

# SPACE Annual Report 2022



[ space ]



This page: SPACE studio artist Erin Lawlor, photo by Rosie Osborne  
Cover: Lung, Mirocosk (spookmutator.dub) (detail), 2021

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# Mission

SPACE stands for **S**pace **P**rovision (**A**rtistic **C**ultural and **E**ducational), and our mission is to make space for art.

We fulfil our mission:

- by providing affordable studio space to a wide range of artists;
- by offering resources to develop their practice;
- by being an effective advocate for artist studio spaces; and
- by enabling local communities in areas of low provision to meaningfully access and engage with art and artists.

# Vision

Our vision is to underpin a sustainable infrastructure for art and artists in the city, in perpetuity.

# Values

The following core values inform how we operate:

- **Innovative, ambitious, and relevant:**  
We strive to meet the changing needs of the artists and their communities.
- **Accessible, diverse, and inclusive:**  
We support artists who are often excluded by the art world, and are ensuring that our activities are inclusive and diverse.
- **Accountable, sustainable, and transparent:**  
We are efficient managers of our buildings, and hold ourselves and others to high standards respecting the environment. We operate with transparency and continuous quality improvement.
- **Connected, supportive, and engaged:**  
We recognise the value of joined-up thinking and partnerships in helping us achieve our objectives.



# Trustees Report

The trustees present their annual report and the audited financial statements for the year ended 31 March 2022.

The financial statements comply with current statutory requirements, the memorandum and articles of association and Accounting and Reporting by Charities: Statement of Recommended Practice Accounting applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Ireland (the FRS 102 Charities SORP published on July 2014).

The Reference & Administrative Details on page 81 form part of this report.

- we provided over 880 artists with creative workspace at 21 sites comprising over 310,000 sq ft at a 99% occupancy rate
- we maintained our community engagement activities remotely and online before reopening to the public in September 2021
- we supported our studio artists through rent freezes on all buildings as well as individual hardship support
- we helped hundreds of artists develop their potential and build resilience through specialist support programmes both online and in-person

## SPACE Key Facts 2021—22

This was the second year set against a backdrop of the Covid-19 pandemic and related government lockdown measures and restrictions, which were only eased in the summer of 2021 and did not end until 1 April 2022. This had obvious consequences for our studio artists as well as our public programming. Despite the continued uncertainty, we kept our focus on our core priorities and our charitable goals. While there were significant effects on our finances for this year, our overall financial position remains healthy.

Continuing from last year, the trustees met more often to help steer the organisation through the pandemic. We expanded our Senior Management Team, and, following the departure of our CEO in August 2021, we appointed a new CEO starting January 2022.

The majority of staff continued working from home for the larger part of the year as per Government guidelines. Our public spaces at SPACE Ilford remained closed until September 2021, whilst the rest of our operations continued subject to regular review and risk assessment.



From the SPACE archive: Dame Paula Rego in her SPACE studio in 1989, photo by Chris Dorley-Brown, Rego died in 2022

# SPACE Studios

## OUR BUILDINGS

SPACE runs 21 artist studio buildings across 8 London boroughs and Colchester, with 310,000 sq. ft of premises providing an important infrastructure for sustainable creative communities. A 99% occupancy rate as at 31 March 2022 shows how much studio spaces remain in demand, and how valued they are by artists.

All our buildings remained open and accessible to artists this year, while following Covid safety guidelines, and subject to regular review and risk assessment.

We negotiated an agreement for lease, including the final lease and base specification for fit-out on a new studio building in Enfield, which is set to provide around 35 studios by 2025/26.

Property rent reviews on some of our properties concluded in early 2022 and stayed within our projections, putting our finances on more secure footing over the coming years.

## OUR ARCHIVE

The Archive project, funded by Cockayne Trust, was completed at the end of July 2021, and our archive is now housed with the London Metropolitan Archives. A history timeline was compiled for the Our Story section of SPACE's website. This is a living archive that will be continually updated and shared via social media on an ongoing basis.



Emma Hart, ceramic speech bubble installation at Beano: The Art of Breaking the Rules at Somerset House, 2021

## HIGHLIGHTS FROM SPACE STUDIO ARTISTS

**Andrew Kenny** — owner of The London Embroidery Studio, was one of the winners of the inaugural BFC Changemakers Prize by the British Fashion Council in partnership with Swarovski, September 2021

**Blue Curry** — *Life Between Islands: Caribbean-British Art 1950s – Now* at Tate Britain, 1 December 2021 – 3 April 2022

**Chila Kumari Burman** — won Dezeen Installation Design of the Year 2021 for *Remembering a Brave New World*, her neon façade on Tate Britain

**Emma Hart** — solo exhibition *BIG MOUTH* at Barakat Contemporary, Seoul, 24 November 2021 – 23 January 2022

**Heather Phillipson** — *RUPTURE NO.1: blowtorching the bitten peach*, Tate Britain Commission, unveiled 14 May 2021

**Joe Duggan** — solo exhibition *Material* at Swiss Cottage Gallery, London, 12 August – 1 October 2021

**Kate Bickmore** — in collaboration with Karen Millen, launch of second collection, December 2021

**Kate Fahey** — solo exhibition *blubbing* at Commonage Projects, London, 18 September – 13 November 2021

**Lothar Götz** — *Masterpieces in Miniature: The 2021 Model Art Gallery* at Pallant House Gallery, London, 28 September 2021 – 24 April 2022

**Mark Entwisle** — online exhibition *Postcards* at Long & Ryle Gallery, London, July 2021

**Nika Neelova** — Contemporary Sculpture Fulmer, 5th Edition, 15 May – 24 October 2021







Sam Winston in his SPACE studio at The Triangle, Mare Street

# Artist Support

## COVID-19 SUPPORT

For the second year running, many of our studio artists faced uncertainty due to the pandemic, with commissions and exhibitions postponed or cancelled and freelance income curtailed.

In order to offer support where it was most needed, we managed to secure **£294,000** funding from the Arts Council England's Culture Recovery Fund, second round, for which we are enormously grateful.

We fully applied this to individual hardship rent relief, supporting **232 artists in need**. In addition, we cancelled the annual rent increase on all our buildings for the second year, which we financed through our reserves. This was the single-largest factor contributing to our deficit over the year.

In addition to financial support, we continued to communicate regularly with studio artists through dedicated newsletters and signposted them to useful resources, grants and further advice.



## ARTIST PROFESSIONAL DEVELOPMENT

SPACE supports artists and creative businesses to run resilient and sustainable practices through free professional development programmes. During the pandemic, most of these moved online.

### **London Creative Network**

SPACE leads London Creative Network, an important London-wide creative professional development partnership programme that started in 2016 with support from The European Regional Development Fund. 963 artists have been supported so far across the network.

Impact on artists in the programme:

- Average earnings uplift of 29%
- 56% felt the programme helped them plan successfully for the future
- 41% found the programme had a very positive impact on promoting their work
- 83% felt LCN enabled them to find collaborators
- LCN facilitated a supportive peer network giving artists the opportunity to experiment with new techniques and develop new work

### **SPACE Advice Bureau**

Launched during the pandemic in 2020 in response to requests and suggestions from our studio artists, SPACE Advice Bureau offered free advice and guidance via 1-2-1 mentoring and workshops until October 2021. The pre-recorded webinars to support artists' practice remain relevant, and were still regularly consulted online during this second year of the pandemic.



Kate Fahey, 'Bubbling', (installation image), zinc, bioresin, safety glass, raspberry pi, hand dyed and knitted sisal, aluminium (2021)  
photo courtesy Relinis Usmanis & Commonage London

### **Creative Practitioner Support Programme**

SPACE Colchester's Creative Practitioner Support Programme (CPSP) moved online during the pandemic, offering emerging and re-emerging artists the chance to gain advice and feedback through fortnightly peer-to-peer sessions. Because of the increased flexibility of online sessions, the programme was now able to include artists from other areas of the county, including other parts of Essex, Suffolk, Norfolk, and London.

### **Studio Bursaries**

Studio bursaries provide artists with a year's free studio space and mentoring support, relieving artists' financial pressure to progress their practice. Studio bursary partners this year include Alumno with Goldsmiths, New Contemporaries, and the Valerie Beston Artist Trust with the Royal College of Art.

In 2021/22 the following were awarded:

- Alumno/SPACE Studio Bursary, [Christopher Davies](#)
- Ilford Patrons and Friends, [Sikelela Owen](#)
- New Contemporaries X SPACE, [Kate Fahey](#)
- Valerie Beston Artists' Trust Award, [Catherine Repko](#)

SPACE has a track record of nurturing artists from graduation/early career. One such success story is Djofray Makumbu, a former SPACE bursary artist, who we commissioned to create the third SPACE Ilford billboard in February 2022. Djofray was also awarded the Video Archive Commission by Goldsmiths Exhibitions Hub & London Community and the Loewe Foundation/Studio Voltaire Award 2021.



