

Company number: 1086582

Charity Number: 306694



The Arvon Foundation Limited

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



The Arvon Foundation Limited

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For the year ended 31 December 2022

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The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2022

Country of registration England and Wales

Country of incorporation United Kingdom

Company number 1086582

Charity number 306694

VAT registration number 287 9329 41

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

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

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

Founders John Fairfax and John Moat

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2022

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

The Arvon Foundation Limited

Reference and administrative information

For the year ended 31 December 2022

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

The Arvon Foundation Limited

Trustees' annual report

For the year ended 31 December 2022

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

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

About Arvon

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

Objects of the Charity

The Arvon Foundation's objects are:

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

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

These activities are described below.

Our Vision

We believe that writing can change lives for the better.

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

Our Mission

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

Our Values

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

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

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

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

Our Artistic Offer

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

Open Programme: Residential

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

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

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

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

Arvon at Home (Open and Learning programmes online)

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

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

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

Retreats

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

Mentoring and Online Support

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

This strand includes:

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

Residential Courses with Schools and Under-18s

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

Residential Courses with Partner Organisations

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

This strand has included:

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

Arvon Live

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

Professional Development (including research projects)

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

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

Structure, Governance and Management

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

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

Method of Appointment and Election of Trustees

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

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

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

Policies adopted for the Induction and Training of Trustees

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

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

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

Public Benefit

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

Organisational Structure and Decision Making

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

- Finance Committee
- Properties Committee
- Appointments and Remuneration Committee

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

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

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

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

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

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

Remuneration Policy

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

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

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

Related Party Relationships

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

Risk Management

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

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

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

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

Arvon's Business Plan 2022-23

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

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

Aims and Activities for 2022

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

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

Open Programme

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

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

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

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

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

Mentoring and Online Support

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

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

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

Learning and Partnerships programme

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

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

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

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

Community

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

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

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

Equality Action Plan and Audience Development Plan

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

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

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

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

Grants and financial assistance

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

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

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

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

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

Development of new income streams

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

Fundraising

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

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

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

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

Environmental sustainability

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

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

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

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

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

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

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

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

Evaluation and Assessment of Achievement of Objectives

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

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

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

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

Financial Review

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

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

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

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

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

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

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

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

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

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

Reserves Policy

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

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

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

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

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

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

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

Investment Policy

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

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

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

Trustees' Liability

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

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

Employee Involvement and Employment of the Disabled

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

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

Statement of Responsibility in Relation to Fundraising

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

Statement of Trustees' Responsibilities

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

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

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

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Auditor

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

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

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

Patricia Cumper – Chair

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 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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)

21 September 2023

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

The Arvon Foundation Limited

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

For the year ended 31 December 2022

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

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

The Arvon Foundation Limited

Balance sheet

Registered company number: 1086582

Charity number: 306694

As at 31 December 2022

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

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

Patricia Cumper
Chair

The Arvon Foundation Limited

Statement of cash flows

For the year ended 31 December 2022

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

1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

The financial statements have been prepared in accordance with:

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

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

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

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

c) Public benefit entity

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

d) Going concern

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

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

e) Income

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

1 Accounting policies (continued)

e) Income (continued)

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

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

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

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

f) Interest receivable

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

g) Fund accounting

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

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

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

1 Accounting policies (continued)

g) Fund accounting (continued)

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

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

h) Expenditure and irrecoverable VAT

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

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

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

i) Allocation of support costs

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

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

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

1 Accounting policies (continued)

i) Allocation of support costs (continued)

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

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

j) Operating leases

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

k) Tangible fixed assets

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

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

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

* Land is not depreciated.

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

1 Accounting policies (continued)

l) Fixed asset investments / Current asset investments

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

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

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

m) Debtors

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

n) Creditors and provisions

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

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

o) Pensions

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

Notes to the financial statements

For the year ended 31 December 2022

2 Income from donations and legacies

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

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

3 Income from charitable activities

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

All income in the current and prior year was unrestricted.

4 Income from investments

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

5 Other income

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

All income in the current and prior year was unrestricted.

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2022

6a Analysis of expenditure (current year)

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

Notes:

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

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

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

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2022

6b Analysis of expenditure (prior year)

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

Notes:

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

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

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

Notes to the financial statements

For the year ended 31 December 2022

7 Net (expenditure) / income for the year

This is stated after charging:

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

8 Staff costs and employee benefits, trustee remuneration and expenses

Staff costs were as follows:

