) Fund accounting

The Endowment fund ('EF') is a trust established under a separate trust deed whose assets are invested to generate income in order to provide bursaries to participants on Arvon courses who are on low incomes and would not otherwise be able to afford the full cost of a course. The EF was established in 1993 as a permanent endowment. The Arvon Foundation Limited is the sole corporate trustee of the EF. On 11 May 2022 the Board of Trustees of Arvon, acting as charity trustee of the EF, passed written resolutions (i) to fully align the charitable objects of the EF with those of Arvon and (ii) to free the capital within the EF from the restrictions on its expenditure, pursuant to Section 282 of the Charities Act 2011. The Charity Commission have confirmed that their consent to the above resolutions came into legal effect on 12 August 2022 and that from that date the capital of the EF can be spent as if it were income.

Restricted income funds can only be used for particular purposes (within the objects of the charity) specified by the donor or grantor or the terms of an appeal. Expenditure which meets these criteria is charged to the relevant fund.

Designated funds are unrestricted funds of the charity set aside out of the general funds by the trustees for specific purposes or projects for the furtherance of particular aspects of the charity's objects, but over which the trustees retain full discretion. Designated funds include the unrestricted tangible fixed asset fund, representing the carrying value of those of the charity's tangible fixed assets which are not held in restricted funds.

General funds comprise the funds which are available to be used for any purpose within the charity's objects.

h) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is reported on an activity basis, as required by Charities SORP (FRS 102). This involves identifying the total cost of an activity, including direct, shared and indirect (or support) costs. Expenditure is classified under the following activity headings:

- Expenditure on raising funds relates to the costs incurred by the charity in seeking voluntary contributions from third parties, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering creative writing courses, retreats and other educational and research activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is not separately analysed and is included as a cost against the activity for which the related expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs, including relevant staff costs, which are not directly attributable to activities for raising funds or charitable activities, are allocated to those categories on a basis consistent with the use of resources. Support costs include:

- Governance costs;
- Costs of the Finance function, including financial accounting, banking, budgeting, payroll management and day-to-day financial administration;
- Human resources management, recruitment, central office, general and administration costs;
- Costs of central information technology resources and telecommunications;

1 Accounting policies (continued)

i) Allocation of support costs (continued)

- Costs of general communications and marketing, including distribution of information about the aims, objectives and projects of the charity to potential beneficiaries and course participants;
- Senior general management (where not allocated as a direct cost to specific activities) and other central costs;
- Depreciation charges in relation to tangible fixed assets; and
- Losses on disposals of fixed assets.

Governance costs are those associated with the governance arrangements of the charity, including external audit, general legal advice for the trustees and costs associated with constitutional and statutory requirements and ensuring proper public accountability, e.g. the costs of preparing statutory accounts. Governance costs include any costs associated with the strategic as opposed to day-to-day management of the charity's activities and the cost of charity employees in respect of their time when involved in and preparing for meetings with trustees.

Depreciation charges are allocated in full as support costs to 'charitable activities: creative writing courses and retreats' to reflect the way in which the charity's tangible fixed assets are employed. Losses on disposal of fixed assets have also been fully allocated as support costs to 'charitable activities: creative writing courses and retreats'. Other support costs, including governance costs, are re-allocated to each of the principal activities on the following basis which is an estimate, based on approximate relative proportion of direct costs incurred, of the amount attributable to each activity:

- | | |
|---|-----|
| ▪ Cost of raising funds | 10% |
| ▪ Creative writing courses and retreats | 90% |

j) Operating leases

Licence fees for the occupation of office space and property lease rentals, which are reviewed annually to adjust for general inflation, are charged to the statement of financial activities in line with the amounts payable for the year. Other rentals paid under operating leases are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Tangible assets are capitalised if their initial cost is £500 or greater. Depreciation costs are allocated as support costs to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|---|----------|
| ▪ Freehold buildings* (excl. replacement roofing as below) | 50 years |
| ▪ Replacement roofing, excluding thatch (within Freehold buildings) | 20 years |
| ▪ Thatch roofing (within Freehold buildings) | 15 years |
| ▪ Motor vehicles | 5 years |
| ▪ Fixtures, fittings, plant and machinery | 5 years |
| ▪ Computers and other office equipment | 4 years |

* Land is not depreciated.

The tangible fixed asset category 'Asset under development' relates to the capitalised costs of professional fees (including architects' and cost consultants' fees) and other charges incurred during the year in the preparation of designs up to RIBA Stage 3 and the preparation of a statutory planning application in respect of the planned capital redevelopment of Lumb Bank. Subject to planning permission and the achievement of fundraising targets, the charity plans to begin the main construction phase of the redevelopment project in 2024. No depreciation is charged on the 'Asset under development'.

1 Accounting policies (continued)

l) Fixed asset investments / Current asset investments

Investments in quoted collective investment funds are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Changes in fair value of investments held in the Endowment fund are shown as movements within the Endowment fund. Realised gains and losses are accounted for by reference to the sale proceeds and either the market value at the previous balance sheet date, or the cost of purchase, if later. Unrealised gains and losses are calculated by comparing the market value at the previous balance sheet date, or cost of purchase, if later, to the year end valuation. Any gain or loss arising in the period is shown under the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

The trustees intend to dispose of the charity's investments in collective investment funds (held within the Endowment fund) in the second half of 2022, in order to help fulfil the commitment under Arvon's funding agreement with Arts Council England to contribute £275,000 towards the planned redevelopment of Lumb Bank. Therefore, the fair value of investments held has been reclassified on the balance sheet from "Fixed asset investments" to "Current asset investments" as at 31 December 2021.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Creditors also include deferred income.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

o) Pensions

The amounts charged to the statement of financial activities for defined contribution pension schemes represent the employer contributions payable in the period.

Notes to the financial statements

For the year ended 31 December 2021

2 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Arts Council England: National Portfolio Funding	395,411	–	395,411	395,411	–	395,411
Government Coronavirus Job Retention Scheme	50,980	–	50,980	213,673	–	213,673
Local Authority Support Grants (Coronavirus)	62,770	–	62,770	63,334	–	63,334
DCMS Culture Recovery Fund grant	–	24,600	24,600	–	221,400	221,400
Other Public Sector grants	19,694	882	20,576	–	10,310	10,310
Grants from trusts and foundations	1,000	36,500	37,500	23,500	77,900	101,400
Friends Scheme (including Angels)	35,891	–	35,891	35,573	–	35,573
Other donations	18,947	67,109	86,056	80,494	36,625	117,119
Gift Aid reclaimed / recoverable	6,868	3,402	10,270	21,114	1,000	22,114
Donated goods, facilities and services	–	–	–	1,503	–	1,503
Legacies	301,688	–	301,688	–	–	–
	893,249	132,493	1,025,742	834,602	347,235	1,181,837

3 Income from charitable activities

	2021 Total £	2020 Total £
Fees for creative writing courses, tutorials, masterclasses, guest readings and retreats (including online programme)	837,712	510,403
Other charitable activities	–	642
Total income from charitable activities	837,712	511,045

All income in the current and prior year was unrestricted.

4 Income from investments

	Unrestricted funds £	Restricted funds £	2021 Total £	Unrestricted funds £	Restricted funds £	2020 Total £
Bank interest	514	644	1,158	1,478	996	2,474
Dividends	–	2,288	2,288	–	2,462	2,462
	514	2,932	3,446	1,478	3,458	4,936

5 Other income

	2021 Total £	2020 Total £
John Osborne royalties (gross of agent's commission)	6,303	13,574
Government Renewable Heat Incentive payments (The Hurst)	5,932	8,940
Private lettings (including holiday lettings)	6,837	9,008
Insurance claims	–	350
Other miscellaneous income	9,322	1,120
	28,394	32,992

All income in the current and prior year was unrestricted.

6a Analysis of expenditure (current year)

	Charitable activities			Support costs			2021	2020	Total
	Costs of raising funds	Creative writing courses, tutorials and retreats	Other charitable activities	Other expenditure	Governance costs	Other support costs	Total		
	£	£	£	£	£	£	£		£
Residential courses: tutor and guest fees	-	130,876	-	-	-	-	130,876	74,730	
Residential courses: tutor and guest expenses	-	17,451	-	-	-	-	17,451	9,778	
Residential courses/retreats: other variable costs	-	80,947	-	-	-	-	80,947	31,849	
Writing Houses: repairs and maintenance*	-	37,760	-	-	-	-	37,760	48,629	
Writing Houses: admin and property running costs**	-	101,507	-	-	-	-	101,507	84,953	
Writing Houses: private lettings: variable costs	1,620	-	-	-	-	-	1,620	2,500	
Learning Programme (non-resid): tutor/mentor fees	-	14,846	-	-	-	-	14,846	8,125	
Learning Programme (non-resid): other project costs	-	3,784	-	-	-	-	3,784	8,002	
Arvon at Home (online programme): tutor and guest fees	-	164,619	-	-	-	-	164,619	106,289	
Arvon at Home (online programme): other costs	-	12,456	-	-	-	-	12,456	7,881	
Other charitable activities: project costs	-	-	1,600	-	-	-	1,600	1,800	
Fundraising: non-staff costs	3,390	-	-	-	-	-	3,390	2,712	
Marketing and communications: non-staff costs	-	-	-	-	-	15,384	15,384	18,523	
Staff costs (note 8)	116,413	570,292	-	-	46,122	231,601	964,428	889,405	
Staff training and professional development	-	2,662	-	-	646	600	3,908	3,842	
Staff recruitment	-	1,086	-	-	-	-	1,086	1,649	
Staff travel and subsistence	-	1,510	-	-	-	2,127	3,637	3,247	
National: central admin and office costs***	6,199	5,078	-	-	526	88,994	100,797	101,586	
Insurance	-	-	-	-	1,794	37,002	38,796	37,650	
Audit fees (see note 7)	-	-	-	-	14,520	-	14,520	13,249	
Other fees paid to the auditors (note 7)	3,600	-	-	-	-	504	4,104	-	
Fees for professional services and consultancy	-	-	-	-	-	23,111	23,111	13,158	
Trustee meeting costs, incl. travel and accommodation	-	-	-	-	646	-	646	36	
Costs of trustee recruitment (incl. advertising)	-	-	-	-	4,855	-	4,855	-	
Agent's commission on royalties	-	-	-	408	-	-	408	1,472	
Losses on disposals of fixed assets (note 7)	-	-	-	-	-	10,347	10,347	-	
Depreciation charges (note 7)	-	-	-	-	-	110,089	110,089	107,193	
	131,222	1,144,874	1,600	408	69,109	519,759	1,866,972	1,578,258	
Governance costs	6,911	62,198	-	-	(69,109)	-	-	-	
Other support costs	39,932	479,827	-	-	-	(519,759)	-	-	
Total expenditure 2021	178,065	1,686,899	1,600	408	-	-	1,866,972	1,578,258	
Total expenditure 2020	175,535	1,399,451	1,800	1,472	-	-	1,578,258		

Notes:

* Includes non-staff costs of grounds maintenance and forestry work.

** Includes Writing Houses office costs, IT, telecoms, fuel, water rates, non-staff gardening, business rates; excludes property repair and maintenance costs.

*** Includes licence fee to occupy office space; office lease rental costs; National Office IT equipment, software and licences; IT support and consultancy; bank and merchant services / credit card charges; costs of telecoms, postage, stationery and photocopyers.

6b Analysis of expenditure (prior year)

	Charitable activities			Support costs			2020 Total £
	Costs of raising funds £	Creative writing courses, tutorials and retreats £	Other charitable activities £	Other expenditure £	Governance costs £	Other support costs £	
Residential courses: tutor and guest fees	-	74,730	-	-	-	-	74,730
Residential courses: tutor and guest expenses	-	9,778	-	-	-	-	9,778
Residential courses/retreats: other variable costs	-	31,849	-	-	-	-	31,849
Writing Houses: repairs and maintenance*	-	48,629	-	-	-	-	48,629
Writing Houses: admin and property running costs**	-	84,953	-	-	-	-	84,953
Writing Houses: private holiday lettings: variable costs	2,500	-	-	-	-	-	2,500
Learning Programme (non-resid): tutor/mentor fees	-	8,125	-	-	-	-	8,125
Learning Programme (non-resid): other project costs	-	8,002	-	-	-	-	8,002
Arvon at Home (online programme): tutor and guest fees	-	106,289	-	-	-	-	106,289
Arvon at Home (online programme): other costs	-	7,881	-	-	-	-	7,881
Other charitable activities: project costs	-	-	1,800	-	-	-	1,800
Fundraising: non-staff costs	2,712	-	-	-	-	-	2,712
Marketing and communications: non-staff costs	-	-	-	-	-	18,523	18,523
Staff costs (note 8)	114,125	536,675	-	-	40,773	197,832	889,405
Staff training and professional development	739	911	-	-	-	2,192	3,842
Staff recruitment	224	976	-	-	-	449	1,649
Staff travel and subsistence	-	978	-	-	-	2,269	3,247
National: central admin and office costs***	13,952	8,391	-	-	2,729	76,514	101,586
Insurance	-	-	-	-	1,522	36,128	37,650
Audit fees (see note 7)	-	-	-	-	13,249	-	13,249
Fees for professional services and consultancy	828	-	-	-	3,360	8,970	13,158
Trustee meeting costs, incl. travel and accommodation	-	-	-	-	36	-	36
Agent's commission on royalties	-	-	-	1,472	-	-	1,472
Depreciation charges (note 7)	-	-	-	-	-	107,193	107,193
	135,080	928,167	1,800	1,472	61,669	450,070	1,578,258
Governance costs	6,167	55,502	-	-	(61,669)	-	-
Other support costs	34,288	415,782	-	-	-	(450,070)	-
Total expenditure 2020	175,535	1,399,451	1,800	1,472	-	-	1,578,258

Notes:

* Includes non-staff costs of grounds maintenance and forestry work.

** Includes Writing Houses office costs, IT, telecoms, fuel, water rates, non-staff cleaning, non-staff gardening, business rates; excludes property repair and maintenance costs.

*** Includes licence fee to occupy office space; National Office IT equipment, software and licences; IT support and consultancy; bank and merchant services / credit card charges; costs of telecoms, postage, stationery and photocopyers.

Notes to the financial statements

For the year ended 31 December 2021

7 Net income / (expenditure) for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	110,089	107,193
Losses on disposal of tangible fixed assets	10,347	–
Property: licence fee to occupy office space (including irrecoverable VAT)	10,521	54,574
Property: rent on office lease (including irrecoverable VAT)	14,220	–
Auditor's remuneration (excluding VAT):		
Audit: current year	10,600	10,100
Audit: prior year under provision	1,500	1,028
VAT and other tax advice	420	–
Independent examination of Culture Recovery Fund expenditure	3,000	–
	230,197	172,895

8 Staff costs and employee benefits, trustee remuneration and expenses

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	851,719	786,491
Employer's National Insurance contributions (social security costs)	69,941	65,343
Employer's contribution to defined contribution pension schemes	40,268	36,269
Other staff costs	2,500	1,302
	964,428	889,405

During the year there was one employee whose total employee benefits (excluding employer pension contributions) fell within the banding £60,000 to £69,999 (2020: one). Employer payments in the year to a defined contribution pension scheme in respect of this employee totalled £3,414 (2020: £3,232).

The key management personnel of the charity consists of the Trustees and the Executive. Until 31st January 2021, the 'Executive' comprised the Chief Executive Officer and the Chief Financial Officer & Operations Director. With effect from 1st February 2021, the Executive was expanded to include the Deputy CEO (also Director of The Hurst and The Clockhouse) and the Artistic Director (also Director of Totleigh Barton). The total employee benefits including pension contributions of the key management personnel (excluding trustees) in the year were £210,372 (2020: £127,418). No staff loans were outstanding at the year end in relation to any employees (2020: none).