Michael Taiwo, *On the stool I wait*, Adoku Family, 2019, C-Type Kodak metallic, 30 X 21cm

## SPACE Artist Awards

Recognising that the art world can often be an exclusive territory for the privileged few, we launched the SPACE Artist Awards at the end of the previous year with funding from the Culture Recovery Fund to support artists who face inequality due to their race, gender, sexual orientation, disability or socio-economic background.

Twenty talented artists were selected in February 2021 and each awarded £5,000. During the course of 2021 they received 1-2-1 mentoring, inspirational talks, and practical group sessions. In addition, three received a rent-free studio for 12 months and four became Programme Associates for the year. We extended the programme further by offering short residencies at SPACE Ilford to nine awardees, interview profiles on our website and Instagram takeovers. The programme concluded with a group exhibition at SPACE Ilford in March 2022.

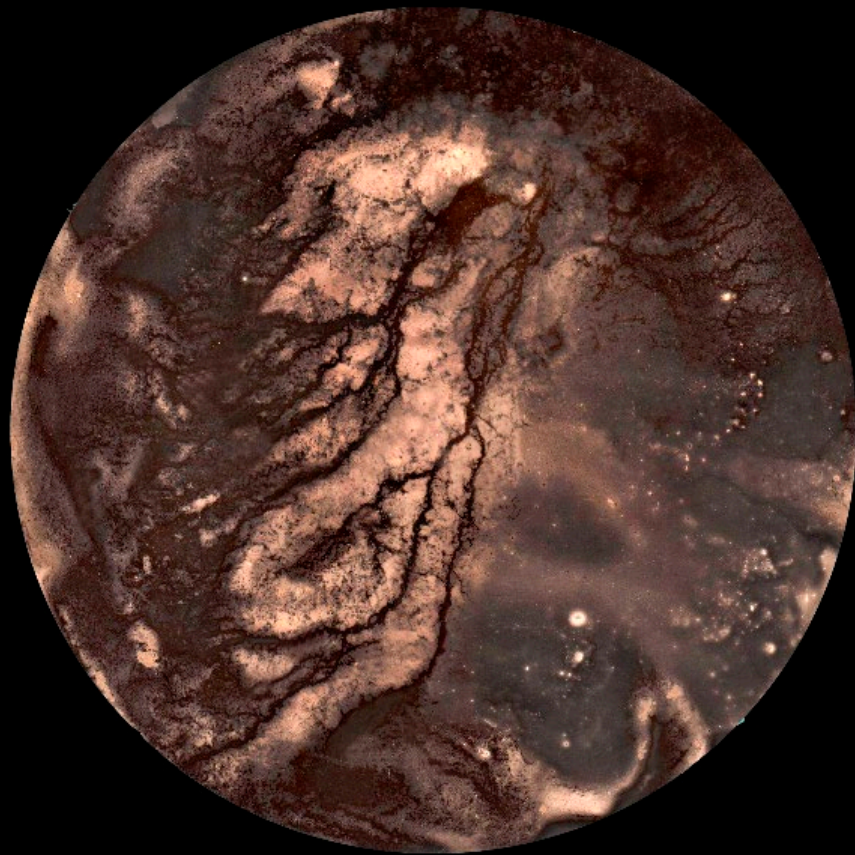
Artists felt supported by SPACE and recognised (some for the first time) as professionals by the art world. The funding also gave them time and space to consider their priorities and allowed them to have the freedom to choose the next opportunity and afford better quality equipment and materials.

This is what some of the Awardees said:

*I have been able to find balance with my free time and use it to my full advantage. It has made me more ambitious — the money was amazing.*

*I feel more optimistic, I still don't have everything figured out but it's great to know there are programmes like this out there.*

*More confidence and money has allowed me a freedom that I have never had in my life before. I have been struggling to be recognised as an artist in the art world.*



Lumen print created by Holly Sandiford

### Digital Residencies

With the Cultural Recovery Funds (round one) support, SPACE created a micro website, where artists are invited to take up digital, online residencies, as well as create artworks digitally.

[digitalart.spacestudios.org.uk](https://digitalart.spacestudios.org.uk)

In 2021/22 twelve artists were paired up through our CPSP: Online Collaborative Residencies programme and offered the opportunity to collaboratively create new works, resulting in six online projects. Participants included SPACE studio artists from Colchester and London, alongside emerging artists from the CPSP.

The finished pieces from this project were displayed in a Digital Showcase on the micro website and launched with a special online presentation and artist discussion.

The residency artists commented that the micro website was very intuitive and easy to use, and that it helped them gain confidence in creating art and experiences for the web.



Cecilia Charlton textile workshop during the Mammoth Loop exhibition, photo by David Mirzoeff

# Building Creative Communities

## SPACE ILFORD

When we moved the heart of our public programming to Redbridge Town Hall in Ilford at the end of 2019, we could not foresee how the world would soon thereafter be shaped by a global pandemic that forced us to close our new space within four months of opening. It is therefore apt that ‘care’ was at the heart of SPACE’s public programme this year as we gradually started opening up again.

In June 2021 we unveiled our second open air billboard commission at our entrance, created by local Redbridge artist [Yasmin Falahat](#). With hands touching and the sharing of food, this billboard celebrated our reconnection with friends and family and care for each other as we emerged from lockdown.

Over the summer our Community Engagement team began facilitating a series of textile-themed workshops for various Redbridge organisations, supported by SPACE Artist Awardees. The works created subsequently went on show as part of the next two exhibitions in the gallery.

On Saturday 4 September 2021 we finally reopened SPACE Ilford to the public with a free Family Fun Day to launch [Reflections of Care](#). The community exhibition brought together artworks created during the Covid-period with various local residents and key community groups, and reflected on how we care for ourselves and each other. Visitors at the launch were able to take part in a drop-in textile workshop, create their own artwork and meet the artists.



Redbridge Council Leader, Jas Athwal and Djofray Makumbu in front of Djofray's SPACE billboard commission *Out of this world*, 2021



On 9 October 2021 **Cecilia Charlton's** exhibition *Mammoth Loop* opened, an exhibition of textiles co-created with local over-55s and exploring Ilford's rich history. Supported by Mercer's Charitable Foundation, the community works were united into large-scale quilted artworks as a physical manifestation of the social connections made during the time sewing together.

*Sometimes we just need that encouragement to come and meet others in a very safe environment and feel part of the whole community.*

Cecilia Charlton project participant

Also in October 2021 we hosted a symposium looking at audience development and participation in the context of care. It formed part of our Creative Europe funded project *Who Cares?* which is made up of five organisations dedicated to artistic production from different latitudes in Europe: Idensitat (Barcelona, Spain), SPACE (London, United Kingdom), Rupert (Vilnius, Lithuania), Grey Area (Korčula, Croatia) and Centro Huarte (Navarre, Spain).

**Djofray Makumbu** worked with Redbridge Youth Services on the third SPACE billboard commission *Out of this world*, which was installed outside the gallery in February 2022.

In March 2022 we opened the **SPACE Artist Awards** exhibition, offering a snapshot of the evolution of an artist's practice during an especially challenging year.

*We need more spaces for art in this community, so this is good to see.*

Exhibition visitor



Since reopening to the public we see high local demand for our programme. We are working hard to build community engagement and actively seek new partnerships to support local projects and establish new opportunities for artists.

We supported Vision (Redbridge Culture and Leisure) in their successful application for CPP funding, and we continue to work with them. In the programming year 2021/22 we established a new teacher's network and built relationships and instigated projects with disability and D/deaf groups (One Place East, Empowering the Deaf Society), HIV awareness-raising and prevention services (Positive East), and voluntary community groups (Barkingside Arts Club, Redbridge Youth Services, Redbridge Leaving Care Team, Park Rangers, and Age UK), among others.

