

Company number: 1086582

Charity Number: 306694



The Arvon Foundation Limited

Trustees' Annual Report and Financial Statements
For the year ended 31 December 2020



The Arvon Foundation Limited

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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:
	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

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	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	

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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.

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:

The Arvon Foundation Limited

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
	<hr/>	<hr/>
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).

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

Independent auditor's report

To the members of

The Arvon Foundation Limited

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.

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.

Independent auditor's report

To the members of

The Arvon Foundation Limited

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
			3,549,789		3,970,038
Current assets:					
Debtors	14	114,194		89,269	
Cash at bank and in hand	21	1,026,220		687,994	
		1,140,414		777,263	
Liabilities:					
Creditors: amounts falling due within one year	15	(181,038)		(387,701)	
Net current assets			959,376		389,562
Total net assets	17		4,509,165		4,359,600
The funds of the charity:					
Endowment fund	18		323,383		326,370
Restricted income funds:					
Tangible fixed assets: Restricted	19		3,200,740	3,276,952	
Other restricted income funds			289,731	150,786	
Total restricted funds			3,490,471		3,427,738
Unrestricted funds:					
Designated fund: Tangible fixed assets	20		264,648	266,716	
Free Reserves					
General funds		430,663		338,776	
Total Free Reserves		430,663		338,776	
Total unrestricted funds			695,311		605,492
Total charity funds	17		4,509,165		4,359,600

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	
		<u> </u>		<u> </u>	
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)	
		<u> </u>		<u> </u>	
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
			<u> </u>		<u> </u>
Cash and cash equivalents at the end of the year	21		1,026,220		1,026,976
			<u> </u>		<u> </u>

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			2020 Total £	2019 Total £
	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 £			
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			2019 Total £
	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 £	
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 photocopiers.

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
	<u>172,895</u>	<u>167,746</u>

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
	<u>889,405</u>	<u>879,836</u>

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	2019
	No.	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	2019
	No.	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

The Arvon Foundation Limited

Notes to the financial statements

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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

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2020

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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For the year ended 31 December 2020

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
<u>Donations to fund Crenham Award:</u>					
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

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2020

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, 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 £81,381 (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 (£):	<u>5,169</u>	<u>-</u>

- 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.