No member of the Board of Trustees was paid any remuneration or received any other benefits from an employment with the charity in the year (2020: none). One trustee (2020: one) received payment for professional or other services supplied to the charity, as permitted by its Memorandum of Association, totalling £2,215 (2020: £1,304). This includes payments for tutoring or being the guest speaker at Arvon courses.

Trustees' expenses, representing the payment or reimbursement of travel, accommodation and subsistence costs relating to attendance at meetings of the trustees and visits to the writing houses, totalled £646 (2020: £nil) and were incurred by nine trustees.

Details of other transactions with trustees and connected parties of trustees are disclosed in note 10.

9 Staff numbers

The average monthly head count (number of staff employed) during the year, analysed between full-time and part-time staff, was as follows:

	2021 No.	2020 No.
Full-time staff	13.2	12.9
Part-time staff	28.5	28.9
Total average head count	41.7	41.8

The figures above include casual relief workers within part-time staff.

The average monthly number of full-time equivalent employees during the year, analysed by activity, was as follows:

	2021 No.	2020 No.
Raising funds	2.7	2.8
Charitable activities	17.7	16.5
Communications and marketing	1.7	1.3
Other support, central (including governance)	5.0	4.5
Total full-time equivalent employees	27.1	25.1

The figures above include casual relief workers within 'charitable activities'.

10 Related party transactions

Payments made to trustees in relation to professional or other services supplied to the charity and trustees' expenses are disclosed in note 8 above.

Aggregate donations from related parties (including trustees, members of the Senior Management Team and their respective close family members) during the year were £1,061 (2020: £12,739), including Gift Aid claims outstanding at the year end of £137 (2020: £2,538). Of total donations of £1,061 from related parties, £988 was included in restricted income funds.

11 Taxation

The charitable company is exempt from corporation tax as all its trading income beyond primary purpose trading falls below the small trading tax exemption limit and all of its income is applied for charitable purposes.

12 Tangible fixed assets

	Freehold land and buildings £	Asset under development £	Fixtures and fittings, plant and machinery £	Computers and other office equipment £	Motor vehicles £	Total £
Historical cost						
At the start of the year	4,475,463	–	90,100	35,403	27,543	4,628,509
Additions	78,314	47,047	11,088	17,284	–	153,733
Disposals	(11,650)	–	–	(1,149)	–	(12,799)
At the end of the year	4,542,127	47,047	101,188	51,538	27,543	4,769,443
Accumulated depreciation						
At the start of the year	1,050,352	–	63,649	21,577	27,543	1,163,121
Disposals	(1,516)	–	–	(936)	–	(2,452)
Charge for the year	87,514	–	12,257	10,318	–	110,089
At the end of the year	1,136,350	–	75,906	30,959	27,543	1,270,758
Net book value						
At the start of the year	3,425,111	–	26,451	13,826	–	3,465,388
At the end of the year	3,405,777	47,047	25,282	20,579	–	3,498,685

'Freehold Land and Buildings' at 31 December 2021 includes £410,000 in respect of the historical cost of land which is not depreciated (2020: £410,000).

All of the above assets are used (or, in the case of the 'Asset under development', are intended to be used) for charitable purposes.

13 Investments

	2021 £	2020 £
Shares in Common Investment Funds:		
Fair value at the start of the year	84,401	87,388
Net gains / (losses) on revaluation	101	(2,987)
Fair value at the end of the year	84,502	84,401
Historic cost at the end of the year	75,410	75,410
Investments comprise:		
	2021 £	2020 £
Shares in Common Investment Funds at fair value (see above)	84,502	84,401
Total investments	84,502	84,401

Investments in Common Investment Funds at fair value are analysed by investment manager and fund in the table below:

	2021 £	2020 £
M&G Securities Ltd: Charibond	64,271	66,557
M&G Securities Ltd: Charifund	20,231	17,844
Total	84,502	84,401

14 Debtors	2021	2020
	£	£
Long term debtors (receivable after more than one year)		
National Office rent deposit paid	5,857	–
Short term debtors		
Trade debtors	18,390	1,121
Other debtors	1,743	2,985
Prepayments	20,428	22,454
Accrued income	18,826	87,634
Total debtors	65,244	114,194

15 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	28,645	24,545
PAYE taxation and social security (National Insurance contributions)	20,270	18,105
VAT payable	5,236	3,497
Holiday pay accrual	11,130	4,533
Other accruals	25,191	16,197
Deferred income (Note 16)	212,046	114,161
Total	302,518	181,038

16 Deferred income

Deferred income comprises income received during the year for courses and retreats taking place in future periods, as well as deferred income from grants and donations.

	2021	2020
	£	£
Balance at the beginning of the year	114,161	260,112
Amount released to income in the year	(51,565)	(124,470)
Amount refunded in the year (course cancellations)	(5,847)	(117,040)
Amount deferred in the year	155,297	95,559
Balance at the end of the year	212,046	114,161

17a Analysis of net assets between funds (current year)

	Unrestricted General £	Unrestricted Designated £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	–	364,131	3,134,554	–	3,498,685
Net current assets	494,029	85,857	135,533	323,484	1,038,903
Net assets at the end of the year	494,029	449,988	3,270,087	323,484	4,537,588

17b Analysis of net assets between funds (prior year)

	Unrestricted General £	Unrestricted Designated £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	–	264,648	3,200,740	–	3,465,388
Fixed asset investments	–	–	–	84,401	84,401
Net current assets	430,663	–	289,731	238,982	959,376
Net assets at the end of the year	430,663	264,648	3,490,471	323,383	4,509,165

18a Endowment fund (current year)

	At 1 January 2021 £	Unrealised gains on investments £	At 31 December 2021 £
Endowment fund	323,383	101	323,484

18b Endowment fund (prior year)

	At 1 January 2020 £	Unrealised losses on investments £	At 31 December 2020 £
Endowment fund	326,370	(2,987)	323,383

The Endowment fund ('EF') is a trust established under a separate trust deed whose assets are invested to generate income in order to provide bursaries to participants on Arvon courses who are on low incomes and would not otherwise be able to afford the full cost of a course. The EF was established as a permanent endowment in 1993. The Arvon Foundation Limited is the sole corporate trustee of the EF. On 11 May 2022 the Board of Trustees of Arvon, acting as the charity trustee of the EF, passed written resolutions (i) to fully align the charitable objects of the EF with those of Arvon and (ii) to free the capital within the EF from the restrictions on its expenditure, pursuant to Section 282 of the Charities Act 2011. The Charity Commission have confirmed that their consent to the above resolutions came into legal effect on 12 August 2022 and that from that date the capital of the EF can be spent as if it were income.

Notes to the financial statements

For the year ended 31 December 2021

19a Restricted income funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
<u>Tangible fixed assets: Restricted</u>					
The Hurst Property	2,848,600	–	(66,035)	15,558	2,798,123
Lumb Bank Property	185,227	–	(9,544)	–	175,683
Totleigh Barton Property	166,913	–	(6,165)	–	160,748
<u>For Bursaries (to individuals incl. teachers)</u>					
Endowment fund income account	15,912	2,932	–	–	18,844
The Barbara and Philip Denny Charitable Trust	6,000	6,000	(6,000)	–	6,000
The Derek Hill Foundation	3,000	–	(3,000)	–	–
The D'Oyly Carte Charitable Trust	3,500	–	(3,500)	–	–
The T. S. Eliot Foundation	16,850	8,500	(16,850)	–	8,500
Other general bursary funders	18,131	5,788	(2,555)	–	21,364
The David Pease Award	2,400	–	–	–	2,400
<u>For Learning Programme courses and projects:</u>					
Comic Relief (Writing the Game)	2,942	–	(600)	–	2,342
The Jerwood Charitable Foundation (t/a Jerwood Arts) – Mentoring	9,540	–	(9,540)	–	–
The McGrath Trust	12,587	–	–	–	12,587
John Lyon's Charity	23,063	–	(23,063)	–	–
The Mercers' Charitable Foundation	–	6,000	(3,600)	–	2,400
Unwin Charitable Trust	–	5,000	(5,000)	–	–
SHINE re Schools Programme	9,000	6,000	(1,500)	–	13,500
Normanby Charitable Trust re Schools Prog.	5,000	–	(5,000)	–	–
Amazon Literary Partnership	30,000	30,000	(53,622)	–	6,378
The Oliver Black Memorial Fund	–	16,902	–	–	16,902
Annie's Fund: Inspiring Young People to Write	–	11,759	–	–	11,759
Kevin Jackson Award	–	6,000	–	–	6,000
The Harold Hyam Wingate Foundation	–	5,000	–	–	5,000
Donations to fund Crenham Award	1,063	62	–	–	1,125
<u>DCMS: Culture Recovery Fund grant</u>	124,950	24,600	(42,839)	(106,711)	–
<u>Lumb Bank Redevelopment Project</u>					
Lumb Bank Redevelopment: Preparation Costs The John S Cohen Foundation	4,293	–	–	(4,293)	–
<u>Other projects</u>	–	–	–	–	–
Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank)	–	882	(700)	–	182
The Margaret Ingram Bursary Fund for Trainee Gardener at The Hurst	1,250	–	(1,250)	–	–
Other	250	–	–	–	250
Total restricted income funds	3,490,471	135,425	(260,363)	(95,446)	3,270,087

Notes to the financial statements

For the year ended 31 December 2021

19b Restricted income funds (prior year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
<u>Tangible fixed assets: Restricted</u>					
The Hurst Property	2,914,272	-	(65,672)	-	2,848,600
Lumb Bank Property	189,602	-	(9,544)	5,169	185,227
Totleigh Barton Property	173,078	-	(6,165)	-	166,913
<u>For Bursaries (to individuals incl. teachers)</u>					
Endowment fund income account	15,328	3,458	(2,874)	-	15,912
The Barbara and Philip Denny Charitable Trust	-	6,000	-	-	6,000
The Derek Hill Foundation	-	3,000	-	-	3,000
The D'Oyly Carte Charitable Trust	-	3,500	-	-	3,500
The T. S. Eliot Foundation	8,350	8,500	-	-	16,850
Other general bursary funders	8,249	5,312	-	4,570	18,131
The David Pease Award	2,400	-	-	-	2,400
<u>For Learning Programme courses and projects:</u>					
The Eranda Rothschild Foundation	-	30,000	(30,000)	-	-
Comic Relief (Writing the Game)	2,942	-	-	-	2,942
Claremont Bursary Fund	4,570	-	-	(4,570)	-
The Jerwood Charitable Foundation (t/a Jerwood Arts) – Mentoring	18,790	5,900	(15,150)	-	9,540
The McGrath Trust	12,587	-	-	-	12,587
John Laing Charitable Trust	25,000	-	(25,000)	-	-
John Lyon's Charity	23,700	-	(637)	-	23,063
The Mercers' Charitable Foundation	10,000	-	(10,000)	-	-
Unwin Charitable Trust	-	5,000	(5,000)	-	-
The John Thaw Foundation	-	2,000	(2,000)	-	-
Hays Travel Foundation	2,500	-	(2,500)	-	-
The Sir James Knott Trust	1,500	-	(1,500)	-	-
SHINE re Schools Programme	-	9,000	-	-	9,000
Normanby Charitable Trust re Schools Prog.	-	5,000	-	-	5,000
Amazon Literary Partnership	-	30,000	-	-	30,000
Donations to fund Crenham Award:					
The Booker Prize Foundation	10,000	-	(10,000)	-	-
Other donations: Crenham Award	227	1,063	(227)	-	1,063
DCMS: Culture Recovery Fund grant	-	221,400	(90,331)	(6,119)	124,950
<u>Lumb Bank Redevelopment Project</u>					
Lumb Bank Redevelopment: Preparation Costs					
The John S Cohen Foundation	4,293	-	-	-	4,293
<u>Other projects</u>					
Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank)	100	10,310	(10,410)	-	-
The Margaret Ingram Bursary Fund for Trainee Gardener at The Hurst	-	1,250	-	-	1,250
Other	250	-	-	-	250
Total restricted income funds	3,427,738	350,693	(287,010)	(950)	3,490,471

19 Restricted Income Funds (continued)

Purposes of restricted funds:

- a) The Hurst, Lumb Bank, Totleigh Barton Properties. These funds represent the accounting net book value of land and buildings (freehold property) to be used by Arvon for creative writing courses and retreats.

Expenditure charged to these funds in the year totalling £81,744 (2020: £81,381) relates to the depreciation charges against freehold property assets held within restricted funds; a further £5,770 of depreciation has been charged during the year against elements of freehold property held within the designated fund 'Tangible fixed assets: Unrestricted' (2020: £2,168) (see note 12). Transfers in of £15,558 (2020: £5,169) relate to fixed asset additions to freehold properties in the year as shown below:

	2021 £	2020 £
Lumb Bank: fixed asset additions in relation to bathroom installation work, transfer in from general funds:	–	5,169
The Hurst: fixed asset additions in relation to works to improve the condition of the stores area and prevent water ingress, transfer in from general funds:	15,558	–
Total transfers in to Restricted Tangible Fixed Asset funds:	15,558	5,169

- b) Bursary funds, including Endowment fund income account. These funds provide financial support to attend an Arvon course to adult applicants on low incomes who would otherwise not be able to meet the full cost of a creative writing course fee, or to teachers. The Endowment fund income account is a restricted fund established to receive the income arising from the investments and cash deposits held within the Arvon Endowment Fund in order to apply these resources to provide bursaries to applicants on low incomes. Bursaries are provided in the form of fee reductions granted to participants on courses.
- c) Writing the Game – Grant funds from Comic Relief towards a project for under 18s which aims to harness young people's love of football to encourage a life-long interest in writing and words.
- d) The Jerwood Charitable Foundation (t/a Jerwood Arts) – Mentoring. A project funded by The Jerwood Charitable Foundation supporting the writing talent of the future with a year-long mentoring programme led by leading writers.
- e) The McGrath Trust. Supporting courses for young people from Northern Ireland.
- f) John Lyon's Charity. Supporting Arvon's First Lines programme providing young people in care the opportunity to participate in a residential week and pre/post residential arts activities.
- g) The Mercers' Charitable Foundation; Unwin Charitable Trust; SHINE; Normanby Charitable Trust: Grants in support of Arvon's Schools Programme.
- h) Amazon Literary Partnership. A donation towards the Learning Programme supporting courses for state schools, young people and vulnerable adults.
- i) The Oliver Black Memorial Fund. Crowdfunding income in support of the Learning Programme (courses for state schools, disadvantaged young people and vulnerable adults).
- j) Annie's Fund: Inspiring Young People to Write. Crowdfunding income in support of the Schools Programme.
- k) Kevin Jackson Award. Donations in memory of Kevin Jackson towards Arvon's Schools Programme.
- l) Harold Hyam Wingate Foundation. Grant to support 12 emerging playwrights to participate in an Arvon at Home course and follow-up online one-to-one tutorials.
- m) Crenham Award. An award aimed at increasing access to creative writing for marginalised young people and vulnerable adults. Supported by a number of trusts and individual donors.
- n) DCMS: Culture Recovery Fund grant. In October 2020 Arvon was awarded a grant of £246,000 from the Government's Culture Recovery Fund Grants programme ('CRF'), administered by Arts Council England. The grant is funded by resources from the Department for Digital, Culture, Media and Sport (DCMS). Announced in July 2020, the aim of the CRF was to help maintain England's cultural ecology during the Coronavirus pandemic by supporting culturally significant organisations which were financially sustainable before Covid-19 but were at imminent risk of failure. The funding was intended to allow organisations to reopen / restart their operations where appropriate or operate on a sustainable, cost-efficient basis so that they could reopen at a later date.