*Coming here made me realise art isn't all about being good at art — you can enjoy it too. It's more about having a creative mind than actually being able to draw.*

Student exhibition visitor

## THE CREATIVE SPACE AT ARLINGTON

Our artist-led creative programme for homeless people in partnership with The Charitable Services Team of One Housing at Arlington House in Camden continued this year via weekly online meet-ups and a dedicated Whatsapp group where participants were able to share their progress and get peer feedback.

photo by David Mirzoeff



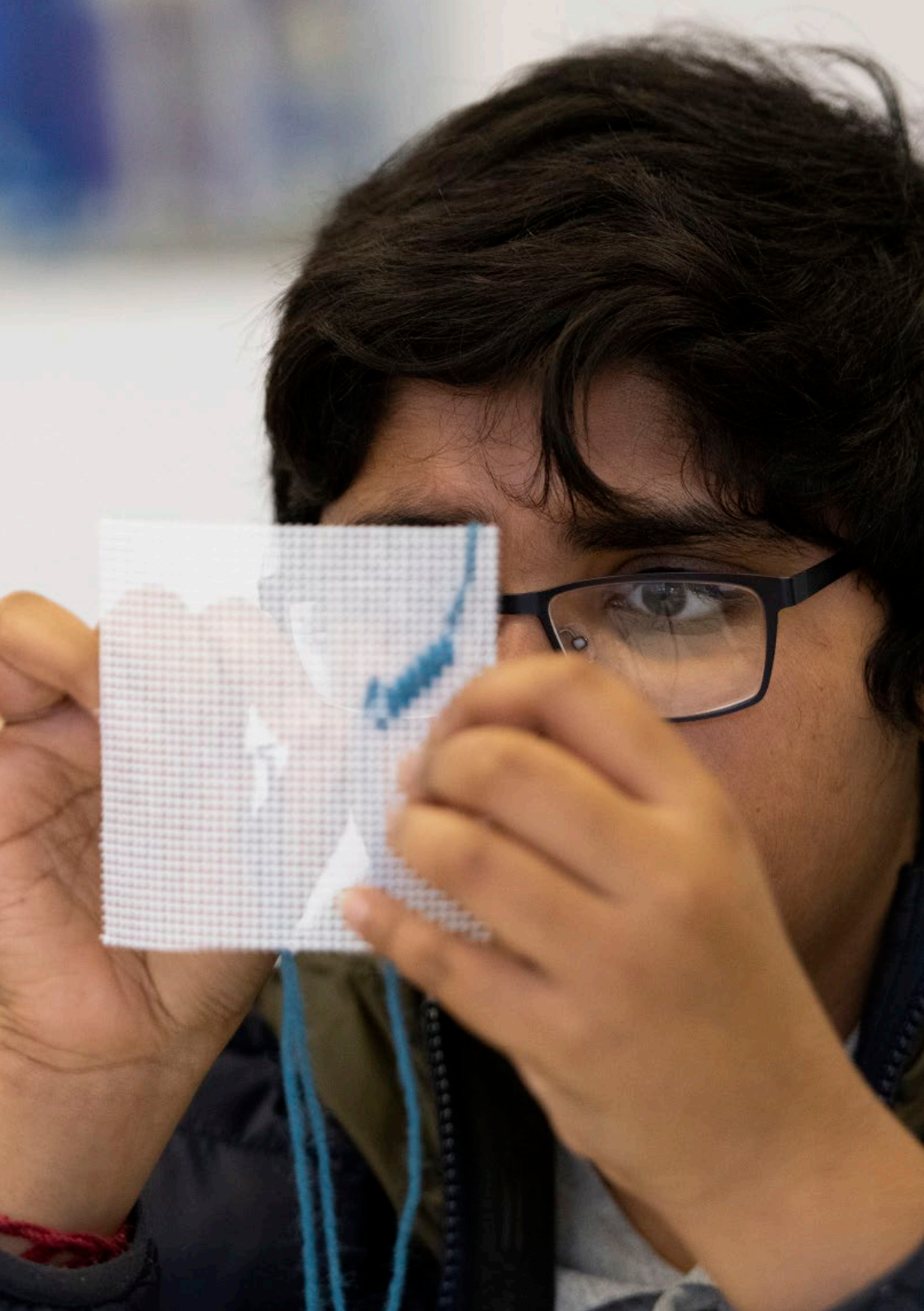


Photo by David Mirzoeff

## URBAN VOICES

Urban Voices is a leading SPACE project that supports 11-16 year olds in Pupil Referral Units (PRUs) who have been excluded from mainstream education. The artist-led project aims to provide these young people with a platform to feel inspired, explore their thoughts and feelings through art, while also developing technical and social skills and finding their public voice within the community.

In 2021/22 SPACE delivered two projects, in partnership with Hackney PRU at New Regent's College, with the support of Ironmongers, and LEAP in Bow supported by Action for Bow.

## OPEN STUDIOS

Due to the pandemic-related restrictions, there were no Open Studio events this year in any of our buildings.

# Key Policies

## EQUALITY, DIVERSITY & INCLUSION

SPACE is committed to promoting diversity, inclusion and equality of access and opportunity to all staff, artists, suppliers, participants and partners – from all backgrounds and all sectors of society – ensuring they are part of our community, valued for their contribution and are able to flourish and succeed. We aim to identify barriers to progress, tackle inequality and act to address underrepresentation of diversity in governance, employment, our support for artists, widening participation and developing audiences.

Our full Equality, Diversity and Inclusion Policy is [available online](#).

## SUSTAINABILITY & ENVIRONMENT

SPACE has a genuine concern for the environment, and we recognise that climate change is one of the defining global challenges of our time. We therefore firmly believe that embracing green best practices is our social and moral responsibility. We strive to continually assess and reduce our overall environmental impact and are committed to making environmental responsibility an integral part of our operations and activities, while maintaining long-term affordability for artists.

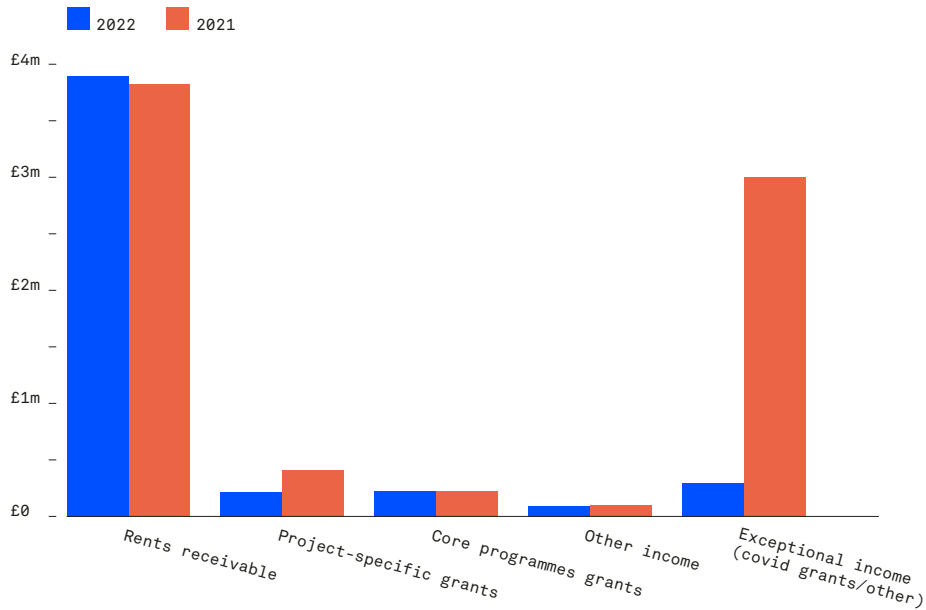
Our full Sustainability & Environmental Policy is [available online](#).



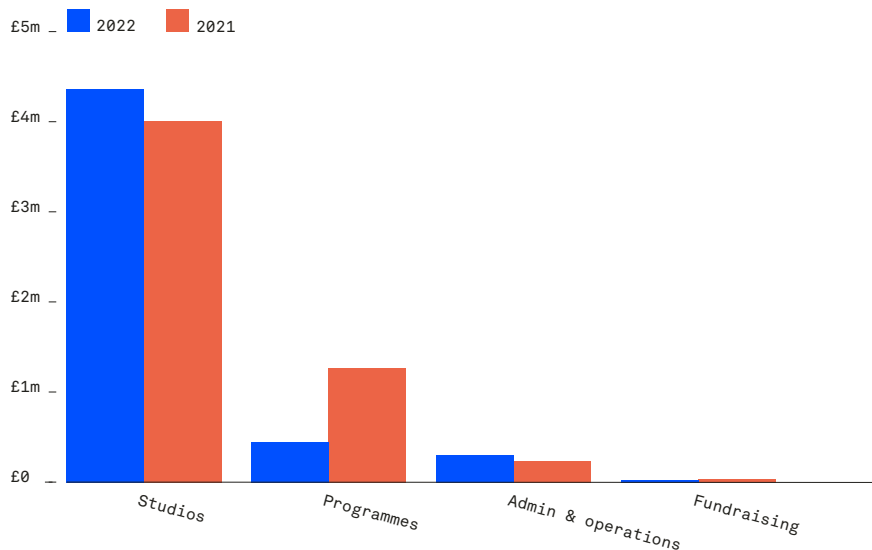
Sam Winston, *Following the Breath*, Barbican Conservatory, 2022

# Financial Review

## Analysis of income for 2021-2022



## Analysis of expenditure for 2021-2022



### Income/expenditure

This was an exceptional funding year due to Arts Council England’s COVID-related Culture Recovery Fund-2, which we passed on in full to our studio artists in the form of individual hardship rent relief. In addition, in light of the pandemic, we agreed a second year of rent freeze for all studio artists, which curtailed our rental income by an estimated **4%**.