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

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

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

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

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

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

9 Staff numbers

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

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

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

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

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

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

10 Related party transactions

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

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

11 Taxation

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

12 Tangible fixed assets

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

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

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

13 Investments

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

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

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

Notes to the financial statements

For the year ended 31 December 2022

| | | |
|--|----------------|---------------|
| 14 Debtors | | |
| | 2022 | 2021 |
| | £ | £ |
| Long term debtors (receivable after more than one year) | | |
| National Office rent deposit paid | - | 5,857 |
| Short term debtors | | |
| Trade debtors | 62,395 | 18,390 |
| National Office rent deposit paid | 5,857 | - |
| Other debtors | 8,638 | 1,743 |
| Prepayments | 24,465 | 20,428 |
| Accrued income | 18,752 | 18,826 |
| Total debtors | 120,107 | 65,244 |

| | | |
|--|----------------|----------------|
| 15 Creditors: amounts falling due within one year | | |
| | 2022 | 2021 |
| | £ | £ |
| Trade creditors | 39,648 | 28,645 |
| PAYE taxation and social security (National Insurance contributions) | 21,268 | 20,270 |
| VAT payable | 7,787 | 5,236 |
| Holiday pay accrual | 16,864 | 11,130 |
| Other accruals | 49,364 | 25,191 |
| Deferred income (Note 16) | 377,008 | 212,046 |
| Total | 511,939 | 302,518 |

16 Deferred income

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

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

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

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

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

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

18a Endowment fund (current year)

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

18b Endowment fund (prior year)

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

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

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

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2022

19a Restricted income funds (current year)

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

The Arvon Foundation Limited

Notes to the financial statements

For the year ended 31 December 2022

19b Restricted income funds (prior year)

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

19 Restricted Income Funds (continued)

Purposes of restricted funds:

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

Expenditure charged to these funds in the year totalling £81,743 (2021: £81,744) relates to the depreciation charges against freehold property assets held within restricted funds; a further £5,769 of depreciation has been charged during the year against elements of freehold property held within the designated fund 'Tangible fixed assets: Unrestricted' (2021: £5,770) (see note 12). Transfers in during the prior year of £15,558 relate to fixed asset additions to freehold properties in that year as shown below:

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| The Hurst: fixed asset additions in relation to works to improve the condition of the stores area and prevent water ingress, transfer in from general funds: | - | 15,558 |
| Total transfers in to Restricted Tangible Fixed Asset funds: | - | 15,558 |

- b) Bursary funds, including Endowment fund income account. These funds provide financial support to attend an Arvon course to adult applicants on low incomes who would otherwise not be able to meet the full cost of a creative writing course fee, or to teachers. The Endowment fund income account is a restricted fund established to receive the income arising from the investments and cash deposits held within the Arvon Endowment Fund in order to apply these resources to provide bursaries to applicants on low incomes. Bursaries are provided in the form of fee reductions granted to participants on courses.
- c) Writing the Game – Grant funds from Comic Relief towards a project for under 18s which aims to harness young people's love of football to encourage a life-long interest in writing and words.
- d) The McGrath Trust. Supporting courses for young people from Northern Ireland.
- e) John Lyon's Charity. Supporting Arvon's First Lines programme providing young people in care the opportunity to participate in a residential week and pre/post residential arts activities.
- f) The Mercers' Charitable Foundation; Unwin Charitable Trust; SHINE; The John Thaw Foundation; The Barbour Foundation: Grants in support of Arvon's Schools Programme.
- g) Amazon Literary Partnership. A donation towards the Learning Programme supporting courses for state schools, young people and vulnerable adults.
- h) The Oliver Black Memorial Fund. Crowdfunding income in support of the Learning Programme (courses for state schools, disadvantaged young people and vulnerable adults).
- i) Annie's Fund: Inspiring Young People to Write. Crowdfunding income in support of the Schools Programme.
- j) Kevin Jackson Award. Donations in memory of Kevin Jackson towards Arvon's Schools Programme.
- k) Harold Hyam Wingate Foundation. Grant to support 12 emerging playwrights to participate in an Arvon at Home course and follow-up online one-to-one tutorials.
- l) Crenham Award. An award aimed at increasing access to creative writing for marginalised young people and vulnerable adults. Supported by a number of trusts and individual donors.

19 Restricted Income Funds (continued)

- m) Gift from Peter Emery. A donation towards the Schools Programme: online and in-person school workshops.
- n) McNelly Family Trust. A donation in support of the Learning Programme.
- o) Lumb Bank Redevelopment Project: individual donations. Gifts received from individuals towards the costs of the planned capital redevelopment of Lumb Bank.
- p) Calderdale Council: Natural Flood Management Scheme Grant (Lumb Bank). A grant awarded by Calderdale Council under its Flood Recovery and Resilience Programme, whose aim is to reduce the impact of flooding in Calderdale. The funds awarded over the period 2019–22 have enabled Arvon to invest in measures at Lumb Bank, including earth bunds, Himalayan balsam control and woodland thinning, which will contribute to the management of flood risk in the area.
- q) Rural Payments Agency. A grant awarded by the Rural Payments Agency (an executive agency of the Department for Environment, Food and Rural Affairs) to support the restoration of field boundaries and hedgerows at Lumb Bank.
- r) South West Water. A community grant from the South West Water Neighbourhood Fund 2022 towards the purchase of bees and a beehive at Tottleigh Barton.