19 Restricted Income Funds (continued)

The grant awarded to Arvon was provided to fund essential business expenditure (including staff salaries), equipment purchases and building maintenance costs incurred between 1 October 2020 and 31 March 2021. Arvon received the first instalment (90%) of the grant in October 2020 (£221,400). The second instalment of 10% (£24,600) was paid in September 2021 following submission to Arts Council England of a completed activity report and an independently certified income and expenditure statement for the activity carried out during the grant funding period.

Transfers out of this fund totalling £106,711 (2020: £6,119) can be analysed as follows:

	2021 £	2020 £
Fixed asset additions (fixtures and fittings, plant and machinery), transfer out to 'Tangible fixed asset fund: Unrestricted':	-	(5,349)
Fixed asset additions (computers and other office equipment), transfer out to 'Tangible fixed asset fund: Unrestricted':	-	(770)
Fixed asset additions (land and buildings) in relation to rethatching of Totleigh Barton (part), transfer out to 'Tangible fixed asset fund: Unrestricted':	(52,440)	-
Transfer out to General funds (reflation of free reserves):	(54,271)	-
Total transfers out	(106,711)	(6,119)

- o) Lumb Bank Redevelopment fund: a fund to provide support towards the costs of the capital redevelopment of Lumb Bank. The transfer out of this fund to the designated fund 'Tangible fixed asset fund: Unrestricted' of £4,293 represents part of the capitalised costs of architects' fees incurred in relation to the Lumb Bank Redevelopment project (RIBA Stages 0-3) during the year ('Asset under development').
- p) Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank). A grant awarded by Calderdale Council under its Flood Recovery and Resilience Programme, whose aim is to reduce the impact of flooding in Calderdale. The funds awarded over the period 2019-21 have enabled Arvon to invest in measures at Lumb Bank, including earth bunds, Himalayan balsam control and woodland thinning, which will contribute to the management of flood risk in the area.
- q) The Margaret Ingram Bursary Fund. A grant awarded by an anonymous donor which funded a 13 week part-time post in 2021 for a trainee gardener to work and learn alongside the gardener at The Hurst.

20a Unrestricted funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Designated funds:					
Tangible fixed asset fund: Unrestricted	264,648	-	(38,692)	138,175	364,131
National Office rent deposit fund:	-	-	-	5,857	5,857
Property maintenance fund:	-	-	-	80,000	80,000
Total designated funds	264,648	-	(38,692)	224,032	449,988
Free Reserves:					
General funds	430,663	1,759,869	(1,567,917)	(128,586)	494,029
Total Free Reserves	430,663	1,759,869	(1,567,917)	(128,586)	494,029
Total unrestricted funds	695,311	1,759,869	(1,606,609)	95,446	944,017

20b Unrestricted funds (prior year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Designated funds:					
Tangible fixed asset fund: Unrestricted	266,716	–	(25,812)	23,744	264,648
Total designated funds	266,716	–	(25,812)	23,744	264,648
Free Reserves:					
General funds	338,776	1,380,117	(1,265,436)	(22,794)	430,663
Total Free Reserves	338,776	1,380,117	(1,265,436)	(22,794)	430,663
Total unrestricted funds	605,492	1,380,117	(1,291,248)	950	695,311

Purposes of unrestricted funds

- a) Tangible fixed asset fund: Unrestricted. Expenditure charged to this fund in the year totalling £38,692 (2020: £25,812) is made up of: depreciation charges of £22,575 (2020: £23,644) against the tangible fixed asset categories 'fixtures and fittings, plant and machinery' and 'computers and other office equipment'; a depreciation charge of £5,770 (2020: £2,168) against those elements of 'freehold property' held within designated funds (see note 12); and losses on disposals of tangible fixed assets in the year of £10,347 (2020: £nil).

Transfers in to this fund totalling £138,175 (2020: £23,744) relate to fixed asset additions as follows:

	2021 £	2020 £
Fixed asset additions (land and buildings), transfer in from general funds:	10,316	–
Fixed asset additions (land and buildings), transfer in from restricted funds:	52,440	–
Fixed asset additions (asset under development), transfer in from general funds:	42,754	–
Fixed asset additions (asset under development), transfer in from restricted funds:	4,293	–
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from general funds:	11,088	8,779
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from restricted funds:	–	5,349
Fixed asset additions (computers and other office equipment), transfer in from general funds:	17,284	8,846
Fixed asset additions (computers and other office equipment), transfer in from restricted funds:	–	770
Total transfers in to Tangible Fixed Asset fund: Unrestricted	138,175	23,744

- b) Designated fund: National Office rent deposit. In May 2021 the charity took on a new lease for office premises in Clerkenwell, London. This fund represents the amount of £5,857 paid as a deposit under the terms of the occupation agreement, which is to be refunded at the end of the tenancy. This amount is included in debtors on the balance sheet (see note 14).
- c) Designated fund: Property maintenance. The trustees have decided to create a new designated fund by a transfer from general funds of £80,000 as at 31 December 2021. The purpose of this fund is to ringfence resources for necessary maintenance and improvements of the charity's freehold buildings and estates and to allow for longer term forward planning based on quinquennial inspection reports. This fund may also be used in future for replacement of the vehicles used by the charity at each of the writing houses.

20 Unrestricted funds (continued)

d) Net transfers out of general funds of £128,586 (2020: transfers out of £22,794) can be analysed as follows:

	2021 £	2020 £
Transfers out to 'Tangible fixed asset fund: Restricted' in respect of fixed asset additions, as noted above:	(15,558)	(5,169)
Transfers out to 'Tangible fixed asset fund: Unrestricted' in respect of fixed asset additions, as noted above:	(81,442)	(17,625)
Transfer in from restricted fund 'DCMS: Culture Recovery Fund grant' (see note 19n):	54,271	–
Transfer out to designated fund 'National Office rent deposit' (see note 20b):	(5,857)	–
Transfer out to designated fund 'Property maintenance' (see note 20c):	(80,000)	–
Total net transfers out of General funds:	<u>(128,586)</u>	<u>(22,794)</u>

21 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,191,675	1,026,220
Total cash and cash equivalents	<u><u>1,191,675</u></u>	<u><u>1,026,220</u></u>

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

23 Contingencies

Arts Council England Lottery funding for the development of The Hurst totalled £1,650,000 between 2011 and 2014. This funding is conditional on The Hurst remaining as a writing centre for 30 years from 24 June 2011. If the condition is not met, the funding is liable for repayment to Arts Council England. Arts Council England has a fixed charge security over the freehold of The Hurst and a floating charge over the assets of The Arvon Foundation Limited to the value of the Lottery funding. This security is in place for a period of 30 years from 24 June 2011.

Accounts

Company number: 1086582

Charity Number: 306694



The Arvon Foundation Limited

Trustees' Annual Report and Financial Statements
For the year ended 31 December 2020

Contents

For the year ended 31 December 2020

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The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2020

Country of registration	England and Wales																						
Country of incorporation	United Kingdom																						
Company number	1086582																						
Charity number	306694																						
VAT registration number	287 9329 41																						
Registered and principal office address (to 25 May 2021)	Free Word 60 Farringdon Road London EC1R 3GA																						
Registered office address (from 25 May 2021)	Lumb Bank Heptonstall, Hebden Bridge West Yorkshire HX7 6DF																						
National office address (from 25 May 2021)	Unit 103 Clerkenwell Workshops 27/31 Clerkenwell Close London EC1R 0AT																						
Trustees	Trustees serving during the year and up to the date of this report (who are also the directors of The Arvon Foundation Limited under company law) were as follows: <table><tr><td>Jeremy Treglown</td><td>Chair of Trustees</td></tr><tr><td>Dr Judith Abbott</td><td>Chair of Finance Committee</td></tr><tr><td>Lee Bilson</td><td></td></tr><tr><td>Joshua Cockcroft</td><td>(appointed 29 January 2020)</td></tr><tr><td>Kim Evans</td><td>(appointed 29 January 2020)</td></tr><tr><td></td><td>Chair of Appointments and Remuneration Committee from 27 January 2021</td></tr><tr><td>Alison Flood</td><td></td></tr><tr><td>Neil Harris</td><td>Chair of Properties Committee</td></tr><tr><td>Sarah Harwood</td><td>(appointed 29 January 2020)</td></tr><tr><td>Christian Lewis</td><td></td></tr><tr><td>Nicholas Makoha</td><td></td></tr></table>	Jeremy Treglown	Chair of Trustees	Dr Judith Abbott	Chair of Finance Committee	Lee Bilson		Joshua Cockcroft	(appointed 29 January 2020)	Kim Evans	(appointed 29 January 2020)		Chair of Appointments and Remuneration Committee from 27 January 2021	Alison Flood		Neil Harris	Chair of Properties Committee	Sarah Harwood	(appointed 29 January 2020)	Christian Lewis		Nicholas Makoha	
Jeremy Treglown	Chair of Trustees																						
Dr Judith Abbott	Chair of Finance Committee																						
Lee Bilson																							
Joshua Cockcroft	(appointed 29 January 2020)																						
Kim Evans	(appointed 29 January 2020)																						
	Chair of Appointments and Remuneration Committee from 27 January 2021																						
Alison Flood																							
Neil Harris	Chair of Properties Committee																						
Sarah Harwood	(appointed 29 January 2020)																						
Christian Lewis																							
Nicholas Makoha																							

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2020

	Meriel Schindler	(retired 30 June 2021) Chair of Nominations Committee to 27 January 2021
	Jonathan Teckman Andrew Wimble	
Founders	John Fairfax and John Moat	
Chief Executive Officer	Andrew Kidd	
Chief Financial Officer and Operations Director	Richard Haseldine	
Deputy Chief Executive Officer	Natasha Carlish (from 1 February 2021)	
Artistic Director	Mary Morris (from 1 February 2021)	
Company Secretary	Andrew Kidd (to 1 December 2020) Natasha Carlish (from 1 December 2020)	
Other names used by the Charity	Arvon The Arvon Foundation	
Our Writing Houses	Lumb Bank The Ted Hughes Arvon Writing House Heptonstall Hebden Bridge West Yorkshire HX7 6DF The Hurst The John Osborne Arvon Writing House Clunton Craven Arms Shropshire SY7 0JA Totleigh Barton Sheepwash Beaworthy Devon EX21 5NS	

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2020

Website	www.arvon.org
Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN
Solicitors	Farrer & Co. 66 Lincoln's Inn Fields London WC2A 3LH
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane London EC1Y 0TL

This document comprises the Trustees' annual report (incorporating the Directors' Report as required by company law) and the audited financial statements of The Arvon Foundation Limited for the year ended 31 December 2020.

Reference and administrative information set out on pages 1 to 3 forms part of this report. The financial statements appear in the format required by the Companies Act 2006, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Statement of Recommended Practice for Accounting and Reporting by Charities Preparing their Accounts in Accordance with FRS 102 ("Charities SORP (FRS 102)").

Statement concerning the impact of the Coronavirus Pandemic (COVID-19) on Arvon

From the third week of March 2020, Arvon's three writing houses and the Clockhouse Writers' Retreat facility were forced to close as the country went into lockdown. The Clockhouse was able to re-open in mid-August 2020 under strict COVID-secure, 'hotel-standard' conditions, and from September both Lumb Bank and Totleigh Barton were partially re-opened for private holiday lettings. From early November 2020, following the introduction of new national lockdown legislation, all residential activities again ceased and planned COVID-secure retreats at The Clockhouse, Lumb Bank and Totleigh had to be cancelled. The houses then remained closed until the spring of 2021. In accordance with the Government's 'unlocking roadmap', The Clockhouse reopened for single person retreats on 13 April 2021 and then expanded to full capacity from 17 May 2021. Lumb Bank also reopened for 6-person untutored retreats on 17 May, with Totleigh Barton reopening for 5-person untutored retreats the following week. From 21 June 2021, Lumb Bank offered three consecutive weeks of 6-person tutored retreats, and on 12 July 2021 The Hurst and Totleigh Barton both resumed standard tutored Arvon courses, with Lumb Bank resuming standard tutored courses the following week. Weekly participant capacity for all three houses will be limited, until the end of September 2021, to 9 for Totleigh Barton, 11 for Lumb Bank and 13 for The Hurst, with a plan to return to full capacity – 14/14/16 – from the beginning of October 2021. All of Arvon's digital activity, under the banner Arvon at Home, has continued unabated throughout the pandemic and will remain a new, essential part of Arvon's offer post-pandemic as well.

By March 2021, the cancellation of 12 months of residential courses is estimated to have resulted in the loss of approximately £1.1 million of gross income and c. £550,000 of contribution to the charity's fixed costs. However, Arvon has been able to effectively mitigate these losses through a combination of local authority grants, individual donations and grants from funders in response to the crisis, the Government's Coronavirus Job Retention Scheme to support the employment costs of furloughed staff members and the highly successful launch, from April 2020, of our 'Fourth House', Arvon at Home, which offers weekly masterclasses, readings and 5-day courses online. Arvon at Home has been transformative for the charity in terms of both accessibility and reach. Over the course of 2020, the total sum of open course engagements with Arvon was 10,110, comprising 4,399 individuals (compared to 1,173 in 2019).

In addition, in October 2020 we were awarded a grant of £246,000 from the Government's Culture Recovery Fund, administered by Arts Council England, to fund vital expenditure in the period from October 2020 to March 2021. Further local authority grants have been awarded in 2021, and Arvon has also benefitted from a substantial unexpected legacy in 2021. Based on projections current at the date of this report, we therefore expect to end 2021 with free reserve levels of at least £650,000, ensuring we are in as strong a position as we realistically can be to weather the further challenges that undoubtedly lie ahead.

About Arvon

The first Arvon writing course took place in Beaford, North Devon, in 1968. It was taught and run by Arvon's founders, the poets John Fairfax and John Moat, with the original aim of providing time and space away from school for young people to write poetry. John Moat wrote that they were inspired to create Arvon as "a space where individuals, and in particular young committed writers, could be given a sanctuary away from, as we saw it, the creative deprivation imposed by the system of standard education – and there offered . . . the guidance of experienced writers". The spirit and intentions of Arvon's founders remain as relevant and essential today as they were in 1968.

Objects of the Charity

The Arvon Foundation's objects are:

"to promote and assist in the advancement of education of students of educational establishments and others in the arts and crafts including the arts of poetry and literature, drama, music, dancing, mime, painting, sculpture and the graphic arts, and to extend and increase the appreciation, knowledge and understanding of such persons of the arts and crafts in all their forms."

The charity's primary activity to deliver its charitable objects is to provide residential and non-residential writing courses for individuals, schools and groups, led by highly respected authors, with a particular focus on courses relating to poetry, fiction, non-fiction writing and drama. Since its foundation in 1968, Arvon has supported the development of thousands of writers. We are the UK's "home for creative writing", where anyone, regardless of writing experience, can step away from their normal routine, immerse themselves in the creative process, be inspired by experienced writers and release their imaginative potential. We also provide a unique dedicated Writers' Retreat facility at The Clockhouse in the grounds of The Hurst in Shropshire.

These activities are described below.

Our Vision

We believe that writing can change lives for the better.

Creative writing allows us to harness our imagination and find our voice. It creates new possibilities, new ideas, new futures. It unlocks our potential, our empathy and our hope. And we are keen to share this opportunity with as many people as possible.

Our Mission

Arvon's mission is to be the UK's home for creative writing, where anyone, regardless of writing experience, can benefit from the transformative power of writing.

Our Values

INCLUSIVE: Everyone is creative. We make spaces that are open to all, where anyone, regardless of writing experience, feels welcome and included as part of a community of writers.

INSPIRING: Step away from the routine, be inspired by writers and Arvon's beautiful locations and unlock your imaginative potential. Arvon is a place for contemplation, challenge and going beyond what you thought you were capable of achieving.