Income from studios represented **83%** of SPACE’s revenue, with occupancy in the studios continuing at over **95%**. Grants represented **9%** of income while exceptional income and other income represented **8%**.

In addition to grants received which were restricted to specific projects, Arts Council England continued to recognise the work of SPACE by providing National Portfolio core funding totalling **£225,291** towards our programme.

The charity incurred a loss of **£396,387** for the year. Given the stringent times resulting from COVID, and with the exceptional grants, we were pleased to be able to curb our losses while offering our artists not inconsiderable support in line with our charitable aims. Despite this deficit, we are able to continue with the essential programme of maintenance and upgrades on our current portfolio and build a fund for future developments which are recognised in our three-year plan as essential to our sustainability.

## Income/expenditure snapshot

Income	2022 (£)	2021 (£)	+/-
Rents receivable	3,910,867	3,844,172	2%
Project-specific grants	213,763	393,921	-46%
Core programmes grants	226,208	225,292	0%
Other income	104,322	105,862	-1%
Exceptional restricted Covid grants	294,000	588,278	-50%
Exceptional unrestricted Covid grants	n/a	791,315	-
Exceptional income	n/a	1,658,404	-
<b>Total income</b>	<b>4,749,160</b>	<b>7,607,244</b>	<b>-</b>
Expenditure	2022 (£)	2021 (£)	+/-
Studios	4,366,533	4,007,059	9%
Programmes	451,399	1,265,971	-64%
Admin & operational costs	303,942	235,746	29%
Fundraising	23,673	39,275	-40%
<b>Total expenditure</b>	<b>5,145,547</b>	<b>5,548,051</b>	<b>-</b>

## Reserves Policy

SPACE held total unrestricted funds of **£7,134,376** as at 31 March 2022. Within the total unrestricted funds, **£2,924,826** has been set aside as funds tied up in the buildings while a further **£1,650,000** has been designated, to be utilised in potential new freehold acquisition or long leasehold developments requiring significant investment. The unrestricted funds are net of significant provisions made in the account to cover potential essential upgrades and repair works needed to meet obligations under Health and Safety legislation; and potential dilapidations responsibilities under current property leases. These address our minimum obligations as a landlord, whilst ensuring that we keep rents to artists as low as possible.

To ensure resilience, the trustees have set a minimum free reserve target of three months' worth of total operating costs, being the appropriate level necessary for the charity to continue its normal activities in the event of a significant drop in income. On the basis of past and current costs data, the required minimum target range

is **£1,100,000** to **£1,300,000**, with actual free reserve position being **£1,631,900** at 31 March 2022. While the current level of free reserves is above the target level, the excess is being used to cover planned deficits in the short term.

The trustees consider that SPACE is a going concern, based on having a robust business plan in place, excellent management ensuring the studios occupancy levels remain high, and that debtors and creditors are effectively handled. The cash flow, monthly management accounts, up to date and review of studio occupancy levels are monitored on a monthly basis by senior management and trustees and swift action taken if there are major concerns.

We are satisfied that SPACE has sufficient reserves in place to withstand any challenges in the year ahead.

## Investment Policy

The charity's investments are managed in accordance with its governing document, having regard to the Trustee Act 2000. Funds not immediately required for the activities of the charity were held in low risk cash deposits throughout the year.

## Fundraising

Fundraising, development and partnership working make a vital contribution to our income and impact. As an Arts Council National Portfolio Organisation we deliver place-based projects with our partners in Camden (Arlington), Colchester and Redbridge.

Our dedicated Patrons and Friends support a bursary studio for recent graduates in Ilford, and we are very grateful for their generosity.

We have complied throughout the year with industry fundraising standards. Fundraising activities were monitored at monthly senior management meetings and quarterly trustee meetings. No fundraising complaints have been received.



Layla Curtis, United Kingdom + European Union, collage, 2021

# Future Plans

## KEEPING ARTISTS IN THE CITY

A key priority is to maintain a resilient portfolio of freehold and long leasehold property for affordable studios to underpin our support for artist production and public benefit in perpetuity. For this purpose we are building up funds for new property acquisition, while continuing to explore partnerships on properties that offer added value with local authorities, developers, and other partners.

We will continue our rolling maintenance programme on our studio sites and upgrade wherever resources permit to reduce our environmental impact.

## HARNESSING A COLLECTIVE VOICE

Together with Second Floor Studios & Arts and Artists Studio Company (ASC), SPACE is one of the founding members of the London Affordable Artist Studio Network (LAASN). With experience spanning over half a century, LAASN members currently collectively represent 1 million square foot of studio space, hosting 1 in 3 artists in London. We share best practice, define affordability, and, harnessing our collective voice, we advocate for artists' economic and cultural contribution to the city's ecology, to protect the territory for artists to operate.



Nevina Williams in her Colchester studio

## SUPPORTING ASPIRATIONS AND RESILIENCE

We aim to continue to provide space, resources and platforms for professional visual artists to develop their creative practice and build resilience. This has become particularly pressing in the aftermath of Covid-19 and in light of the current economic climate. We will continue with SPACE Advice Bureau, our artist support programme, and are actively looking for new partnership opportunities once the London Creative Network comes to an end next year.

## A HOLISTIC APPROACH

Since reopening our public site at SPACE Ilford, once Covid-19 restrictions were eased, we are steadily building a trusted local audience for what we are programming, led by the needs of our community. We take time to reflect, and adapt where we can improve, in order to create a unique public programme which is built with and embraced by our new audiences and fully reflects Ilford's diversity.

In addition, we are continuing our highly valued place-based partnerships in Arlington and Colchester, and will build on the successful delivery of Urban Voices and expand its reach to more young people around London.



Lunga Microcask (spook mutator dub), 2021

# Structure, Governance and Management

Art Services Grants Limited (t/a SPACE) was set up in 1968. In 1974 it was formally registered as a charity and incorporated as a company limited by guarantee, which does not have a share capital. The company is established under a memorandum of association and is governed by its articles of association.

The members of SPACE are:

- trustees
- any studio licence holder (excluding any sub-licensee)
- any salaried employee who has successfully completed their probation period, and any person who has been employed by the charity on a contract of at least three months.

The trustees are the directors of the company. They do not have any financial interest in the company nor are there any significant contracts in which any trustee has a material interest.

## Organisational Structure and Board of Trustees

The charity is managed by the Board of Trustees who may serve up to six years retiring for re-election on a triennial basis. Trustees may co-opt further advisors. The trustees are responsible for the strategic direction and policy of the charity, and meet quarterly. The trustees appoint the Chief Executive to whom the day to day running of the charity is devolved.

The Board has had a full complement of trustees throughout the year. New trustees are appointed based on a regular skills audit of key competencies required by the trustee board. New trustees meet with the Chair, Chief Executive and other key staff as part of an induction process, and are provided with a full induction pack covering constitutional, policy and financial background, and trustee responsibilities. Ongoing training is provided to trustees throughout the year.

During the year, the Property Working Group supported the Board of Trustees, addressing in particular how to increase the number of studios (location, type, tenure etc.) and to improve the sustainability of SPACE through long leasehold or freehold purchases. The Property Working Group includes co-opted experts and reports to the trustee board. The trustees are grateful for generous support from its Property Working Group members: Alan Leibowitz (Chair), Claire Bennie, Chris Currell (Trustee), Rory Brooke, Selina Mason, and Toni Lodeiro. We also thank our property advisors at Dalton Warner Davis, who acted on our behalf throughout the year.

SPACE has an Equality, Diversity and Inclusion Advisory Group to oversee diversity across the organisation. We developed a diversity strategy and action plan with a staff team headed by the appointed trustee to guide the change process. We had a particular emphasis on engaging women and BAME artists, as well as focusing on dyslexia support.

Additional expert committees that advise the Board of Trustees include the Finance and Remuneration committee responsible for approving salaries and the annual financial audit.

### Remuneration Policy

When setting remuneration for its staff, SPACE takes account of market rates and other relevant data relating to charities of a similar size, operational activity and workplace location. The remuneration of the Senior Management Team is the responsibility of the trustees and is set in the light of the skills and competencies required for particular roles and within the constraints of affordability.