20a Unrestricted funds (current year)

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

20b Unrestricted funds (prior year)

| | At 1 January 2021 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | At 31 December 2021 £ |
|---|---------------------------|------------------------|------------------------------|------------------|--------------------------------|
| Designated funds: | | | | | |
| Tangible fixed asset fund: Unrestricted | 264,648 | – | (38,692) | 138,175 | 364,131 |
| National Office rent deposit fund: | – | – | – | 5,857 | 5,857 |
| Property maintenance fund: | – | – | – | 80,000 | 80,000 |
| Total designated funds | 264,648 | – | (38,692) | 224,032 | 449,988 |
| Free Reserves: | | | | | |
| General funds | 430,663 | 1,759,869 | (1,567,917) | (128,586) | 494,029 |
| Total Free Reserves | 430,663 | 1,759,869 | (1,567,917) | (128,586) | 494,029 |
| Total unrestricted funds | 695,311 | 1,759,869 | (1,606,609) | 95,446 | 944,017 |

Purposes of unrestricted funds

- a) Tangible fixed asset fund: Unrestricted. Expenditure charged to this fund in the year totalling £34,650 (2021: £38,692) is made up of: depreciation charges of £28,176 (2021: £22,575) against the tangible fixed asset categories 'fixtures and fittings, plant and machinery' and 'computers and other office equipment'; a depreciation charge of £5,769 (2021: £5,770) against those elements of 'freehold property' held within designated funds (see note 12); and losses on disposals of tangible fixed assets in the year of £705 (2021: £10,347).

Transfers in to this fund totalling £46,532 (2021: £138,175) relate to fixed asset additions as follows:

| | 2022 £ | 2021 £ |
|--|---------------|-----------|
| Fixed asset additions (land and buildings), transfer in from general funds: | – | 10,316 |
| Fixed asset additions (land and buildings), transfer in from restricted funds: | – | 52,440 |
| Fixed asset additions (asset under development), transfer in from general funds: | – | 42,754 |
| Fixed asset additions (asset under development), transfer in from restricted funds: | – | 4,293 |
| Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from general funds: | 2,397 | 11,088 |
| Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from designated property maintenance fund: | 29,159 | – |
| Fixed asset additions (fixtures and fittings, plant and machinery), transfer in from restricted funds: | 982 | – |
| Fixed asset additions (computers and other office equipment), transfer in from general funds: | 13,994 | 17,284 |
| Total transfers in to Tangible Fixed Asset fund: Unrestricted | 46,532 | 138,175 |

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

Unrealised losses on the total amount of investments transferred to unrestricted funds in August 2022 following the date of transfer have been charged in full to 'General funds', with no losses on investments charged to the designated 'Lumb Bank Redevelopment' fund.

- c) Designated fund: National Office rent deposit. In May 2021 the charity took on a new lease for office premises in Clerkenwell, London. This fund represents the amount of £5,857 paid as a deposit under the terms of the occupation agreement, which is to be refunded at the end of the tenancy. This amount is included in debtors on the balance sheet (see note 14).

20 Unrestricted funds (continued)

d) Designated fund: Property maintenance. The purpose of this fund is to ringfence resources for necessary maintenance and improvements of the charity's freehold buildings and estates and to allow for longer term forward planning based on quinquennial inspection reports. This fund may also be used in future for replacement of the vehicles used by the charity at the writing houses.

e) Net transfers in to general funds of £28,274 (2021: transfers out of £128,586) can be analysed as follows:

| | 2022 £ | 2021 £ |
|---|-----------------|------------------|
| Transfers out to 'Tangible fixed asset fund: Restricted' in respect of fixed asset additions, as noted above: | - | (15,558) |
| Transfers out to 'Tangible fixed asset fund: Unrestricted' in respect of fixed asset additions, as noted above: | (16,391) | (81,442) |
| Transfer in from restricted fund 'DCMS: Culture Recovery Fund grant': | - | 54,271 |
| Transfer out to designated fund 'National Office rent deposit' (see note 20c): | - | (5,857) |
| Transfer out to designated fund 'Property maintenance' (see note 20d): | - | (80,000) |
| Transfer in from Endowment Fund (see note 18): | 44,665 | - |
| Total net transfers in to / (out of) General funds: | 28,274 | (128,586) |

21 Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|--|----------------|-----------|
| Cash at bank and in hand | 882,742 | 1,191,675 |
| Total cash and cash equivalents | 882,742 | 1,191,675 |

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.