SUPPORTIVE: Creative writing is a craft that can be learnt, through guidance from experts, and through the peer support that comes from creative friendships with fellow writers. At Arvon writers teach writers, and everyone encourages each other to become a better writer.

TRANSFORMATIVE: Immersing yourself in creative writing nourishes the imagination, can deepen the connection to self and to the world, and can lead to dramatic change and progress.

Our Artistic Offer

Arvon's main programme of work comprises seven strands of activity:

i) Open Programme

The Open Programme is a year-round offer of mostly five-day tutored creative writing residential courses at our three writing houses located in Devon, Shropshire and Yorkshire, and now also in our fourth 'virtual house', Avon at Home.

The Open Programme is intended for writers from all ranges of experience and backgrounds aged 18+ and is open to bookings from the general public. Courses have a maximum capacity of between 14 and 16 participants. Grants are available to help people on a low income or none. Starting to Write courses are intended for beginner writers, our Work-in-Progress courses and Retreats are intended for emerging and experienced writers, and all remaining courses are intended for mixed abilities and cover multiple genres.

Trustees' annual report

For the year ended 31 December 2020

Every course is tutored by published writers chosen for their expertise and their ability to share their skill and knowledge of the craft of writing. We have a pool of tutors which we are constantly refreshing with new writers, as new genres emerge in the world of literature, and as emerging writers mature. Each year we have provided paid work for approximately 400 professional writers as tutors and guest readers. With the advent of Arvon at Home, this number has increased to over 500.

ii) Retreats

The Writers' Retreat at The Clockhouse at our Shropshire site is a resource for talented writers looking to further their writing independently, without facilitation from a tutor. It is designed to provide everything a writer needs to be as productive as possible. The building is able to accommodate up to four writers at a time and is fully catered and independent of the main house.

iii) Mentoring and Online Support

Arvon offers mentoring and support as part of our commitment to talent development. We have begun to establish an Arvon online community, connecting writers to Arvon tutors and to each other, and making www.arvon.org a source of expertise on the craft of writing. This includes one-to-one tutorials and tips and exercises available to Arvon Friends.

This strand includes:

- The Jerwood/Arvon Mentoring Programme, a biennial award for emerging writers
- Partnerships with regional, national and international competitions and talent development programmes such as SI Leeds Literary Prize, Commonword's Diversity Young Adult Fiction Prize, New Writing North, Foyle Young Poets and the Bocas Lit Fest, Trinidad and Tobago's annual literary festival
- Arvon 1-1: one-to-one online tutorials and mentoring
- Online writing advice for Arvon Friends membership (free to 18 to 25-year-old writers)

iv) Residential Courses with Schools and Under-18s

Arvon hosts five-day residential creative writing courses for primary and secondary schools at the three Arvon writing houses. We work to raise funds to subsidise visits by some state schools in areas of disadvantage across England and aim to build sustained relationships with schools, encouraging continued work in the classroom and enrichment activities. Ages range from 10 to 18, with multi-year projects including work with schools based in north-east England, and 'Writing the Game', a strand which aims to transform young people's lives through linking writing with football. In 2020, we also piloted online writing workshops for Children and Young People. These have now been embedded in our core offer, with three online workshops per month now offered at no charge to schools and individuals.

v) Residential Courses with Partner Organisations

Arvon hosts residential creative writing courses for community and arts organisations, particularly those supporting young people and adults who are vulnerable or marginalised. We collaborate with partners to raise funds to support participation in a residential week.

This strand has included:

- Multi-year partnerships with Foyle Young Poets and First Story, supporting talented young writers;
- The Crenham Award, working with marginalised adults;
- Work with young people in care through Virtual Schools across several London boroughs; and
- Start360, working in Belfast with vulnerable young people with complex needs.

vi) Arvon City

Arvon City is a one- to three-day non-residential course programme held in UK cities. It has historically been delivered in collaboration with regional partners able to reach out to potential local participants who prefer a shorter course close to home. The programme in its original form was suspended in 2019 for reasons of costs, but by the end of the year plans were being put in place to relaunch Arvon City in a modified form.

In autumn 2021 we will pilot new forms of community outreach, initially at Lumb Bank and in Hebden Bridge. This will comprise an Open Day at Lumb Bank (to include a Lumb Bank Redevelopment stakeholder engagement event led by Gagarin Studio, the architectural practice overseeing the first stages of the redevelopment project, poetry in the landscape and a pop-up exhibition of artworks inspired by the work and landscape of Ted Hughes), a Community Day (Arvon tasters for Children and Young People, local schools and community groups) and an 'Arvon Live' masterclass event with Cathy Rentzenbrink in Hebden Bridge at the end of October.

vii) Professional Development (including research projects)

Arvon supports writers and teachers of writing to develop their practice. This strand includes:

- Arvon Tutor Development – a programme of learning and development for new and established writing tutors, including an annual residential week for up to 16 Arvon tutors.
- Arvon Teacher Development – including an annual residential exclusively for teachers; research programmes with teachers and writers; and Open Programme grants for teachers.

Structure, Governance and Management

The Arvon Foundation Limited is a charitable company limited by guarantee without share capital, incorporated on 13 December 1972 and registered as a charity on 28 March 1973.

The Memorandum of Association and Articles of Association of The Arvon Foundation Limited form the governing documents of the charity.

Method of Appointment and Election of Trustees

The management of the charitable company is the responsibility of the body of trustees, referred to as the "Board of Trustees" (or as the "Council of Management" in the governing documents of the charitable company). Trustees are selected with a view to ensuring an appropriate mix of backgrounds, skills and expertise. A Nominations Committee advises the Board on the selection and recruitment of new trustees and may recommend various methods of recruitment including public advertisement. From January 2021 the Nominations Committee has been replaced by a newly constituted Appointments and Remuneration Committee.

Trustees are elected by the Board for a period of four years and have the option of stepping down or putting their name forward for re-election for a further four-year period in accordance with the Articles of Association and the procedures agreed by the Board.

The trustees who served during the year and up to the date of this report are shown on page 1.

Policies adopted for the Induction and Training of Trustees

All trustees are issued with the Charity Commission booklet setting out the duties and responsibilities of trustees. New trustees also receive an Induction Guide, which includes the Memorandum and Articles of Association, the latest Trustees' Annual Report and Financial Statements, management accounts and other briefing documentation explaining Arvon's organisational structure and practices. Trustees are invited to make visits to a writing house while a course is running. Training is offered to trustees where appropriate, either individually or collectively.

The induction and ongoing training of trustees is reviewed regularly with a view to enhancing their skills and knowledge relating to charity affairs.

Board and governance reviews are carried out from time to time.

Public Benefit

The trustees confirm that they have complied with the duty set out in section 17(5) of the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission when exercising any powers or duties to which the guidance is relevant. The review of objectives and activities set out below gives examples of how Arvon has furthered its charitable purposes for the public benefit.

Organisational Structure and Decision Making

The Board meets at least four times per year and receives reports from the Executive and trustee committees:

- Finance Committee
- Properties Committee
- Nominations Committee (replaced from January 2021 by the Appointments and Remuneration Committee)

The charity's staff team is led by the Executive, which comprises:

- The Chief Executive Officer (until February 2021 this role was combined with that of Artistic Director)
- The Chief Financial Officer and Operations Director (formerly the Director of Finance and Resources)
- The Deputy Chief Executive Officer (from February 2021)
- The Artistic Director (from February 2021)

Each of the three writing houses is managed by a Director or Co-directors, who are responsible for the management of the house and are supported by (a) Deputy Director(s), a House Administrator and House Managers. Part-time cleaning and gardening/groundskeeping staff are also employed at the writing houses. (From April 2020, there is also a 'Fourth House', Arvon at Home, delivering a range of Arvon courses, readings and masterclasses online; this is overseen by two Co-directors).

The Chief Executive Officer, the Chief Financial Officer and Operations Director, the five Directors (two of whom are also Deputy Chief Executive and Artistic Director), together with the Director of Digital and Communications (formerly Head of Communications and Digital), the Head of Development and the Head of Learning (until 31 December 2020) form the Senior Management Team ('SMT'). The SMT meets on a regular basis throughout the year.

The Company Secretary is appointed by the Board of Trustees and is normally one of the members of the SMT.

The charity's fundraising, communications, finance and central administration staff are based in the National office in London.

Remuneration Policy

Trustees review and agree changes to staff remuneration annually, as part of the following year's budgeting process.

Annual salary reviews, as part of the budgeting process, take into consideration inflation and other cost of living increases, staff retention, opportunities for staff progression, recognition of changes in responsibility, staff overall remuneration and benefits, Arvon's financial circumstances and the

wider economic and political environment. The Finance Committee makes a recommendation to the Board, normally at its October meeting, for implementation from the beginning of the next financial year in January.

Related Party Relationships

The charity has no current related party relationships except those with the trustees, other key management personnel and their close family members. (Related party transactions, including those with trustees who act as tutors or guest speakers on Arvon courses, are disclosed in notes 8 and 10 to the Financial Statements).

Risk Management

The trustees have implemented a risk management policy which identifies the significant risks which the organisation faces and proposes measures to mitigate those risks and the potential harm arising from them.

The Executive produces a risk register for the organisation and reports to the Finance Committee quarterly on the major risks to the organisation which have been identified and on measures in place or planned in order to manage and mitigate those risks.

The Board of Trustees formally reviews the risks and mitigating measures at least annually. Risks assessed relate primarily to finance and assets, operations and the reputation of the charity. Key risks include: the potential failure to fundraise sufficient funds in order to achieve the charity's objectives; an erosion in the quality of accommodation provided at the writing houses or a failure to continue to meet the expectations of users in this regard; a substantial drop in the occupancy rate of Arvon's courses; the potential loss or significant reduction of Arts Council England funding in the future, or other factors leading to a material erosion of the charity's free reserves. Proposed mitigating actions include: maintaining adequate reserves and healthy cashflow; avoiding becoming over-reliant on fundraising; developing long-term strategic plans for developing/upgrading the writing houses; plans for effective ongoing property maintenance, and implementation of strong safeguarding and health and safety procedures at all four of our houses.

Since the beginning of the Coronavirus (COVID-19) pandemic in early 2020, the public health risk posed by the disease and the consequential impact of the laws, regulations and restrictive public health guidelines introduced by governmental authorities in response to the pandemic, have represented a major risk to the finances and operations of businesses in many sectors of the economy, in the UK and internationally. Arvon's residential activities have been heavily exposed to the impact of the pandemic; from the third week of March 2020, we were unable to run any residential tutored courses at our main writing houses and were able to offer residential retreats at The Clockhouse only for limited periods and under conditions requiring more staff support than normal. As set out on page 4 of this report, we have been able to re-open our writing houses in stages from the spring of 2021, and with effect from 19 July 2021 the Government has lifted most of the legal restrictions applying to business activities and social contact in England as part of its

“roadmap out of lockdown”. However, concern remains over the extent of the spread of the virus and we are aware of the need to manage the risk that legislation and/or public health guidelines could be reimposed later in the year or next year, which may require us to close our writing houses again.

As detailed on pages 4–5 of this report, Arvon has been able to mitigate the risks associated with COVID-19 in a number of important ways:

- We applied for and received support from local authorities in the form of Retail, Hospitality and Leisure sector grants in April 2020 and Local Restrictions Support Grants later in the year and in the first half of 2021;
- We have made use of the Government’s Coronavirus Job Retention Scheme from April 2020 to May 2021 in order to furlough members of staff where appropriate and have thereby received significant funding towards salary costs throughout the crisis;
- We have successfully launched Arvon at Home, our new ‘Fourth House’, which offers weekly masterclasses, readings and 5–day courses online, and which has enabled us to reach significant new audiences during this period;
- We have reduced the ongoing running costs of our writing houses as far as possible during periods of enforced closure and we have significantly reduced the costs of office space occupied by our National office from the beginning of 2021;
- We have benefited from the tremendous generosity of our supporters who have made additional donations in response to the crisis and from the understanding of many funders who have shown flexibility over the timing of use of restricted funds granted prior to the start of the pandemic;
- We applied for and in October 2020 were awarded a grant of £246,000 from the Government’s Culture Recovery Fund (administered by Arts Council England) which has enabled us to fund vital expenditure in the period from October 2020 to March 2021.

Arvon’s Business Plan 2018–22

During the year under review Arvon continued the implementation of its Business Plan for the period 2018–22. The Business Plan has four strategic aims. These are to:

- i) Broaden and deepen our offer to writers, so that Arvon provides a continuum of support in a writer’s journey, from beginner to experienced;
- ii) Celebrate and reflect the diversity of modern British society by increasing the reach of our work to writers from all backgrounds;
- iii) Strengthen Arvon’s financial resilience and sustainability;
- iv) Renovate Lumb Bank, creating a fit-for-purpose northern hub for writers.

Aims and Activities for 2020

As with most arts charities, 2020 was the most irregular year in Arvon’s history. Nevertheless, by pivoting to a digital model within three weeks of the start of the March 2020 lockdown, we were able to continue, through different means, to deliver on all four of our key strategic aims.

1 BROADEN AND DEEPEN OUR OFFER TO WRITERS, SO THAT ARVON PROVIDES A CONTINUUM OF SUPPORT IN A WRITER'S JOURNEY.

Open Programme

In the first two and a half months of 2020, Arvon ran seven open programme residential writing courses across its three houses before the houses were forced to close (with the bulk of the weeks being taken up by the Learning programme during the pre-Covid first quarter: see below).

On 8 April 2020, Arvon launched Arvon at Home, and over the course of 2020 offered:

- 47 online Arvon Live Guest readings (total attendance: 4,082)
- 36 online Arvon Masterclasses (total attendance: 4,134)
- 37 five-day online Arvon Writing Weeks (total attendance: 449)
- 3 Arvon Craft of Writing Sessions (total attendance: 459)
- 114 online Arvon 1:1s (total attendance: 114)

In total, Arvon offered 123 group activities between April and December 2020: a significant counterweight to the 82 open programme courses we were forced to cancel as a result of the pandemic.

Because Arvon's readings, masterclasses and craft of writing sessions had no cap on numbers, we were for the first time able to offer an Arvon experience to a much larger audience (at much more affordable price points). As a result, we saw a year-on-year increase of individual engagement with Arvon of 375%.

While our dedicated retreat space, The Clockhouse, was unable to operate for over seven months of the year, we did manage in the summer and early autumn of 2020, when lightened restrictions made it possible, to offer Covid-secure retreats to 62 writers (just under half the number of writers who attended The Clockhouse in 2019).

Finally, despite the closure of our writing houses, between April and December 2020 we were able to offer short-term engagements to over 300 self-employed writers during a critically challenging period.

Mentoring and Online Support

The Jerwood/Arvon mentoring programme has benefited 84 writers since being launched in 2009; recent achievements by Jerwood/Arvon alumni include: Ella Frears being shortlisted for the T.S. Eliot Prize and her debut collection *Shine, Darling* (Offord Road Books, 2020) being shortlisted for the Forward Prizes' Felix Dennis Award for Best First Collection along with Rachel Long's *My Darling From the Lions* (Picador, 2020); Sarah Franklin publishing her second novel *How to Belong* (Zaffre, 2020) and Dom Bury and Romalyn Ante publishing their debut collections *Rite of Passage* (Bloodaxe, 2021) and *Antiemetic for Homesickness* (Penguin, 2020).

The ninth cohort on the Jerwood/Arvon Mentoring Programme began their year on this unique writer development scheme in 2019, with 9 mentees having been selected out of a pool of nearly 350 applicants who had participated in Arvon courses over the previous two years. Three mentees each in the categories of Poetry, Playwriting and Fiction attended their masterclass week at Totleigh Barton with mentors Hannah Lowe, Evan Placey and Nicholas Royle, launching a year of one-to-one support and professional development. In November 2020, Arvon hosted the online Jerwood Arvon Showcase, in which each of the mentees read extracts of work produced over the course of the programme, with over 100 people in attendance.