### Risk Management

Risk management takes place at all levels. Operational risks are passed up for review and approval; organisation level risks are communicated down. Risk is addressed in the appraisal stages of project development. Each staff member and SPACE trustee is responsible for managing risks. SPACE acknowledges the need to tolerate a level of risk, with risks clearly identified in financial and artistic programme planning, with practices in place to manage them. Our core mission of providing for artists' production needs drives our risk profile in a cost-effective and artist-focused way. Additional programmes are provided as and when funds are available and when they enhance the organisation's mission strategically.

SPACE has a business continuity plan to cover all potential operational considerations, and an annual review of priorities ensures we meet objectives effectively. SPACE evaluates and responds to risk at regular internal meetings including at monthly studios management meetings, and maintains a risk register which is reviewed by trustees every quarter.



## Current Key Risks and Uncertainties

- Increase in studio costs threatening affordability of studios;
- Reduced operating margins within the existing property portfolio due to substantial inflationary cost and energy price increases;
- Threat to programmes fundraising resulting from fundraising uncertainty, pressure on funding bodies, the end of EU funding, and change of funding priorities;
- Impact of inflationary environment and energy price rises on tenants' ability to meet their rent obligations, potentially leading to voids, increased arrears and bad debts;
- Ability to meet potential lease-end dilapidation obligations at some of our larger properties;
- Loss of studio spaces when some of our larger leases end;
- Limited affordable long-term leaseholds and freeholds available to add to current portfolio;
- Not meeting MEES Minimum Energy Efficient Standards minimum requirements (e.g. EPC), resulting in loss of income due to inability to let space, and environmental risk;
- A renewed outbreak of Covid-19 or new variants thereof, and subsequent measures imposed by the authorities, could adversely affect our activities, our ability to meet funding commitments, results of operations and financial condition.

SPACE artist, Tony Hill, Orbul, 1970



# Statement of Trustee Responsibilities

The trustees (who are also directors of Art Services Grants 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).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

## Small Companies' Regime

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

## Auditors

Haysmacintyre LLP were the appointed auditors during the year and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Trustees' Report has been approved by the Board of Trustees on 22 November 2022 and is signed on behalf of the Board by the Chair.



**Chair:** Caroline Cole



## Opinion

We have audited the consolidated financial statements of Art Services Grants Limited for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 March 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 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' Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' 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' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company 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 trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 48, 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 is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety requirements, GDPR, employment law, company and charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Companies Act 2006 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at [frc.org.uk/auditorsresponsibilities](https://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.

**Date:** 22 November 2022



**Richard Weaver** (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditor  
10 Queen Street Place, London, EC4R 1AG



Performances in Bob Lanz studio as part of the Dairy Festival, 1974

# Art Services Grants Limited (SPACE)

# Financial Statements for the year ended 31 March 2022

The financial statements comply with current statutory requirements, the memorandum and articles of association and Accounting and Reporting by Charities: Statement of Recommended Practice Accounting applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Ireland (the FRS 102 Charities SORP published on July 2014).

## Statement of Financial Activities for the year ended 31 March 2022

	Unrestricted revenue funds (£)	Restricted revenue funds (£)	Restricted capital funds (£)	Total 2022 (£)	Total 2021 (£)
<b>Income from</b>					
Donations <sup>2</sup>	6,660	-	-	6,660	6,800
Investments <sup>3</sup>	4,121	-	-	4,121	6,516
Charitable activities <sup>4</sup>	4,377,074	267,764	-	4,644,838	5,842,978
Other trading activities <sup>5</sup>	20,992	72,549	-	93,541	1,750,950
<b>Total income</b>	<b>4,408,847</b>	<b>340,313</b>	<b>-</b>	<b>4,749,160</b>	<b>7,607,244</b>
<b>Expenditure on</b>					
Hires and Fundraising <sup>6</sup>	26,155	-	-	26,155	41,717
Charitable activities <sup>6</sup>	4,581,273	389,456	148,663	5,119,392	5,506,333
<b>Total expenditure</b>	<b>4,607,428</b>	<b>389,456</b>	<b>148,663</b>	<b>5,145,547</b>	<b>5,548,050</b>
<b>Net income/(expenditure)</b>	<b>(198,581)</b>	<b>(49,143)</b>	<b>(148,663)</b>	<b>(396,387)</b>	<b>2,059,194</b>
Transfer between funds <sup>15</sup>	(61,537)	61,537	-	-	-
<b>Net movement in funds</b>	<b>(260,118)</b>	<b>12,394</b>	<b>(148,663)</b>	<b>(396,387)</b>	<b>2,059,194</b>
<b>Fund balances at 01 April 2021</b>	<b>7,394,494</b>	<b>(5,628)</b>	<b>1,137,571</b>	<b>8,526,437</b>	<b>6,467,243</b>
<b>Fund balances at 31 March 2022<sup>15</sup></b>	<b>7,134,376</b>	<b>6,766</b>	<b>988,908</b>	<b>8,130,050</b>	<b>8,526,437</b>

There were no other recognised gains or losses during the two financial years.

Within total funds, the amount tied up in artists' studios and other operational buildings, after deducting loan financing, is £3,954,883 within general funds and £988,908 within restricted funds.

The notes on pages 63–79 form part of these financial statements.

## Balance Sheet as at 31 March 2022

	2022 (£)	2022 (£)	2021 (£)	2021 (£)
<b>Fixed Assets</b>				
Tangible assets <sup>10</sup>		7,879,813		8,187,773
<b>Current Assets</b>				
Debtors <sup>11</sup>		902,919		1,015,588
Cash on short term deposit at bank and in hand		5,464,578		5,371,605
<b>Subtotal</b>		<b>6,367,497</b>		<b>6,387,193</b>
<b>Creditors:</b> amounts falling due within one year <sup>12</sup>		<b>(3,181,238)</b>		<b>(2,985,098)</b>
Net Current Assets		3,186,259		3,402,095
<b>Total Assets Less Current Liabilities</b>		<b>11,066,072</b>		<b>11,589,868</b>
<b>Creditors:</b> amounts falling due after more than one year <sup>13</sup>		<b>(2,936,022)</b>		<b>(3,063,431)</b>
<b>Total Net Assets</b>		<b>8,130,050</b>		<b>8,526,437</b>
<b>Funds</b>				
Unrestricted Funds <sup>15</sup>		6,104,319		6,336,936
Revaluation Reserve <sup>15</sup>		1,030,057		1,057,558
Restricted Funds <sup>15</sup>		995,674		1,131,943
<b>Total Funds</b>		<b>8,130,050</b>		<b>8,526,437</b>

Approved by the Board of Directors and authorised for issue  
on 22 November 2022, and signed on their behalf by the Chair.



Chair: Caroline Cole  
Registered Company No. 1157240



## Statement of Cash Flows for the year ended 31 March 2022

	2022 (£)	2021 (£)
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
<b>Net income/ (expenditure) (as per the statement of financial activities)</b> <sup>SOFA</sup>	(396,387)	2,059,193
Adjustments for:		
Depreciation charges <sup>10</sup>	574,521	537,196
Investment income	(4,121)	(6,516)
Interest cost	90,972	92,256
(Increase)/decrease in debtors <sup>11</sup>	112,669	(59,268)
Increase in creditors <sup>12</sup>	201,584	885,859
<b>Net cash provided by operating activities</b>	579,238	3,508,720
<b>Cash flows from investing activities</b>		
Interest income	4,121	6,516
Purchase of property, plant and equipment <sup>10</sup>	(266,561)	(206,760)
<b>Net cash used in investing activities</b>	(262,440)	(200,244)
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(132,853)	-
Interest cost	(90,972)	(92,256)
<b>Net cash used in investing activities</b>	(223,825)	(92,256)
Change in cash and cash equivalents in the reporting period	92,973	3,216,220
Cash and cash equivalents at the beginning of the reporting period	5,371,605	2,155,385
<b>Cash and cash equivalents at the end of the reporting period</b>	5,464,578	5,371,605
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	5,464,578	5,371,605
<b>Total cash and cash equivalents</b>	5,464,578	5,371,605

## Notes to the Financial Statements for the year ended 31 March 2022

### 1. Accounting policies

**a) Accounting convention, basis of preparation:** the financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

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

**b) Going concern basis:** the trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have carefully reviewed the charity's strategy and its accompanying budgets and cash flow projections and are confident of its ability to generate future surpluses and sufficient cash flow for operational sustainability. Taking this into account together with the level of cash currently held, the trustees have therefore concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The financial impact of COVID-19 on the artists and the resulting uncertainty about SPACE's finances was managed by granting further relief, partly funded through Arts Council England grants and SPACE's reserves. Although such measures have contributed to the year's deficit, it has prevented the wholesale loss of tenants and the ripple effects it would have had on SPACE's operation. While the rising cost of living for our artists is considered a challenge, SPACE has sufficient reserves to mitigate any potential impacts in the short to medium term.