In 2020 we also ran 114 online Arvon one-to-one tutorials, increasing the individual support this scheme offers by 270% year-on-year.

Finally, we added 48 new writing tips and exercises to the Friends premium content on our website.

Learning programme

Despite Arvon's celebrated Learning programme being significantly impacted by the pandemic, we were nevertheless able to run 18 learning courses in 2020 before lockdown, with 10 school groups and four partnership groups, including Apples and Snakes and Foyle Young Poets.

We were also able to pilot, in the second half of 2020, new online workshops for children and young people: an offer that has since been fully integrated into our L&P programme in 2021, with three workshops offered each month to schools and individuals at no cost.

At the end of 2020, Arvon's Head of Learning left the charity, and a decision was taken to restructure Arvon's Learning programme (now known as the Arvon Learning and Partnerships programme). Instead of replacing our Head of Learning, a new Learning and Partnerships Team was created, comprising staff from across the organisation and led by Arvon's Artistic Director and Learning and Partnerships Manager. The team has been charged with maintaining Arvon's existing L&P residential programme while also developing two new strands: a full online L&P offer and a new community-focussed L&P programme (which effectively picks up where Arvon City left off, while also significantly increasing our engagement with the communities where our three houses are based in Devon, Shropshire and West Yorkshire).

Competitions

Arvon continued to partner with other organisations in a number of high-profile writing competitions during 2020, offering winners the chance to participate in an Arvon course. These included: Foyle Young Poets, run by The Poetry Society; Diversity Young Adult Fiction Prize in partnership with Commonword; the Harvill Secker BAME Crime Writing Competition; The SI Leeds Prize for Black and Asian Women Writers; The Poetry Business 16-25 New Poets Prize; The Northern Writers Awards; and the Johnson and Amoy Achong Caribbean Writers Prize in association with the Bocas Lit Fest.

2. CELEBRATE AND REFLECT THE DIVERSITY OF MODERN BRITISH SOCIETY BY INCREASING THE REACH OF OUR WORK TO WRITERS FROM ALL BACKGROUNDS.

Equality Action Plan and Audience Development Plan

We continue to work hard to increase the diversity of our audience, focusing on our target groups. Because our original plans for 2020 were derailed by the pandemic, we pivoted to Arvon at Home as a means of expanding and diversifying audience reach.

While the nature of Arvon at Home's programme made it more challenging to obtain granular data on all of the 4,000+ individuals who engaged with us over the course of the year, the positive impact on accessibility was clear, with a constant stream of both solicited and unsolicited feedback confirming that, for many, Arvon had become available to them for the first time. The three reasons most frequently cited for this were: 1) cost (the cheapest Arvon at Home offering is £5, with concessions offered across the programme and grant places available on all Arvon at Home online Writing Weeks); 2) physical and/or mental health disabilities (Arvon was suddenly accessible to participants with underlying health conditions that would preclude a visit to one of our writing houses); 3) geography (every week, participants tuned into Arvon at Home events from across the globe, and even our Online Writing weeks included participants from continental Europe, Asia and the Americas, despite time differences).

Another feedback constant in 2020 was the positive impact on mental health that the Arvon at Home programme offered to people in a time of unprecedented collective anxiety and stress. 'Lifesaver' was a term not infrequently used.

Arvon also made positive use of accessibility features offered by its digital platform, with close captioning now enabled for all Arvon at Home events and courses and with the programming of our first-ever course for D/deaf, disabled and neurodiverse writers (successfully run in March 2021).

In 2020 we continued to develop partnerships with diverse-led organisations including Bi'an – The UK Chinese Writers' Network, Africa Writes festival and Commonword. We have continued to build strong collaborations with diverse-led writing competitions, to offer winners a chance to take part in an Arvon course, including the SI Leeds Literary Prize and the Commonword Diversity Young Adult Fiction Prize. We continue to strengthen our partnership with the Bocas Lit Fest in Trinidad and Tobago to support the creative development of the winners of the Johnson and Amoy Achong Caribbean Writers' Prize by providing mentoring and the opportunity to take part in an Arvon residential course. We also fostered a partnership with Obsidian, a writing development programme for Black writers founded by Arvon trustee Nick Makoha, offering all its 50 participants a free Arvon Masterclass and two participants, selected by Obsidian's tutors, a complimentary place on an Arvon at Home Writing Week.

As part of our Crenham Award initiative supporting vulnerable and marginalised groups, we developed a new partnership with Good Chance Theatre in 2020, funded by The Booker Prize

Foundation and individual donations. Good Chance are a ground-breaking theatre group who work largely with refugee and immigrant communities.

Grants and financial assistance

A fundamental part of the public benefit of Arvon's work is an objective that our activities remain open to all and that no-one is prevented from attending one of our courses by a lack of financial means. To this end, we provide substantial subsidies for individuals and community organisations who would otherwise be unable to afford our courses, through our Grant Fund. These subsidies are funded in part by income from Arvon's Endowment Fund and by fundraising from charitable trusts and foundations, corporate donors and individuals.

In 2020, due to the closure of the writing houses from late March onwards, we awarded only £2,874 in bursaries from restricted funds to ten individuals. However, we offered free places on all of our Arvon at Home offerings, including online writing weeks. We also introduced self-identifying concessions across the online programme, benefiting 331 individuals on low incomes.

As we gradually return to normal operations, we will continue to work to secure more funds to support our commitment to provide opportunities to writers on low incomes.

3. STRENGTHEN ARVON'S FINANCIAL RESILIENCE AND SUSTAINABILITY.

Development of new income streams

In 2020, Arvon created the first major new income stream in its history. While our existing digital offer, Arvon's 1:1 programme, saw target-beating growth in 2020, it was the launch of Arvon at Home that not only provided vitally important income over a uniquely difficult period but also pointed the way forward for Arvon in a post-pandemic world. Our Fourth House will remain open permanently, providing access to Arvon for thousands more people each year, and also providing Arvon with additional income that should enable us to expand the breadth and depth of outreach work.

Fundraising

Arvon prioritises the development of our fundraising capability and opportunities for income diversification to secure long-term financial sustainability, by continuing to build strong relationships with donors and via our longstanding relationship with Arts Council England. Arvon is grateful to Arts Council England, all trusts and foundations and the many generous individual donors for their valuable support each year.

In the irregular year that was 2020, our fundraising strategy was adjusted accordingly. We were awarded an unrestricted emergency grant of £22,000 by the Esmée Fairbairn Foundation in May 2020.

In November 2020, Arvon launched an ambitious crowdfunding campaign with a target of £50,000. Thanks to the extraordinary generosity of 266 individuals and one trust supporter, we

exceeded that target, raising c. £57,000 in unrestricted donations (including Gift Aid) by the end of the year. Overall we saw a significant increase in unrestricted individual and corporate donations, which rose from £40,394 in 2019 to £116,067 in 2020 (before Gift Aid).

In addition to local authority grants awarded over periods of lockdown, in October 2020 we were awarded a grant of £246,000 from the Government's Culture Recovery Fund, administered by Arts Council England, of which £221,400 was received in 2020.

Environmental sustainability

Arvon pursues an ambitious sustainability policy in relation to the environmental impacts of its activity at all levels of the organisation. We are committed to reducing our environmental 'footprint', particularly in the way we run our houses and courses. This agenda also supports long-term aims to strengthen the financial sustainability of the organisation and present an ethos consistent with the values we espouse through our artistic work.

Our key current priorities are to: improve land management; increase sustainable sources of heating and power; reduce waste; and obtain food for our houses from sustainable, local sources, including growing some of our own produce. We monitor our performance closely, using methods established by Julie's Bicycle for Arts Council England.

Throughout 2020, we participated in Arts Council England's Environmental Accelerator Programme as an 'Accelerator Peer'. Due to the closure of our houses for most of the year, our environmental impact was correspondingly reduced. As the houses reopen in 2021, we are turning our full attention to putting in place policies that will effect significant improvements on our impact going forward.

4. RENOVATE LUMB BANK, CREATING A FIT-FOR-PURPOSE NORTHERN HUB FOR WRITERS.

Following the great success of our work at The Hurst to improve the residential facility and teaching space, and to enable greater access across the site, Arvon has long planned to make Lumb Bank, The Ted Hughes Arvon Writing House, the subject of its next capital programme.

However, the deferral of capital funding opportunities has led to repeated delays to the project, despite a substantial amount of early-stage preparation, including the commissioning of a detailed site and buildings survey in 2018–19, two extensive 'visioning workshops' with the Lumb Bank team, and the drafting of a full project brief.

Despite these delays and the complexities of the pandemic, in late 2020 we resolved to press forward with the project regardless of impediments, and the Co-directors of Lumb Bank devised a visioning plan for how Lumb Bank's redevelopment could produce positive impacts not just for Arvon and its attendees but also for the Calder Valley and, by extension, the North of England as a whole.

An esteemed retired architect, Harry Butterworth, was retained as an advisor, and in early 2021 five architectural practices were invited to submit expressions of interest, from which a shortlist was drawn up for interview. As a result of this process, we have appointed a Calderdale based firm, Gagarin Studio, to take the project to RIBA Stage 3 and submission of a planning application by the end of 2021.

Evaluation and Assessment of Achievement of Objectives

Arvon uses a number of methods to assess the quality of its work and progress against its objectives:

- We evaluate all our projects in order to demonstrate the impact and reach of our work and we continue to refine the information we gather.
- For every course and retreat, and for our grant scheme, we ask for both feedback and equal opportunities data from course participants, tutors and staff. This is collated and analysed by an independent evaluator who provides us with detailed regular analysis of trends and recommendations for improvement. For some projects, we engage in extended evaluation to measure impact over time and this information is used to shape future activities.
- We use key measures, including booking rates, numbers of schools and partnership courses run, plus demographic and equal opportunities information (particularly region, age, ethnic diversity and income levels) and levels of engagement online.

Financial Review

The Arvon Foundation's total income in 2020 was £1,730,810, compared to £1,883,371 in 2019, a decrease of c. 8%. Income from donations (including grants) and legacies increased by over 70% from £677,316 to £1,181,837, reflecting primarily the significant amount of financial support Arvon received from public sector sources in response to the Covid-19 crisis.

Income from fees paid for creative writing courses, tutorials and retreats fell by over 50% from £1,101,316 in 2019 to £510,403 in 2020. This reflected the enforced cancellation of all residential tutored courses and most retreats after the third week of March 2020, offset by the generation of over £320,000 of income from our new online programme, Arvon at Home (including masterclasses and live guest readings). In addition to this we generated £642 from other charitable activities in 2020 (2019: £4,647), while the research projects 'Teachers as Writers' and 'The Craft of Writing' were fully concluded in the previous year (2019: £51,499). We therefore recorded total income from charitable activities of £511,045 for the year compared to £1,157,462 in 2019, a decrease of 56%.

We received a contribution to income of £13,574 in 2020 from royalties deriving from Arvon's copyright interest in the works of John Osborne (2019: £21,198). This reduction in royalties income reflects in part the devastating impact of Covid-19 on theatres across the world in 2020. We received the following grant income from Arts Council England and other public sector sources during the year:

Trustees' annual report

For the year ended 31 December 2020

	2020 £	2019 £
ACE National Portfolio funding*	395,411	388,267
ACE Research Grant: Teachers as Writers (final instalment)**	–	15,919
Government Coronavirus Job Retention Scheme*	213,673	–
Local Authority Support Grants (Coronavirus)*	63,334	–
DCMS Culture Recovery Fund grant*	221,400	–
Other Public Sector grants*	10,310	10,100
Total public sector funding	904,128	414,286

* included in 'income from donations and legacies' in the financial statements

** included in 'income from charitable activities' in the financial statements

Our total income from public sector sources (Arts Council England, central and local government) in 2020 of £904,128 was equivalent to c. 52% of total income (2019: £414,286, equivalent to c. 22% of total income).

The charity's total expenditure in 2020 was £1,578,258, compared to £2,045,101 in 2019, a decrease of c. 23%. Staff costs (excluding training and recruitment) rose by a little over 1% from £879,836 to £889,405. Variable costs of residential courses and retreats (including tutor and guest fees) fell from £513,140 in 2019 to £116,357 in 2020, while tutor and guest fees for the online programme grew from £5,518 to £106,289. Property running and administrative costs for the writing houses were reduced from £169,982 in 2019 to £84,953 in 2020, largely as a result of the Covid-19 shutdown.

After net losses on investments of £2,987 (2019: net gains of £4,095), the charity recorded net income for the year of £149,565 (2019: net expenditure of £157,635). Of this amount, net income on unrestricted funds only was £88,869 (income of £1,380,117 less expenditure of £1,291,248), compared to net expenditure on unrestricted funds in 2019 of £58,246.

Following transfers from restricted income funds to unrestricted funds of £950 in 2020, our total unrestricted funds have increased by £89,819 to £695,311 (2019: £605,492). The balances on restricted income funds and endowment funds were £3,490,471 (2019: £3,427,738) and £323,383 (2019: £326,370) respectively.

Reserves Policy

Arvon's total funds of £4,509,165 at 31 December 2020 are made up of the following elements:

- Restricted Funds totalling £3,490,471 at 31 December 2020. These are funds held for specific purposes. They include £3,200,740 held as Freehold Property which cannot be disposed of without adhering to certain conditions. The remaining £289,731 represents funds held for projects as stipulated by the donors or in accordance with restrictions on the use of investment income from the Endowment Fund. Details of these are set out in note 19 to the Financial Statements.
- A Permanent Endowment Fund totalling £323,383 at 31 December 2020. The income from this fund is used to pay for bursaries for participants who would otherwise be unable to afford the full costs of an Arvon course.
- Unrestricted Funds of £695,311 at 31 December 2020. These are made up of two elements:
 - Designated Fixed Assets Fund of £264,648 at 31 December 2020. This is a fund which comprises the unrestricted funds held in fixed assets which cannot be utilised elsewhere in the charity in the short term.
 - Free Reserves totalling £430,663 at 31 December 2020. These funds are intended, first, to allow Arvon to cope with unexpected events such as a sudden fall in income or major unanticipated expenditure without resort to disproportionate reduction in planned expenditure and, secondly, to allow Arvon stability and time to restructure in the event of a radical change to the funding of the organisation or serious misadventure.

The Trustees carried out a review of the charity's free reserves policy in the fourth quarter of 2020, taking into account the main risks facing Arvon as documented in the charity's Risk Register. At that review the Trustees decided to revise the target range for free reserves from the previous level of 4–6 months to a new target range of 3–4 months of total expenditure from unrestricted funds (equivalent to a range of approximately £410,000 to £550,000 at 2019 levels of expenditure). The level of free reserves at 31 December 2020 of £430,663 is equivalent to approximately 3.1 months of expenditure from unrestricted funds at 2019 levels (2019: 2.5 months). (2020 levels of expenditure are considered to be untypical due to the impacts of Covid-19 on the charity's operations and therefore an unrepresentative measure for this purpose.) The level of reserves is monitored by Trustees on a quarterly basis.

Investment Policy

Since 2017 the endowment fund has held £238,982 (equivalent to approximately 74% of the current value of the fund) in the form of cash deposits following the closure of two investment funds in which the charity previously held shares. These cash deposits have been held pending determination of a revised investment strategy, including consideration of whether the assets of the fund could be best deployed in developing the charity's own properties. The trustees initiated a process to examine the potential alternative options in 2019, but this process has been temporarily interrupted by the need to focus all efforts on dealing with the effects of the Covid crisis throughout 2020.

The remainder of the endowment fund's assets remain invested in specialist charity common investment funds.

Trustees' Liability

The trustees of the charitable company each undertake to contribute an amount not exceeding £1 to the assets of the charity in the event of a winding up while they are a member of the charitable company or within one year after they cease to be a member.