**c) Fixed assets:** all fixed assets, except Deborah House freehold property which has been stated at revalued amount, are recorded at cost. Amounts incurred on capital items over £500 are capitalised.

Depreciation rates and possible impairment are reviewed on an annual basis. Tangible fixed assets are depreciated at annual rates to write off the cost of the assets over their estimated useful lives using the following methods and rates:

	% per annum	Method
Equipment	33%	Straight line
Motor vehicle	25%	Straight line
Computer software	50%	Straight line
Freehold buildings	4%	Straight line

Depreciation for development costs relating to leasehold buildings is on straightline basis over the remaining lease period.

Major external paintings required by leasehold contract are treated as dilapidation costs, capitalised and depreciated between 5-7 years, depending on the painting cycles as stipulated in the leasehold contract.

**d) Incoming resources:** rental income and donations are recognised when there is evidence of entitlement, the receipt is probable and the amount can be measured reliably. Grants, where entitlement is conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

**e) Expenditure and its basis of allocation:** all expenditure is dealt with on the accruals basis and includes value added tax where appropriate. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes direct costs of activities and those costs of an indirect nature necessary to support those activities, allocated between expenditure categories on an appropriate basis.

Support costs have been allocated to activities on the basis of time spent for staff costs, floor area for property costs and activity levels for all other costs, in accordance with the Statement of Recommended Practice.

Fundraising costs incurred are comprised of costs of generating income from donations and legacies, short term hire of spaces and marketing and publicity.

Governance costs which are included within support costs are those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

**f) Dilapidation costs:** a provision is made in the accounts for dilapidation costs of leased properties with funds designated to this aim. Such costs are arrived at based on yearly internal assessment of probability of costs materialising at the balance sheet date.

**g) Operating leases:** all payments under operating leases are charged to the statement of financial activities in the year in which they fall due.

**h) Pension policy:** the company provides a defined contribution pension scheme for its employees and contributions payable for the year are charged to the Statement of Financial Activities as incurred.

**i) Fund accounting:** the unrestricted funds are rent and other income receivable or generated for the objectives of the charity without further specified purpose, and are available as general funds.

The restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

**j) Critical accounting estimates and areas of judgement:** in preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have the most significant effect on amounts recognised in the financial statements.

The annual depreciation charge for property, plant and equipment is sensitive to change in useful economic life and residual values of assets. These are reassessed annually and an impairment review is performed.

Within the creditors balance are estimates of provisions for potential future expenditure on properties. These judgements are based on the likelihood of such expenditure occurring.

**k) Employee benefits:** the costs of short-term employee benefits are recognised as a liability and an expense.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **l) Financial instruments:**

**1) Cash and cash equivalents:** cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

**2) Basic financial instruments:** the charity only holds basic financial instruments as defined by FRS 102. Financial instruments receivable or payable within one year of the reporting date are carried at their at transaction price and subsequently at amortised cost.

	Unrestricted funds (£)	Restricted funds (£)	Total (£)
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## 2. Income from donations

### Year to 31 March 2022

Donations	6,660	-	6,660
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### Year to 31 March 2021

Donations	6,800	-	6,800
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## 3. Income from investments

### Year to 31 March 2022

Bank interest	4,121	-	4,121
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### Year to 31 March 2021

Bank interest	6,516	-	6,516
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## 4.(a) Income from charitable activities

### Year to 31 March 2022

Grants (4b)	226,208	507,763	733,971
Rental income	3,910,867	-	3,910,867
<b>Total</b>	<b>4,137,075</b>	<b>507,763</b>	<b>4,644,838</b>

## 4.(b) Grants

### Year to 31 March 2022

ACE: NPO core funding programme	225,291	-	225,291
ACE: Cultural Recovery Fund	-	294,000	294,000
Action for Bow	-	11,120	11,120
Institute of Contemporary Arts	-	20,000	20,000
Mercers Philanthropy	-	15,538	15,538
European Regional Development Fund	-	139,862	139,862
Other (individual grants less than £10,000)	917	27,243	28,160
<b>Total</b>	<b>226,208</b>	<b>507,763</b>	<b>733,971</b>

ACE = Arts Council England

	Unrestricted funds (£)	Restricted funds (£)	Total (£)
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## 4.(c) Income from charitable activities

### Year to 31 March 2021

Grants 4 (d)	1,016,607	982,198	1,998,805
Rental income	3,844,172	-	3,844,172
<b>Total</b>	<b>4,860,779</b>	<b>982,198</b>	<b>5,842,977</b>

## 4.(d) Grants

### Year to 31 March 2021

ACE: NPO core funding programme	225,292	-	225,292
ACE: Emergency Funding	565,000	-	565,000
ACE: Cultural Recovery Fund	-	588,278	588,278
Academy of Fine Arts, Helsinki	-	10,000	10,000
COVID-19 Job Retention Scheme	73,715	-	73,715
COVID-19 Response: Retail, Hospitality & Leisure Grant	25,000	-	25,000
European Regional Development Fund	-	121,284	121,284
GLA: Creative Workspace Resilience Fund	127,600	-	127,600
Thurrock Council (ERDF)	-	257,937	257,937
Other (individual grants less than £10,000)	-	4,700	4,700
<b>Total</b>	<b>1,016,607</b>	<b>982,199</b>	<b>1,998,806</b>

	Unrestricted funds (£)	Restricted funds (£)	Total (£)
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## 5. Other trading activities

### Year to 31 March 2022

Management fees	-	50,808	50,808
Other income:			
Venue hire	13,573	-	13,573
Bursary studios	-	5,500	5,500
Other	7,418	16,242	23,660
<b>Total</b>	<b>20,991</b>	<b>72,550</b>	<b>93,541</b>

### Year to 31 March 2021

Management fees	-	43,481	43,481
Other income:			
Venue hire	9,858	-	9,858
Bursary studios	-	5,000	5,000
Transaction settlement	1,658,404	-	1,658,404
Other	14,387	19,820	34,207
<b>Total</b>	<b>1,682,649</b>	<b>68,301</b>	<b>1,750,950</b>

	Studio costs (£)	Programme costs (£)	Costs of generating funds (£)	Support costs (£)	Total (£)
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## 6. Total resources expended

### Year to 31 March 2022

Staff costs (see note 8)	318,138	307,051	8,510	163,640	797,339
Other staff related costs	7,748	6,395	-	27,032	41,175
Rent, rates, maintenance & other property costs	3,143,160	11,718	-	20,395	3,175,273
General office expenses	79,921	2,313	-	10,467	92,701
Publicity & marketing	-	7,558	12,940	-	20,498
Print, post, stationery	81	1,217	-	2,627	3,925
Information systems & equipment	1,308	5,907	2,004	45,306	54,525
Bad debts	1,631	-	-	-	1,631
Legal & professional	150,733	4,920	-	-	155,653
Depreciation	566,470	-	-	8,051	574,521
Bank charges & interest	86,399	149	-	4,424	90,972
Other programmes costs	10,944	104,171	219	1,567	116,901
Governance costs	-	-	-	20,433	20,433
	4,366,533	451,399	23,673	303,942	5,145,547
Allocation of support costs	266,968	34,492	2,482	(303,942)	-
<b>Total</b>	<b>4,633,501</b>	<b>485,891</b>	<b>26,155</b>	<b>-</b>	<b>5,145,547</b>

Expenditure in total was £5,145,547 (2021: £5,548,050) of which £4,607,428 was unrestricted (2021: £4,247,243) and £538,119 was restricted (2021: £1,300,807).

	Studio costs (£)	Programme costs (£)	Costs of generating funds (£)	Support costs (£)	Total (£)
<b>6. Total resources expended (contd.)</b>					
<b>Year to 31 March 2021</b>					
Staff costs (see note 8)	276,635	409,637	20,204	133,530	840,006
Other staff related costs	17,971	16,769	731	9,199	44,670
Rent, rates, maintenance & other property costs	2,989,009	319,357	-	6,506	3,314,872
General office expenses	76,213	3,958	-	5,816	85,987
Publicity & marketing	18	69,035	6,026	-	75,079
Print, post, stationery	343	319	8	1,717	2,387
Information systems & equipment	2,161	13,111	1,860	48,807	65,939
Bad debts	8,117	-	-	-	8,117
Legal & professional	11,314	27,568	-	713	39,595
Depreciation	528,965	-	-	8,232	537,197
Bank charges & interest	88,030	210	-	4,016	92,256
Other programmes costs	8,283	406,007	10,446	376	425,112
Governance costs	-	-	-	16,833	16,833
	4,007,059	1,265,971	39,275	235,745	5,548,050
Allocation of support costs	175,083	58,220	2,442	(235,745)	-
<b>Total</b>	<b>4,182,142</b>	<b>1,324,191</b>	<b>41,717</b>	<b>-</b>	<b>5,548,050</b>

## 7. Net incoming resources

Net incoming resources stated after charging:

Auditors' remuneration	15,000	15,000
Depreciation	574,521	537,196
Rentals paid under operating leases – property	1,928,959	1,764,316

## 8. Staff costs

Wages and salaries	701,404	741,791
Pensions	28,411	29,958
Social security costs	67,524	68,257
<b>Total</b>	<b>797,339</b>	<b>840,006</b>

There were no employees during the year whose emoluments, excluding pension costs, exceeded £60,000 (2021: 0)

No emoluments or expenses were paid to the trustee directors during the year (2021: 0). There was no staff redundancy cost during the year (2021: £13,575)

The average weekly number of employees during the year was:

	No.	No.
Studios	8	9
Programmes	10	11
Cost of generating funds	2	2
Support	4	4
<b>Total</b>	<b>24</b>	<b>26</b>

## Key management personnel:

Key management personnel include the Trustees, Chief Executive and senior management reporting directly to the Chief Executive, including Finance Director, Properties Director, Studios Director, Operations Director, Strategic Development Director and Communications Director. The total employee benefits, including pension costs, of the charity's key management personnel were £320,675 (2021: £341,345).