The total number of such guarantees at 31 December 2020 was 13 (2019: 13). The trustees are members of the charitable company but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Employee Involvement and Employment of the Disabled

Employees are consulted on issues of concern to them by means of regular staff meetings, including two full staff meetings per year, and are kept informed on specific matters directly by senior management. The company carries out exit interviews for all staff leaving the organisation and regular appraisals.

Arvon has a clear equal opportunities policy and is committed to encouraging and enabling participation in all our activities, and employment, by the widest range of people, including disabled workers.

Statement of Responsibility in Relation to Fundraising

Arvon's trustees and senior managers take their responsibility to donors and compliance with laws and regulations relating to fundraising very seriously. Trustees oversee the overall approach and monitor standards of fundraising. Arvon's fundraising is performed by in-house fundraisers who are members of the Institute of Fundraising. Arvon does not use third party professional fundraisers or commercial participators. Arvon nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and Arvon received no complaints relating to its fundraising practice. Measures have been taken to ensure that Arvon manages all personal data in line with the General Data Protection Regulation.

Statement of Trustees' Responsibilities

The trustees, who are also the directors of The Arvon Foundation Limited for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Trustees' annual report

For the year ended 31 December 2020

The law applicable to charities in England and Wales requires the trustees to prepare the annual report and financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which 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 Companies Act 2006. 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.

The trustees are not aware of any relevant audit information that has not been disclosed to the charity's auditors. The trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Sayer Vincent LLP acted as auditor during the period under review. A resolution proposing the re-appointment of Sayer Vincent LLP will be put to the 2021 Annual General Meeting.

Approved by the trustees on 2 September 2021 and signed on their behalf by:

Jeremy Treglown – Chair

Opinion

We have audited the financial statements of The Arvon Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Arvon Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which 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 trustees' 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Independent auditor's report

To the members of

The Arvon Foundation Limited

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company's members 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

10 September 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Arvon Foundation Limited

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	Endowment £	2020 Total £	Unrestricted £	Restricted £	Endowment £	2019 Total £
Income from:									
Donations and legacies	2	834,602	347,235	–	1,181,837	441,039	236,277	–	677,316
Charitable activities	3								
Creative writing courses and retreats		510,403	–	–	510,403	1,101,316	–	–	1,101,316
Research projects: 'Teachers as Writers' and 'The Craft of Writing'		–	–	–	–	–	51,499	–	51,499
Other charitable activities		642	–	–	642	4,647	–	–	4,647
Investments	4	1,478	3,458	–	4,936	2,032	4,010	–	6,042
Other	5	32,992	–	–	32,992	42,551	–	–	42,551
Total income		1,380,117	350,693	–	1,730,810	1,591,585	291,786	–	1,883,371
Expenditure on:									
Raising funds	6	(164,361)	(11,174)	–	(175,535)	(170,900)	(17,639)	–	(188,539)
Charitable activities	6								
Creative writing courses and retreats		(1,123,615)	(275,836)	–	(1,399,451)	(1,472,952)	(345,930)	–	(1,818,882)
Research projects: 'Teachers as Writers' and 'The Craft of Writing'		–	–	–	–	–	(31,701)	–	(31,701)
Other charitable activities		(1,800)	–	–	(1,800)	(3,941)	–	–	(3,941)
Other	6	(1,472)	–	–	(1,472)	(2,038)	–	–	(2,038)
Total expenditure		(1,291,248)	(287,010)	–	(1,578,258)	(1,649,831)	(395,270)	–	(2,045,101)
Net (losses) / gains on investments		–	–	(2,987)	(2,987)	–	–	4,095	4,095
Net income / (expenditure)	7	88,869	63,683	(2,987)	149,565	(58,246)	(103,484)	4,095	(157,635)
Transfers between funds		950	(950)	–	–	17,298	(17,298)	–	–
Net movement in funds		89,819	62,733	(2,987)	149,565	(40,948)	(120,782)	4,095	(157,635)
Reconciliation of funds:									
Total funds brought forward		605,492	3,427,738	326,370	4,359,600	646,440	3,548,520	322,275	4,517,235
Total funds carried forward		695,311	3,490,471	323,383	4,509,165	605,492	3,427,738	326,370	4,359,600

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in notes 18–20 to the financial statements.

The Arvon Foundation Limited

Balance sheet

Registered company number: 1086582

Charity number: 306694

As at 31 December 2020

	Notes	£	Total 2020 £	£	Total 2019 £
Fixed assets:					
Tangible fixed assets	12		3,465,388		3,543,668
Investments	13		84,401		426,370
			<u>3,549,789</u>		<u>3,970,038</u>
Current assets:					
Debtors	14	114,194		89,269	
Cash at bank and in hand	21	1,026,220		687,994	
		<u>1,140,414</u>		<u>777,263</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(181,038)		(387,701)	
Net current assets			<u>959,376</u>		<u>389,562</u>
Total net assets	17		<u><u>4,509,165</u></u>		<u><u>4,359,600</u></u>
The funds of the charity:					
Endowment fund	18		323,383		326,370
Restricted income funds:	19				
Tangible fixed assets: Restricted		3,200,740		3,276,952	
Other restricted income funds		<u>289,731</u>		<u>150,786</u>	
Total restricted funds			3,490,471		3,427,738
Unrestricted funds:	20				
Designated fund: Tangible fixed assets		264,648		266,716	
<i>Free Reserves</i>					
General funds		<u>430,663</u>		<u>338,776</u>	
<i>Total Free Reserves</i>		<u>430,663</u>		<u>338,776</u>	
Total unrestricted funds			<u>695,311</u>		<u>605,492</u>
Total charity funds	17		<u><u>4,509,165</u></u>		<u><u>4,359,600</u></u>

The financial statements were approved by the Board of Trustees on 2 September 2021 and signed on its behalf by:

Jeremy Treglown
Chair

The Arvon Foundation Limited

Statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities:					
Net income / (expenditure) for the year (as per the statement of financial activities)		149,565		(157,635)	
Depreciation charges		107,193		104,084	
Losses / (gains) on investments per the SOFA		2,987		(4,095)	
Dividends and interest from investments per the SOFA		(4,936)		(6,042)	
(Increase) / decrease in debtors		(24,925)		118,503	
(Decrease) / increase in creditors		(206,663)		23,251	
Net cash provided by operating activities			23,221		78,066
Cash flows from investing activities:					
Dividends and interest from investments per the SOFA		4,936		6,042	
Purchase of tangible fixed assets	12	(28,913)		(59,592)	
Net cash provided by investing activities			(23,977)		(53,550)
Change in cash and cash equivalents in the year					
			(756)		24,516
Cash and cash equivalents at the beginning of the year			1,026,976		1,002,460
Cash and cash equivalents at the end of the year	21		1,026,220		1,026,976

1 Accounting policies

a) Statutory information

The Arvon Foundation Limited is a charitable company limited by guarantee and is incorporated in England and Wales.

Its registered office address is Lumb Bank, Heptonstall, Hebden Bridge, West Yorkshire HX7 6DF.

b) Basis of preparation

The financial statements have been prepared in accordance with:

- The reporting requirements of the Companies Act 2006;
- The Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") (September 2015);
- 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102' ("Charities SORP (FRS 102)"), issued by the Charity Commission and the Office of the Scottish Charity Regulator in their role as the joint SORP-making body.

The financial statements have been prepared on the going concern basis (see note 1d) below).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Public benefit entity

The Arvon Foundation Limited meets the definition of a public benefit entity under FRS 102.

d) Going concern

The operations of the charity have been significantly affected by the impact of the Coronavirus pandemic (COVID-19) and the Government's response to it through legislation, regulation and public health guidelines since the beginning of the first national lockdown in March 2020. In particular, the charity was unable to offer its usual programme of residential tutored writing courses between March 2020 and mid-July 2021, and until May 2021 was able to offer only a limited number of residential retreats during periods when Government rules allowed them to take place. In consequence, the charity estimates that by March 2021 it had lost approximately £1.1 million of gross course income compared to normal budget expectations for a 12-month period, equivalent to a loss of contribution to fixed costs from charitable activities of around £550,000.

However, in mitigation of this lost income, the charity has obtained additional funding from a number of sources, including: local authority Retail, Hospitality and Leisure sector emergency grants and Local Restrictions Support Grants; funding for employment costs from the Government's Coronavirus Job Retention Scheme; a grant of £246,000 from the Government's Culture Recovery Fund awarded in October 2020 in order to fund vital operational expenditure in the period from October 2020 to March 2021; generous additional donations and grants in response to the crisis from our supporters and existing grant funders. In addition, the Coronavirus crisis has been the catalyst for the launch and successful expansion of our online programme, Arvon at Home, which has generated substantial surpluses (contribution to fixed costs) since April 2020; we reduced general running costs of our writing houses as far as possible while they were closed for residential activities, and we have significantly reduced the cost of office space for our National office from the beginning of 2021.

1 Accounting policies (continued)

d) Going concern (continued)

The Clockhouse Writers' Retreat facility reopened for single person retreats in April 2021 and then expanded to full capacity from mid-May. Lumb Bank re-opened for untutored retreats on 17 May 2021 and Totleigh Barton re-opened for untutored retreats a week later. All three writing houses have resumed tutored residential courses from mid-July 2021. Weekly participant capacity at the houses will be limited until the end of September, with our current plan being to return to full capacity from the beginning of October 2021. Arvon at Home will remain as a new, essential part of Arvon's offer post-pandemic.

In December 2020 we were notified that Arvon had been named as a beneficiary in the will of a recently deceased supporter and that under the terms of the will the charity would be entitled to a 25% share in the residuary estate. Probate was granted in February 2021. Arvon received £300,000 in two interim distributions from this estate in March and May 2021, and a final distribution of £1,688 in July 2021, making a total of £301,688.

As a result of these mitigating factors the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably. In the case of a donation, entitlement usually arises immediately on its receipt. In the case of a grant, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity. However, some grants contain terms or conditions that must be met before the charity has entitlement to the resources. Where grants or donations specify a time period within which the funds must be spent and the funds are received before the start of that period, then the income is deferred and only recognised in the statement of financial activities at the start of the relevant period.

Course and retreat income represents the value of the goods and services rendered to course and retreat participants during the year. Course and retreat fees are recognised in the accounts when the relevant course or retreat takes place. Where they relate to a course or retreat taking place in the following financial year, the income is deferred.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Claims made through the UK Government's Coronavirus Job Retention Scheme are recognised as income in the period in which the associated staff were furloughed. This income is considered to be unrestricted.

Gift Aid recoverable from HMRC in relation to donations recognised in the year is included in income on an accruals basis where there is a valid Gift Aid declaration from the donor.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made; or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Interest receivable

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

g) Fund accounting

The Endowment fund is a trust established under a separate trust deed whose assets are invested to generate income in order to provide bursaries to participants on Arvon courses who are on low incomes and would not otherwise be able to afford the full cost of a course. It is a permanent endowment.

Restricted income funds can only be used for particular purposes (within the objects of the charity) specified by the donor or grantor or the terms of an appeal. Expenditure which meets these criteria is charged to the relevant fund.

Designated funds are unrestricted funds of the charity set aside out of the general funds by the trustees for specific purposes or projects for the furtherance of particular aspects of the charity's objects, but over which the trustees retain full discretion. Designated funds include the unrestricted tangible fixed asset fund, representing the carrying value of those of the charity's tangible fixed assets which are not held in restricted funds.

General funds comprise the funds which are available to be used for any purpose within the charity's objects.

h) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is reported on an activity basis, as required by Charities SORP (FRS 102). This involves identifying the total cost of an activity, including direct, shared and indirect (or support) costs. Expenditure is classified under the following activity headings:

- Expenditure on raising funds relates to the costs incurred by the charity in seeking voluntary contributions from third parties, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering creative writing courses, retreats and other educational and research activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is not separately analysed and is included as a cost against the activity for which the related expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support costs, including relevant staff costs, which are not directly attributable to activities for raising funds or charitable activities, are allocated to those categories on a basis consistent with the use of resources. Support costs include:

- Governance costs;
- Costs of the Finance function, including financial accounting, banking, budgeting, payroll management and day-to-day financial administration;
- Human resources management, recruitment, central office, general and administration costs;
- Costs of central information technology resources and telecommunications;

1 Accounting policies (continued)

i) Allocation of support costs (continued)

- Costs of general communications and marketing, including distribution of information about the aims, objectives and projects of the charity to potential beneficiaries and course participants;
- Senior general management (where not allocated as a direct cost to specific activities) and other central costs; and
- Depreciation charges in relation to tangible fixed assets.

Governance costs are those associated with the governance arrangements of the charity, including external audit, general legal advice for the trustees and costs associated with constitutional and statutory requirements and ensuring proper public accountability, e.g. the costs of preparing statutory accounts. Governance costs include any costs associated with the strategic as opposed to day-to-day management of the charity's activities and the cost of charity employees in respect of their time when involved in and preparing for meetings with trustees.

Depreciation charges are allocated in full as support costs to 'charitable activities: creative writing courses and retreats' to reflect the way in which the charity's tangible fixed assets are employed. Costs of the 'Lumb Bank Redevelopment project' have also been fully allocated as support costs to 'charitable activities: creative writing courses and retreats'. Other support costs, including governance costs, are re-allocated to each of the principal activities on the following basis which is an estimate, based on approximate relative proportion of direct costs incurred, of the amount attributable to each activity:

- | | |
|---|-----|
| ▪ Cost of raising funds | 10% |
| ▪ Creative writing courses and retreats | 90% |

Support costs allocated to the research projects 'Teachers as Writers' and 'The Craft of Writing' are in line with cost allocations for overheads agreed with the project partners in the specific context of these projects.

j) Operating leases

Licence fees for the occupation of office space, which are reviewed annually to adjust for general inflation, are charged to the statement of financial activities in line with the amounts payable for the year. Other rentals paid under operating leases are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Tangible assets are capitalised if their initial cost is £500 or greater. Depreciation costs are allocated as support costs to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--|----------|
| ▪ Freehold buildings* (excl. replacement roofing as below) | 50 years |
| ▪ Replacement roofing (within Freehold buildings) | 20 years |
| ▪ Motor vehicles | 5 years |
| ▪ Fixtures, fittings, plant and machinery | 5 years |
| ▪ Computers and other office equipment | 4 years |

* Land is not depreciated.

1 Accounting policies (continued)

l) Fixed asset investments

Investments in quoted collective investment funds are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Changes in fair value of investments held in the Endowment fund are shown as movements within the Endowment fund. Realised gains and losses are accounted for by reference to the sale proceeds and either the market value at the previous balance sheet date, or the cost of purchase, if later. Unrealised gains and losses are calculated by comparing the market value at the previous balance sheet date, or cost of purchase, if later, to the year end valuation. Any gain or loss arising in the period is shown under the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Fixed asset investments include cash deposits which the charity intends to hold as part of its on-going investment activities for more than one year from the reporting date.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Creditors also include deferred income.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

o) Pensions

The amounts charged to the statement of financial activities for defined contribution pension schemes represent the employer contributions payable in the period.