## 9. Taxation

The company was registered as a charity in February 1974 and consequently no corporation tax is payable on the results for the year.

	Freehold properties (£)	Leasehold properties (£)	Office equipment (£)	Motor vehicles (£)	Total (£)
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## 10. Tangible fixed assets

### Costs:

At 1 April 2021	9,135,878	3,634,338	182,041	12,000	12,964,257
Additions	106,989	149,001	6,964	3,607	266,561
Disposals	-	-	-	-	-
at 31 March 2022	9,242,867	3,783,339	189,005	15,607	13,230,818

### Depreciation:

at 1 April 2021	2,123,871	2,476,227	171,286	5,100	4,776,484
Charge for year	271,993	290,796	8,530	3,202	574,521
Disposals	-	-	-	-	-
at 31 March 2022	2,395,864	2,767,023	179,816	8,302	5,351,005

### Net book value:

<b>As at 31 March 2022</b>	6,847,003	1,016,316	9,189	7,305	7,879,813
as at 31 March 2021	7,012,007	1,158,111	10,755	6,900	8,187,773

The Mayor and Burgesses of The London Borough of Hackney hold a fixed charge over certain leasehold buildings. Arts Council England holds a fixed charge over our freehold properties and a floating charge over the Charity assets and undertakings.

## 11. Debtors

	2022 (£)	2021 (£)
Rental debtors (including electricity costs recharged to tenants)	136,013	154,126
Other debtors	21,450	42,978
Prepayments	456,339	509,217
Accrued income	289,117	309,267
<b>Total</b>	<b>902,919</b>	<b>1,015,588</b>

## 12. Creditors: amounts falling due within one year

Tenant deposits held on account	121,550	120,026
Rental creditors	116,230	124,028
Other taxes and social security costs	23,013	21,859
Bank loan	127,407	132,851
Trade creditors	410,637	370,584
Other creditors	9,637	16,250
Accruals and deferred income	2,372,764	2,199,500
<b>Total</b>	<b>3,181,238</b>	<b>2,985,098</b>

### Analysis of deferred income:

Balance as at 1 April 2021	45,360	13,464
Amount received in the year	25,338	33,072
Amount released in the year	33,141	1,176
<b>Balance as at 31 March 2022</b>	<b>37,557</b>	<b>45,360</b>

## 13. Creditors: falling due after one year

Bank loans		
Amounts falling due:		
Between one to two years	129,278	136,551
Between two to five years	405,924	432,896
Over five years	2,400,820	2,493,984
<b>Total</b>	<b>2,936,022</b>	<b>3,063,431</b>

The long term creditors relate to mortgages used to fund the purchase of artists studios and improvements to existing artist studios, programme space and office buildings.

The bank loans are secured by fixed charges over the related freehold properties. Triodos Bank also holds various fixed and floating charges over the Charity assets and undertakings. The loans are repayable under various terms of length. Interest is charged at the rate of 2% p.a. above the prevailing base rate.

## 14. Share capital

The company is limited by guarantee and has no share capital. Under the terms of clause 9 of the Memorandum of Association, every member is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up during the time that he or she is a member or for one year thereafter.

	At 01 Apr 2021 (£)	Incoming resources (£)	Resources expended (£)	Transfers (£)	Total at 31 Mar 2022 (£)
<b>15. Reserves</b>					
Year to 31 March 2022					
<b>Unrestricted Funds</b>					
General reserve	1,865,571	4,408,847	(4,607,428)	(162,497)	1,504,493
<b>Designated funds:</b>					
1. property funds for assets funded internally	2,796,365	-	-	128,461	2,924,826
2. Building acquisition/development fund	1,650,000	-	-	-	1,650,000
3. Designated programmes budget	25,000	-	-	-	25,000
4. Revaluation reserve	1,057,558	-	-	(27,501)	1,030,057
<b>Total unrestricted funds</b>	<b>7,394,494</b>	<b>4,408,847</b>	<b>(4,607,428)</b>	<b>(61,537)</b>	<b>7,134,376</b>
<b>Restricted Funds:</b>					
5. Restricted programme funds — LCN project	-	190,954	(243,941)	52,987	-
6. Restricted programme funds — other	(5,628)	149,359	(145,515)	8,550	6,766
<b>Total restricted programme funds</b>	<b>(5,628)</b>	<b>340,313</b>	<b>(389,456)</b>	<b>61,537</b>	<b>6,766</b>
<b>7. Restricted property funds</b>					
Redbridge Town Hall	37,134	-	(13,764)	-	23,370
ACE Capital Works fund	648,183	-	(47,363)	-	600,820
Triangle fund	327,653	-	(65,531)	-	262,122
Sarah Lane fund	13,757	-	(13,757)	-	-
Bridget Riley Studios fund	3,144	-	(1,048)	-	2,096
Haymerle Road fund	107,700	-	(7,200)	-	100,500
<b>Total restricted property funds</b>	<b>1,137,571</b>	<b>-</b>	<b>(148,663)</b>	<b>-</b>	<b>988,908</b>
<b>Total restricted funds</b>	<b>1,131,943</b>	<b>340,313</b>	<b>(538,119)</b>	<b>61,537</b>	<b>995,674</b>
<b>Total funds</b>	<b>8,526,437</b>	<b>4,749,160</b>	<b>(5,145,547)</b>	<b>-</b>	<b>8,130,050</b>

	At 01 Apr 2020 (£)	Incoming resources (£)	Resources expended (£)	Transfers (£)	Total at 31 Mar 2021 (£)
<b>15. Reserves</b>					
Year to 31 March 2021					
<b>Unrestricted Funds</b>					
General reserve	1,115,979	6,556,744	(4,247,243)	(1,559,909)	1,865,571
<b>Designated funds:</b>					
1. property funds for assets funded internally	2,974,452	-	-	(178,087)	2,796,365
2. Building acquisition/development fund	-	-	-	1,650,000	1,650,000
3. Designated programmes budget	-	-	-	25,000	25,000
4. Revaluation reserve	1,085,059	-	-	(27,501)	1,057,558
<b>Total unrestricted funds</b>	<b>5,175,490</b>	<b>6,556,744</b>	<b>(4,247,243)</b>	<b>(90,497)</b>	<b>7,394,494</b>
<b>Restricted Funds:</b>					
5. Restricted programme funds — LCN project	-	164,775	(255,272)	90,497	-
6. Restricted programme funds — other	5,520	885,725	(896,873)	-	(5,628)
<b>Total restricted programme funds</b>	<b>5,520</b>	<b>1,050,500</b>	<b>(1,152,145)</b>	<b>90,497</b>	<b>(5,628)</b>
<b>7. Restricted property funds</b>					
Redbridge Town Hall	50,898	-	(13,764)	-	37,134
ACE Capital Works fund	695,546	-	(47,363)	-	648,183
Triangle fund	393,184	-	(65,531)	-	327,653
Sarah Lane fund	27,513	-	(13,756)	-	13,757
Bridget Riley Studios fund	4,192	-	(1,048)	-	3,144
Haymerle Road fund	114,900	-	(7,200)	-	107,700
<b>Total restricted property funds</b>	<b>1,286,233</b>	<b>-</b>	<b>(148,662)</b>	<b>-</b>	<b>1,137,571</b>
<b>Total restricted funds</b>	<b>1,291,753</b>	<b>1,050,500</b>	<b>(1,300,807)</b>	<b>90,497</b>	<b>1,131,943</b>
<b>Total funds</b>	<b>6,467,243</b>	<b>7,607,244</b>	<b>(5,548,050)</b>	<b>-</b>	<b>8,526,437</b>

For an explanation of these funds, see the narrative on the description to the funds on [p78](#)



## 15. Reserves (see previous spread)

- This relates to the NBV of fixed assets less restricted property funds and total outstanding balance of bank loan for freehold acquisition and re-fitting. Transfer from general reserve is to more accurately reflect the net book value of the buildings and the related mortgages.
- Settlement for a property transaction ring fenced for either future acquisition or redevelopment of existing freeholds.
- Covid-19 related grant from the government earmarked for Colchester programmes.
- Fund relates to the excess of market value over net book value of Deborah House freehold property. The transfer to general fund relates to the yearly amortisation.
- LCN project funds reflect expenditure incurred against grant funding received from The Greater London Authority in 2021-22. The transfer from general reserve is in line with matched funding agreement.
- Restricted programme funds of which grants are yet to be received albeit costs have been incurred in relation to undertaken activities as per terms of the funding agreement.
- Restricted property funds are held in respect of capital acquisition and development projects for studio properties which have been funded by restricted capital grants. The cost of such acquisitions/developments is depreciated over the useful life of the capitalised assets.