Notes to the financial statements

For the year ended 31 December 2020

2 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Arts Council England: National Portfolio Funding	395,411	-	395,411	388,267	-	388,267
Government Coronavirus Job Retention Scheme	213,673	-	213,673	-	-	-
Local Authority Support Grants (Coronavirus)	63,334	-	63,334	-	-	-
DCMS Culture Recovery Fund grant	-	221,400	221,400	-	-	-
Other Public Sector grants	-	10,310	10,310	-	10,100	10,100
Grants from trusts and foundations	23,500	77,900	101,400	-	214,350	214,350
Friends Scheme (including Angels)	35,573	-	35,573	38,768	-	38,768
Other donations	80,494	36,625	117,119	1,626	9,000	10,626
Gift Aid reclaimed / recoverable	21,114	1,000	22,114	9,438	1,827	11,265
Donated goods, facilities and services	1,503	-	1,503	2,940	-	2,940
Legacies	-	-	-	-	1,000	1,000
	834,602	347,235	1,181,837	441,039	236,277	677,316

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Fees for creative writing courses, tutorials, masterclasses, guest readings and retreats (including online programme)	510,403	-	510,403	1,101,316	-	1,101,316
Teachers as Writers research project Arts Council England: Research Grant (final instalment)	-	-	-	-	15,919	15,919
The Craft of Writing research project Contractual income: University of Exeter and The Open University (ultimately funded by Education Endowment Foundation and RSA)	-	-	-	-	35,580	35,580
Other charitable activities	642	-	642	4,647	-	4,647
Total income from charitable activities	511,045	-	511,045	1,105,963	51,499	1,157,462

4 Income from investments

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Bank interest	1,478	996	2,474	1,982	1,323	3,305
Dividends	-	2,462	2,462	50	2,687	2,737
	1,478	3,458	4,936	2,032	4,010	6,042

5 Other income

	2020 Total £	2019 Total £
John Osborne royalties (gross of agent's commission)	13,574	21,198
Government Renewable Heat Incentive payments (The Hurst)	8,940	10,052
Private holiday lettings	9,008	-
Compensation payment received	-	800
Insurance claims	350	3,300
Other miscellaneous income	1,120	7,201
	32,992	42,551

All income in the current and prior year was unrestricted.

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2020

6a Analysis of expenditure (current year)

	Charitable activities				Support costs				
	Research								
	Costs of raising funds	Creative writing courses, tutorials and retreats	Teachers as Writers and The Craft of Writing	Other charitable activities	Other expenditure	Governance costs	Other support costs	2020 Total	2019 Total
	£	£	£	£	£	£	£	£	£
Residential courses: tutor and guest fees	-	74,730	-	-	-	-	-	74,730	336,937
Residential courses: tutor and guest expenses	-	9,778	-	-	-	-	-	9,778	48,703
Residential courses/retreats: other variable costs	-	31,849	-	-	-	-	-	31,849	127,500
Writing Houses: repairs and maintenance*	-	48,629	-	-	-	-	-	48,629	61,712
Writing Houses: admin and property running costs**	-	84,953	-	-	-	-	-	84,953	169,982
Writing Houses: private holiday lettings: variable costs	2,500	-	-	-	-	-	-	2,500	-
Learning Programme (non-resid): tutor/mentor fees	-	8,125	-	-	-	-	-	8,125	17,817
Learning Programme (non-resid): other project costs	-	8,002	-	-	-	-	-	8,002	13,427
Academic research project costs	-	-	-	-	-	-	-	-	6,000
Arvon at Home (online programme): tutor and guest fees	-	106,289	-	-	-	-	-	106,289	5,518
Arvon at Home (online programme): other costs	-	7,881	-	-	-	-	-	7,881	-
Other charitable activities: project costs	-	-	-	1,800	-	-	-	1,800	2,541
Lumb Bank Redevelopment project costs	-	-	-	-	-	-	-	-	3,505
Fundraising: non-staff costs	2,712	-	-	-	-	-	-	2,712	3,630
Marketing and communications: non-staff costs	-	-	-	-	-	-	18,523	18,523	38,262
Staff costs (note 8)	114,125	536,675	-	-	-	40,773	197,832	889,405	879,836
Staff training and professional development	739	911	-	-	-	-	2,192	3,842	8,484
Staff recruitment	224	976	-	-	-	-	449	1,649	12,199
Staff travel and subsistence	-	978	-	-	-	-	2,269	3,247	12,316
National: central admin and office costs***	13,952	8,391	-	-	-	2,729	76,514	101,586	123,811
Insurance	-	-	-	-	-	1,522	36,128	37,650	34,516
Audit fees (see note 7)	-	-	-	-	-	13,249	-	13,249	11,373
Other fees paid to the auditors (note 7)	-	-	-	-	-	-	-	-	468
Fees for professional services and consultancy	828	-	-	-	-	3,360	8,970	13,158	18,629
Trustee meeting costs, incl. travel and accommodation	-	-	-	-	-	36	-	36	1,013
Costs of trustee recruitment (incl. advertising)	-	-	-	-	-	-	-	-	800
Agent's commission on royalties	-	-	-	-	1,472	-	-	1,472	2,038
Depreciation charges (note 7)	-	-	-	-	-	-	107,193	107,193	104,084
	135,080	928,167	-	1,800	1,472	61,669	450,070	1,578,258	2,045,101
Governance costs	6,167	55,502	-	-	-	(61,669)	-	-	-
Other support costs	34,288	415,782	-	-	-	-	(450,070)	-	-
Total expenditure 2020	175,535	1,399,451	-	1,800	1,472	-	-	1,578,258	2,045,101
Total expenditure 2019	188,539	1,818,882	31,701	3,941	2,038	-	-	2,045,101	

Notes:

* Includes non-staff costs of grounds maintenance and forestry work.

** Includes Writing Houses office costs, IT, telecoms, fuel, water rates, non-staff cleaning, non-staff gardening, business rates; excludes property repair and maintenance costs.

*** Includes licence fee to occupy office space; National Office IT equipment, software and licences; IT support and consultancy; bank and merchant services / credit card charges; costs of telecoms, postage, stationery and photocopiers.

6b Analysis of expenditure (prior year)

	Charitable activities				Support costs			
	Costs of raising funds	Creative writing courses, tutorials and retreats	Research projects: Teachers as Writers and The Craft of Writing	Other charitable activities	Other expenditure	Governance costs	Other support costs	2019 Total
	£	£	£	£	£	£	£	£
Residential courses: tutor and guest fees	-	330,802	5,940	195	-	-	-	336,937
Residential courses: tutor and guest expenses	-	47,962	709	32	-	-	-	48,703
Residential courses/retreats: other variable costs	-	125,997	1,435	68	-	-	-	127,500
Writing Houses: repairs and maintenance*	-	61,712	-	-	-	-	-	61,712
Writing Houses: admin and property running costs**	-	166,562	3,300	120	-	-	-	169,982
Learning & Participation (non-resid): tutor/mentor fees	-	17,017	800	-	-	-	-	17,817
Learning & Participation (non-resid): other project costs	-	11,766	1,661	-	-	-	-	13,427
Academic research project costs	-	-	6,000	-	-	-	-	6,000
Online tutorials costs	-	5,518	-	-	-	-	-	5,518
Other charitable activities: project costs	-	-	-	2,541	-	-	-	2,541
Lumb Bank Redevelopment project costs	-	-	-	-	-	-	3,505	3,505
Fundraising: non-staff costs	3,630	-	-	-	-	-	-	3,630
Marketing and communications: non-staff costs	-	-	-	-	-	-	38,262	38,262
Staff costs (note 8)	120,979	484,464	7,000	800	-	34,489	232,104	879,836
Staff training and professional development	215	7,573	-	-	-	-	696	8,484
Staff recruitment	-	552	-	-	-	-	11,647	12,199
Staff travel and subsistence	616	4,932	-	-	-	-	6,768	12,316
National: central admin and office costs***	14,134	5,750	-	-	-	2,683	101,244	123,811
Insurance	-	-	-	-	-	1,449	33,067	34,516
Audit fees (see note 7)	-	-	-	-	-	11,373	-	11,373
Other fees paid to the auditors (note 7)	-	-	-	-	-	-	468	468
Fees for evaluation reports, other professional services and consultancy	-	-	-	-	-	-	18,629	18,629
Trustee meeting costs, incl. travel and accommodation	-	-	-	-	-	1,013	-	1,013
Costs of trustee recruitment (incl. advertising)	-	-	-	-	-	800	-	800
Agent's commission on royalties	-	-	-	-	2,038	-	-	2,038
Depreciation charges (note 7)	-	-	-	-	-	-	104,084	104,084
	139,574	1,270,607	26,845	3,756	2,038	51,807	550,474	2,045,101
Governance costs	5,181	46,626	-	-	-	(51,807)	-	-
Other support costs	43,784	501,649	4,856	185	-	-	(550,474)	-
Total expenditure 2019	188,539	1,818,882	31,701	3,941	2,038	-	-	2,045,101

Notes:

* Includes non-staff costs of grounds maintenance and forestry work.

** Includes Writing Houses office costs, IT, telecoms, fuel, water rates, non-staff cleaning, non-staff gardening, business rates; excludes property repair and maintenance costs.

*** Includes licence fee to occupy office space; National Office IT equipment, software and licences; IT support and consultancy; bank and merchant services / credit card charges; costs of telecoms, postage, stationery and photocopyers.

7 Net income / (expenditure) for the year

This is stated after charging:

	2020 £	2019 £
Depreciation	107,193	104,084
Property: licence fee to occupy office space (including irrecoverable VAT)	54,574	53,666
Auditor's remuneration (excluding VAT):		
Audit: current year	10,100	9,973
Audit: prior year underprovision / (overprovision)	1,028	(367)
VAT and other tax advice	–	390
	172,895	167,866

8 Staff costs and employee benefits, trustee remuneration and expenses

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	786,491	776,562
Employer's National Insurance contributions (social security costs)	65,343	65,318
Employer's contribution to defined contribution pension schemes	36,269	35,281
Other staff costs	1,302	2,675
	889,405	879,836

During the year there was one employee whose total employee benefits (excluding employer pension costs) fell within the banding £60,000 to £69,999 (2019: none). Employer payments in the year to a defined contribution pension scheme in respect of this employee totalled £3,232 (2019: N/A).

The key management personnel of the charity consists of the Trustees and the Executive. In this context the 'Executive' means the Chief Executive and the Chief Financial Officer and Operations Director (until August 2020, the Director of Finance and Resources). The total employee benefits including pension contributions of the key management personnel (excluding trustees) in the year were £127,418 (2019: £128,977). No staff loans were outstanding at the year end in relation to any employees (2019: none).

No member of the Board of Trustees was paid any remuneration or received any other benefits from an employment with the charity in the year (2019: none). One trustee (2019: one) received payment for professional or other services supplied to the charity, as permitted by its Memorandum of Association, totalling £1,304 (2019: £320). This includes payments for tutoring or being the guest speaker at Arvon courses.

Trustees' expenses, representing the payment or reimbursement of travel, accommodation and subsistence costs relating to attendance at meetings of the trustees and visits to the writing houses, totalled £nil (2019: £780, incurred by nine trustees).

Details of other transactions with trustees and connected parties of trustees are disclosed in note 10.

9 Staff numbers

The average monthly head count (number of staff employed) during the year, analysed between full-time and part-time staff, was as follows:

	2020 No.	2019 No.
Full-time staff	12.9	13.7
Part-time staff	28.9	28.8
Total average head count	41.8	42.5

The figures above include casual relief workers within part-time staff.

The average monthly number of full-time equivalent employees during the year, analysed by activity, was as follows:

	2020 No.	2019 No.
Raising funds	2.8	2.9
Charitable activities	16.5	15.7
Communications and marketing	1.3	1.9
Other support, central (including governance)	4.5	4.3
Total full-time equivalent employees	25.1	24.8

The figures above include casual relief workers within 'charitable activities'.

10 Related party transactions

Payments made to trustees in relation to professional or other services supplied to the charity and trustees' expenses are disclosed in note 8 above.

Aggregate donations from related parties (including trustees, members of the Senior Management Team and their respective close family members) during the year were £12,739 (2019: £811), including donations of £7,037 included in debtors (accrued income) at the year end (2019: £nil) and Gift Aid claims outstanding at the year end of £2,538 (2019: £28). Of total donations of £12,739 from related parties, £1,250 was included in restricted income funds.

In November 2020 Arvon made a donation of £100 to Obsidian Foundation, founded by Arvon trustee Nicholas Makoha, towards bursary funding of places on an Obsidian retreat. We also offered all 50 Obsidian participants a free Arvon masterclass and two participants a complimentary place on an Arvon at Home writing week. Obsidian Foundation is a one-week retreat for black poets of African descent selected by application who want to advance their writing practice led by five black acclaimed tutors.

11 Taxation

The charitable company is exempt from corporation tax as all its trading income beyond primary purpose trading falls below the small trading tax exemption limit and all of its income is applied for charitable purposes.

12 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings, plant and machinery £	Computers and other office equipment £	Motor vehicles £	Total £
Historical cost					
At the start of the year	4,470,294	75,972	25,787	27,543	4,599,596
Additions	5,169	14,128	9,616	–	28,913
At the end of the year	4,475,463	90,100	35,403	27,543	4,628,509
Accumulated depreciation					
At the start of the year	966,803	46,516	15,066	27,543	1,055,928
Charge for the year	83,549	17,133	6,511	–	107,193
At the end of the year	1,050,352	63,649	21,577	27,543	1,163,121
Net book value					
At the start of the year	3,503,491	29,456	10,721	–	3,543,668
At the end of the year	3,425,111	26,451	13,826	–	3,465,388

'Freehold Land and Buildings' at 31 December 2020 includes £410,000 in respect of the historical cost of land which is not depreciated (2019: £410,000).

All of the above assets are used for charitable purposes.

13 Investments

	2020 £	2019 £
Shares in Common Investment Funds:		
Fair value at the start of the year	87,388	83,293
Net (losses) / gains on revaluation	(2,987)	4,095
Fair value at the end of the year	84,401	87,388
Historic cost at the end of the year	75,410	75,410
Investments comprise:		
	2020 £	2019 £
Shares in Common Investment Funds at fair value (see above)	84,401	87,388
Cash at bank held pending reinvestment (Endowment Fund)	–	238,982
Cash at bank held pending reinvestment (General Funds)	–	100,000
Total investments	84,401	426,370

The amounts above classified in the prior year as 'Investments: cash at bank held pending reinvestment (Endowment Fund)' and 'Investments: cash at bank held pending reinvestment (General Funds)' have been reclassified in the current year as 'Current assets: cash at bank'.

Investments in Common Investment Funds at fair value are analysed by investment manager and fund in the table below:

	2020 £	2019 £
M&G Securities Ltd: Charibond	66,557	65,799
M&G Securities Ltd: Charifund	17,844	21,589
Total	84,401	87,388

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14 Debtors

	2020 £	2019 £
Trade debtors	1,121	50,680
Other debtors	2,985	-
Prepayments	22,454	19,806
Accrued income	87,634	18,783
Total	114,194	89,269

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	24,545	52,967
PAYE taxation and social security (National Insurance contributions)	18,105	17,005
VAT payable	3,497	9,356
Holiday pay accrual	4,533	8,694
Other accruals	16,197	39,567
Deferred income (Note 16)	114,161	260,112
Total	181,038	387,701

16 Deferred income

Deferred income comprises income received during the year for courses and retreats taking place in future periods, as well as deferred income from grants and donations.

	2020 £	2019 £
Balance at the beginning of the year	260,112	239,884
Amount released to income in the year	(124,470)	(239,884)
Amount refunded in the year (course cancellations)	(117,040)	-
Amount deferred in the year	95,559	260,112
Balance at the end of the year	114,161	260,112

17a Analysis of net assets between funds (current year)

	Unrestricted General £	Unrestricted Designated £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	-	264,648	3,200,740	-	3,465,388
Investments	-	-	-	84,401	84,401
Net current assets	430,663	-	289,731	238,982	959,376
Net assets at the end of the year	430,663	264,648	3,490,471	323,383	4,509,165

17b Analysis of net assets between funds (prior year)

	Unrestricted General £	Unrestricted Designated £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	-	266,716	3,276,952	-	3,543,668
Investments	100,000	-	-	326,370	426,370
Net current assets	238,776	-	150,786	-	389,562
Net assets at the end of the year	338,776	266,716	3,427,738	326,370	4,359,600

18a Endowment fund (current year)

	At 1 January 2020 £	Unrealised losses on investments £	At 31 December 2020 £
Endowment fund	326,370	(2,987)	323,383

18b Endowment fund (prior year)

	At 1 January 2019 £	Unrealised gains on investments £	At 31 December 2019 £
Endowment fund	322,275	4,095	326,370

The Endowment fund is a trust established under a separate trust deed whose assets are invested to generate income in order to provide bursaries to participants on Arvon courses who are on low incomes and would not otherwise be able to afford the full cost of a course. It is a permanent endowment. The Arvon Foundation Limited is the sole corporate trustee of the Endowment fund.