	General funds (£)	Designated funds (£)	Designated funds (£)	Total 2022 (£)
Fund balances at 31 March 2022 are represented by:				
Tangible fixed assets	902,650	5,988,255	988,908	7,879,813
Net current assets/liabilities	1,631,900	1,547,593	6,766	3,186,259
Long term liabilities	-	(2,936,022)	-	(2,936,022)
<b>Total net assets</b>	<b>2,534,550</b>	<b>4,599,826</b>	<b>995,674</b>	<b>8,130,050</b>

	General funds (£)	Designated funds (£)	Designated funds (£)	Total 2021 (£)
Fund balances at 31 March 2021 are represented by:				
Tangible fixed assets	1,057,555	5,992,647	1,137,571	8,187,773
Net current assets/liabilities	1,865,574	1,542,149	(5,628)	3,402,095
Long term liabilities	-	(3,063,431)	-	(3,063,431)
<b>Total net assets</b>	<b>2,923,129</b>	<b>4,471,365</b>	<b>1,131,943</b>	<b>8,526,437</b>

## 17. Contingent liabilities and other financial commitments

There were no contingent liabilities as at 31 March 2022 (2021:0). At 31 March, there were total commitments under non-cancellable operating leases as follows:

	2022 Equipment (£)	2021 Equipment (£)	2022 Land & buildings (£)	2021 Land & buildings (£)
<b>Operating leases which expire</b>				
Within one year	-	30,662	28,500	-
Between two to five years	-	-	5,307,277	7,007,031
Over five years	-	-	5,312,450	5,312,450
<b>Total</b>	<b>-</b>	<b>30,662</b>	<b>10,648,227</b>	<b>12,319,481</b>

## 18. Related party transactions

There were no related party transactions during the year 2022 (2021: £0).

## 19. Financial instruments

The financial statements include the following in respect of items held at amortised cost at 31 March:

Financial assets measured at amortised cost (trade and other debtors and accrued income)	446,580	506,371
Financial liabilities measured at amortised cost (trade and other creditors, accruals and bank loans)	785,461	763,739

# Reference & Administrative Details

**Company No.** 1157240  
**Registered Charity No.** 267021

**Board of Trustees** Phil Clark Treasurer  
Caroline Cole Chair  
Christopher Currell  
Mary Evans  
Dr Omar Kholeif  
Paulette Mizrahi  
Lise Molgaard Frandsen

**Chief Executive** Anna Harding (until August 2021)  
Eline van der Vlist (from January 2022)

**Secretary** Anna Harding / Eline van der Vlist

**Registered Office & Business Address** The Triangle, 129-131 Mare Street  
London E8 3RH

**Independent Auditors** Haysmacintyre LLP, 10 Queen Street Place  
London EC4R 1AG

**Solicitors** Clyde & Co Solicitors, The St Botolph Bldg  
138 Houndsditch, London EC3A 7AR

**Bankers** Natwest Bank Plc, 140 Victoria Street  
London SW1E 5LF

COIF Charities Deposit Fund, St Alphage House

2 Fore St, London EC2Y 5AQ  
Triodos Bank, Deanery Rd, Bristol BS1 5AS

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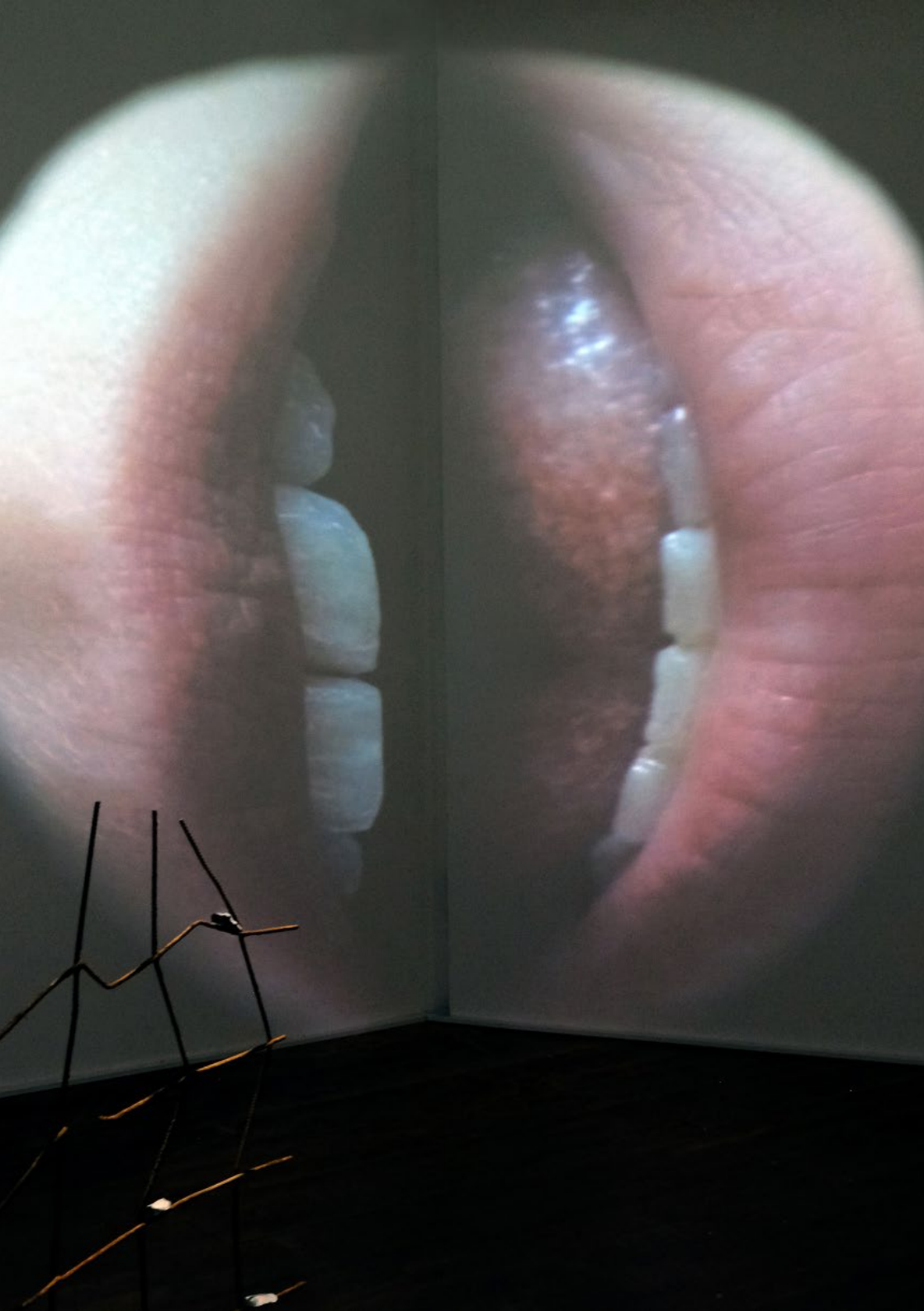
And those who wish to remain anonymous.

## Programme Supporters

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LEAP  
London Borough of Redbridge  
Saastamoinen Foundation  
Uniarts Helsinki's Academy of Fine Art  
The Valerie Beston Artists' Trust



Kate Fahy, *Mouthnotes*, installed at Pallas Projects Dublin, September 2022

## [ space ]

### **Registered Office**

129–131 Mare Street, Hackney  
London E8 3RH

### **SPACE Ilford**

Art Gallery & Event Space  
10 Oakfield Road  
(rear of Redbridge Town Hall)  
Ilford IG1 1ZJ

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