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19a Restricted income funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
<u>Tangible fixed assets: Restricted</u>					
The Hurst Property	2,914,272	–	(65,672)	–	2,848,600
Lumb Bank Property	189,602	–	(9,544)	5,169	185,227
Totleigh Barton Property	173,078	–	(6,165)	–	166,913
<u>For Bursaries (to individuals incl. teachers)</u>					
Endowment fund income account	15,328	3,458	(2,874)	–	15,912
The Barbara and Philip Denny Charitable Trust	–	6,000	–	–	6,000
The Derek Hill Foundation	–	3,000	–	–	3,000
The D'Oyly Carte Charitable Trust	–	3,500	–	–	3,500
The T. S. Eliot Foundation	8,350	8,500	–	–	16,850
Other general bursary funders	8,249	5,312	–	4,570	18,131
The David Pease Award	2,400	–	–	–	2,400
<u>For Learning Programme courses and projects:</u>					
The Eranda Rothschild Foundation	–	30,000	(30,000)	–	–
Comic Relief (Writing the Game)	2,942	–	–	–	2,942
Claremont Bursary Fund	4,570	–	–	(4,570)	–
The Jerwood Charitable Foundation (t/a Jerwood Arts) – Mentoring	18,790	5,900	(15,150)	–	9,540
The McGrath Trust	12,587	–	–	–	12,587
John Laing Charitable Trust	25,000	–	(25,000)	–	–
John Lyon's Charity	23,700	–	(637)	–	23,063
The Mercers' Charitable Foundation	10,000	–	(10,000)	–	–
Unwin Charitable Trust	–	5,000	(5,000)	–	–
The John Thaw Foundation	–	2,000	(2,000)	–	–
Hays Travel Foundation	2,500	–	(2,500)	–	–
The Sir James Knott Trust	1,500	–	(1,500)	–	–
SHINE re Schools Programme	–	9,000	–	–	9,000
Normanby Charitable Trust re Schools Prog.	–	5,000	–	–	5,000
Amazon Literary Partnership	–	30,000	–	–	30,000
Donations to fund Crenham Award:					
The Booker Prize Foundation	10,000	–	(10,000)	–	–
Other donations: Crenham Award	227	1,063	(227)	–	1,063
<u>DCMS: Culture Recovery Fund grant</u>	–	221,400	(90,331)	(6,119)	124,950
<u>Lumb Bank Redevelopment Project</u>					
Lumb Bank Redevelopment: Preparation Costs The John S Cohen Foundation	4,293	–	–	–	4,293
<u>Other projects</u>					
Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank)	100	10,310	(10,410)	–	–
The Margaret Ingram Bursary Fund for Trainee Gardener at The Hurst	–	1,250	–	–	1,250
Other	250	–	–	–	250
Total restricted income funds	3,427,738	350,693	(287,010)	(950)	3,490,471

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19b Restricted income funds (prior year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
<u>Tangible fixed assets: Restricted</u>					
The Hurst Property	2,979,944	–	(65,672)	–	2,914,272
Lumb Bank Property	198,887	–	(9,285)	–	189,602
Totleigh Barton Property	179,243	–	(6,165)	–	173,078
<u>For Bursaries (to individuals incl. teachers)</u>					
Endowment fund income account	21,318	4,010	(10,000)	–	15,328
The Barbara and Philip Denny Charitable Trust	–	6,000	(6,000)	–	–
The Harold Hyam Wingate Foundation	5,000	–	(5,000)	–	–
The Francis W Reckitt Arts Trust	3,000	–	(3,000)	–	–
Ernest Hecht Charitable Foundation	–	2,000	(2,000)	–	–
The T. S. Eliot Foundation	–	8,350	–	–	8,350
Other general bursary funders	19,506	10,436	(21,693)	–	8,249
The David Pease Award	3,200	–	(800)	–	2,400
<u>For Learning Programme courses and projects:</u>					
The Eranda Rothschild Foundation	–	30,000	(30,000)	–	–
Paul Hamlyn Foundation (Writing the Game)	1,600	–	(1,600)	–	–
Comic Relief (Writing the Game)	4,517	–	(1,575)	–	2,942
Claremont Bursary Fund	4,570	–	–	–	4,570
The Jerwood Charitable Foundation (t/a Jerwood Arts) – Mentoring	53,704	–	(34,914)	–	18,790
The McGrath Trust	24,865	–	(12,278)	–	12,587
John Laing Charitable Trust	–	50,000	(25,000)	–	25,000
John Lyon's Charity	5,916	45,500	(27,716)	–	23,700
The Mercers' Charitable Foundation	10,000	10,000	(10,000)	–	10,000
Unwin Charitable Trust	5,000	–	(5,000)	–	–
The John Thaw Foundation	–	2,000	(2,000)	–	–
The Barbour Foundation	–	2,500	(2,500)	–	–
Hays Travel Foundation	–	2,500	–	–	2,500
The Sir James Knott Trust	–	1,500	–	–	1,500
Individual donation towards Schools Prog.	–	366	(366)	–	–
<u>Donations to fund Crenham Award:</u>					
The Tedworth Charitable Trust	11,870	–	(11,870)	–	–
NA Grant Esq	400	–	(400)	–	–
The John Booth Charitable Foundation	200	–	(200)	–	–
The John S Cohen Foundation	4,030	–	(4,030)	–	–
The Booker Prize Foundation	–	10,000	–	–	10,000
Other donations: Crenham Award	3,702	25	(3,500)	–	227
<u>Teachers as Writers Research Project</u>					
Arts Council England: Research Grant – Teachers as Writers	–	15,919	(6,960)	(8,959)	–
<u>The Craft of Writing Research Project</u>					
The Open University and University of Exeter	–	35,580	(27,241)	(8,339)	–
<u>For core costs</u>					
Esmée Fairbairn Foundation	–	44,000	(44,000)	–	–
<u>Lumb Bank Redevelopment Project</u>					
Lumb Bank Redevelopment: Preparation Costs The John S Cohen Foundation	7,798	–	(3,505)	–	4,293
Legacy: A legacy for needs of The Hurst	–	1,000	(1,000)	–	–
<u>Other projects</u>					
Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank)	–	10,100	(10,000)	–	100
Other	250	–	–	–	250
Total restricted income funds	3,548,520	291,786	(395,270)	(17,298)	3,427,738

19 Restricted Income Funds (continued)

Purposes of restricted funds:

- a) The Hurst, Lumb Bank, Tottleigh Barton Properties. These funds represent the accounting net book value of land and buildings (freehold property) to be used by Arvon for creative writing courses and retreats.

Expenditure charged to these funds in the year totalling £81,381 (2019: £81,122) relates to the depreciation charges against freehold property assets held within restricted funds; a further £2,168 of depreciation has been charged during the year against elements of freehold property held within the designated fund 'Tangible fixed assets: Unrestricted' (2019: £2,168) (see note 12). Transfers in of £5,169 (2019: £nil) relate to fixed asset additions to freehold properties in the year as shown below:

	2020	2019
Lumb Bank: fixed asset additions in relation to bathroom installation work, transfer in from general funds (£):	5,169	–
Total transfers in to Restricted Tangible Fixed Asset funds (£):	5,169	–

- b) Bursary funds, including Endowment fund income account. These funds provide financial support to attend an Arvon course to adult applicants on low incomes who would otherwise not be able to meet the full cost of a creative writing course fee, or to teachers. The Endowment fund income account is a restricted fund established to receive the income arising from the investments and cash deposits held within the Arvon Endowment Fund in order to apply these resources to provide bursaries to applicants on low incomes. Bursaries are provided in the form of fee reductions granted to participants on courses.
- c) The Eranda Rothschild Foundation. Supporting Arvon's Schools Programme, enabling state school pupils from areas of disadvantage to attend an Arvon residential week.
- d) Writing the Game – Grant funds from Comic Relief towards a project for under 18s which aims to harness young people's love of football to encourage a life-long interest in writing and words.
- e) Claremont Bursary Fund. Fund for bursaries for the winner of the Claremont Fan Court School's annual poetry competition to participate in a creative writing course at Arvon. Following the discontinuation of the school's poetry competition, the remaining money in the fund has been transferred to the general bursary fund in 2020, in accordance with the terms of the original gift.
- f) The Jerwood Charitable Foundation (t/a Jerwood Arts) – Mentoring. A project funded by The Jerwood Charitable Foundation supporting the writing talent of the future with a year-long mentoring programme led by leading writers.
- g) The McGrath Trust. Supporting courses for young people from Northern Ireland.
- h) John Laing Charitable Trust. Supporting courses for state school pupils from disadvantaged areas in Northumbria.
- i) John Lyon's Charity. Supporting Arvon's First Lines programme providing young people in care the opportunity to participate in a residential week and pre/post residential arts activities.
- j) The Mercers' Charitable Foundation; Unwin Charitable Trust; The John Thaw Foundation; Hays Travel Foundation; The Sir James Knott Trust; SHINE; Normanby Charitable Trust: Grants in support of Arvon's Schools Programme.
- k) Amazon Literary Partnership. A donation towards the Learning Programme supporting courses for state schools, young people and vulnerable adults.
- l) Crenham Award. An award aimed at increasing access to creative writing for marginalised young people and vulnerable adults. Supported by The Booker Prize Foundation and a number of other trusts and individual donors.
- m) DCMS: Culture Recovery Fund grant. In October 2020 Arvon was awarded a grant of £246,000 from the Government's Culture Recovery Fund Grants programme ('CRF'), administered by Arts Council England. The grant is funded by resources from the Department for Digital, Culture, Media and Sport (DCMS). Announced in July 2020, the aim of the CRF was to help maintain England's cultural ecology during the Coronavirus pandemic by supporting culturally significant organisations which were financially sustainable before Covid-19 but were at imminent risk of failure. The funding was intended to allow organisations to reopen / restart their operations where appropriate or operate on a sustainable, cost-efficient basis so that they could reopen at a later date.

19 Restricted Income Funds (continued)

The grant awarded to Arvon was provided to fund essential business expenditure (including staff salaries), equipment purchases and building maintenance costs incurred between 1 October 2020 and 31 March 2021. Arvon received the first instalment (90%) of the grant in October 2020 (£221,400). The second instalment of 10% (£24,600) will be paid subject to submission to Arts Council England of a satisfactory activity report and an independently certified income and expenditure statement for the activity following the end of the grant funding period.

Transfers out of this fund to the designated fund "Tangible fixed asset fund: Unrestricted" totalling £6,119 represent the capitalised costs of equipment purchases funded by the grant (kitchen equipment: £5,349; computer: £770).

- n) Lumb Bank Redevelopment fund: a fund to provide support towards the costs of the capital redevelopment of Lumb Bank (preparatory phase).
- o) Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank). A grant awarded by Calderdale Council under its Flood Recovery and Resilience Programme, whose aim is to reduce the impact of flooding in Calderdale. The funds awarded over the period 2019–20 have enabled Arvon to invest in measures at Lumb Bank, including earth bunds, Himalayan balsam control and woodland thinning, which will contribute to the management of flood risk in the area.
- p) The Margaret Ingram Bursary Fund. A grant awarded by an anonymous donor to fund an 8–10 week part-time post for a trainee gardener who will work and learn alongside the gardener at The Hurst.

20a Unrestricted funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Designated funds:					
Tangible fixed asset fund: Unrestricted	266,716	–	(25,812)	23,744	264,648
Total designated funds	266,716	–	(25,812)	23,744	264,648
Free Reserves:					
General funds	338,776	1,380,117	(1,265,436)	(22,794)	430,663
Total Free Reserves	338,776	1,380,117	(1,265,436)	(22,794)	430,663
Total unrestricted funds	605,492	1,380,117	(1,291,248)	950	695,311

20b Unrestricted funds (prior year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Designated funds:					
Tangible fixed asset fund: Unrestricted	230,086	–	(22,962)	59,592	266,716
The Hurst building works	27,000	–	–	(27,000)	–
Total designated funds	257,086	–	(22,962)	32,592	266,716
Free Reserves:					
General funds	389,354	1,591,585	(1,626,869)	(15,294)	338,776
Total Free Reserves	389,354	1,591,585	(1,626,869)	(15,294)	338,776
Total unrestricted funds	646,440	1,591,585	(1,649,831)	17,298	605,492

20 Unrestricted funds (continued)

Purposes of unrestricted funds

- a) Tangible fixed asset fund: Unrestricted. Expenditure charged to this fund in the year totalling £25,812 (2019: £22,962) relates to depreciation charges against the tangible fixed asset categories 'Fixtures and fittings, plant and machinery' and 'computers and other office equipment' as well as a charge of £2,168 (2019: £2,168) against those elements of 'freehold property' held within designated funds (see note 12).

Transfers in to this fund totalling £23,744 (2019: £59,592) relate to fixed asset additions as follows:

	2020	2019
Fixed asset additions (land and buildings), transfer in from general funds (£):	–	8,154
Fixed asset additions (land and buildings), transfer in from designated fund 'The Hurst building works' (£):	–	27,000
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from general funds (£):	8,779	13,108
Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from restricted funds (£):	5,349	–
Fixed asset additions (computers and other office equipment), transfer in from general funds (£):	8,846	11,330
Fixed asset additions (computers and other office equipment), transfer in from restricted funds (£):	770	–
Total transfers in to Tangible Fixed Asset fund: Unrestricted (£)	23,744	59,592

- b) Transfers out of general funds of £22,794 (2019: net transfers out of £15,294) can be analysed as follows:

	2020	2019
Transfers out to 'Tangible fixed asset fund: Restricted' in respect of fixed asset additions, as noted above (£):	(5,169)	–
Transfers out to 'Tangible fixed asset fund: Unrestricted' in respect of fixed asset additions, as noted above (£):	(17,625)	(32,592)
Transfer in from restricted fund 'Arts Council England: Research Grant re Teachers as Writers' (see note 19b)	–	8,959
Transfer in from restricted fund 'The Open University and University of Exeter re The Craft of Writing Research Project' (see note 19b)	–	8,339
Total net transfers out of General funds (£):	(22,794)	(15,294)

21 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,026,220	687,994
Investments: cash held in Endowment Fund pending reinvestment (see note 13)	–	238,982
Investments: cash on deposit pending reinvestment (General funds) (see note 13)	–	100,000
Total cash and cash equivalents	1,026,220	1,026,976

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

23 Contingencies

Arts Council England Lottery funding for the development of The Hurst totalled £1,650,000 between 2011 and 2014. This funding is conditional on The Hurst remaining as a writing centre for 30 years from 24 June 2011. If the condition is not met, the funding is liable for repayment to Arts Council England. Arts Council England has a fixed charge security over the freehold of The Hurst and a floating charge over the assets of The Arvon Foundation Limited to the value of the Lottery funding. This security is in place for a period of 30 years from 24 June 2011.

24 Post balance sheet event

In December 2020 we were notified that Arvon had been named as a beneficiary in the will of a recently deceased supporter and that under the terms of the will the charity would be entitled to a 25% share in the residuary estate. Probate was granted in February 2021. Arvon received £300,000 in two interim distributions from this estate in March and May 2021, and a final distribution of £1,688 in July 2021, making a total of £301,688.