

acmestudios

SUPPORTING ART & ARTISTS SINCE 1972

# Annual Report and Accounts

Year ended 31 March 2011



Supported by  
**ARTS COUNCIL  
ENGLAND**

**NATIONAL  
HOUSING  
FEDERATION**





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# Company details

## **Acme Artists Studios Limited IP30662 R**

Registered under the Industrial and Provident Societies Act 1965 1 April 2009  
Governing document: Model Rules 1995  
Exempt charity: Charities Act 1960 2(g)

Acme Studios (established 9 November 1972) was for many years operating as a group consisting of three charitable industrial and provident societies, being Acme Housing Association Limited, Acme Artists Housing Association Limited and Acme Studios Housing Association Limited. The aims and objectives of the three associations were substantially the same. The associations amalgamated on 1 April 2009 to form Acme Artists Studios Limited under section 50 of the Industrial and Provident Societies Act 1965.

### **Registered office and business address**

44 Copperfield Road  
Bow  
London E3 4RR

## **Board**

Robert Barnes  
Sarah Davenport  
Naomi Dines  
Jonathan Harvey (*Company Secretary/  
Treasurer*)  
Henry Lydiate  
Richard Millward  
David Panton (*Chair*)  
Caroline Summerfield  
Trevor Sutton

The board members are the only shareholders of the company and a person cannot be a shareholder if they are not a board member and cannot be an employee except for those who were shareholders when the rules were registered. A shareholder shall cease to be a shareholder if they cease to be a board member.

The board has reviewed and published its policies, objectives and procedures for the recruitment and appointment of new board members, including defining the skills, qualities and experience required of board members.

## **Organisational structure, functions and obligations of the board**

The business of the company is directed by the board which determines the long-term objectives and strategies of the company consistent with its values, and charitable aims as defined by its governing document. It is responsible for ensuring that the functions of the company are properly performed in accordance with its objects and rules.

Day-to-day management of the company is delegated by the board to its executive officers, Jonathan Harvey (Chief Executive) and David Panton (Director Property Development), who are responsible for delivering the company's long-term objectives. The board is responsible for appointing the executive officers.

The board makes decisions on all matters that create significant financial risk or which affect material issues of principle. The board normally meets quarterly and at least three times in each calendar year. At each board meeting the officers submit a Directors' Report which covers all material activities and events since the previous meeting, together with up-to-date management accounts, for approval by the board.

The board is responsible for approving each year's accounts and report prior to publication and for approving each year's budget.

The major risks to which the company is exposed, as identified by the board, have been reviewed, and systems and procedures put in place to manage those risks.

## **Staff**

Jemima Brown (*Artists' Liaison Officer*)

Heather Deedman (*Senior Artists' Liaison Officer*)

Arantxa Echarte (*Knowledge Transfer Partnership Research and Development Associate – on secondment from University of the Arts London*)

Jack Fortescue (*Communications Officer*)

Jonathan Harvey (*Chief Executive*)

Calum F Kerr (*Artists' Liaison and Research Officer*)

Richard Kingsnorth (*Head of Finance and Resources*)

Roger Kite (*Senior Manager, Repairs and Maintenance*)

Julia Lancaster (*Residency and Projects Manager*)

John Lang (*Manager, Repairs and Maintenance*)

Ben Lawley (*Rent Manager*)

Lea O'Loughlin (*Manager, International Residencies Programme*)

David Panton (*Director Property Development*)

## **Bankers**

Lloyds Banking Group  
Education, Community & Government  
25 Gresham Street  
London EC2V 7HN

## **Solicitors**

Trowers & Hamlins  
Sceptre Court  
40 Tower Hill  
London EC3N 4DX

## **Auditors**

Alliotts  
Imperial House  
15 Kingsway  
London WC2B 6UN

# Summary of objectives and statement of values

## SUMMARY OF OBJECTIVES

**The principal aims of the charity are to carry on for the benefit of the public:**

*the business of providing housing, accommodation, and assistance to help house people and associated facilities and amenities for non-commercial fine artists and other persons in necessitous circumstances upon terms appropriate to their means;*

*the provision of studios and assistance to help the provision of studios for non-commercial fine artists in necessitous circumstances upon terms appropriate to their means;*

*and the advancement of the arts by the provision of bursaries and awards for non-commercial fine artists in necessitous circumstances to support their creative development*

## STATEMENT OF VALUES

### **Visual Culture**

We believe in the importance of visual culture to society, in freedom of expression and the independence of artists.

### **Inclusivity**

We promote equality of access in all aspects of our work – and treat all artists equally.

### **Integrity**

We are independent and not-for-profit. We strive for the highest standards in all we do.

### **Excellence**

We strive towards excellence to achieve best value and promote examples of innovation and best practice. We listen to artists and are flexible in response.

### **Security**

We plan and manage our work with care to create a secure and sustainable resource that enables artists to take risks.

### **Sustainability**

We strive to reduce the environmental impact of our operations and improve the efficiency and sustainability of all aspects of our work

### **Unity**

We believe in the value of mutual support – sharing knowledge and experience – to help develop the affordable studios sector.

## MAIN ACTIVITIES TO ACHIEVE AIMS

### The provision of:

- Affordable, high-quality, accessible and secure non-residential studio space in London for artists on low incomes
- Affordable combined working and living space for artists on low incomes
- Affordable housing for artists on low incomes
- Residencies, bursaries and awards for artists on low incomes to support their creative development
- A fund to support tenant artists who are suffering severe financial or other personal hardship
- A nation-wide free advisory service to individual artists on low incomes to help them secure affordable space, and to others to help them increase the supply of affordable space for artists on low incomes
- Strategic advocacy work, in liaison with the National Federation of Artists' Studios Providers, Arts Council England and other agencies, to help increase the supply, and standard, of affordable space for artists on low incomes
- Research activities to improve the quality of provision



Artist Siri Pereira in his new-build studio at Harrow Road, NW10, which opened in April 2010. Photo: Acme Studios (2010)

# Summary of the year - achievements and performance

## SUMMARY

In the year we continued to improve, expand and secure our core activity of affordable artists' studios provision in response to continuing high levels of demand, greatly enhanced our residency and awards programme, developed our strategic role supporting the development of the affordable studios sector, continued to meet the targets of our capital development programme, and, through careful financial management, operated close to budget and met our loan covenant.

At the end of the year we were successful in our application to Arts Council England's National portfolio funding programme (2012-2015) which replaces their regular funding programme which will end on 31 March 2012. The new open-access process received 1,333 applications of which 696 organisations were successful. The offer of £184,045, £188,462 and £193,182 for the three years is conditional subject to agreeing the terms of a funding agreement.

## PROGRAMMES

### Supporting artists – affordable non-residential studios, work/live space and accommodation:

- We continued the effective management of our current programme providing support at the year end for **527** artists (476 in 2009/10). Of these **494** artists (443 in 2010/11) occupied **434** studios (392 in 2009/10) and **33** artists (33 in 2009/10) occupied work/live and housing accommodation. See **Appendix 1**.
- We continued to improve the quality of service delivery, maintained affordability, improved accessibility, and began to implement environmental performance improvements.
- We continued to manage our **Studio Waiting List** which, at the year end, had **815** artists registered (697 in 2009/10) of whom **198** were tenants seeking to transfer to other studios (197 in 2009/10) either closer to their homes or more suited to their practice or circumstances. Artists on the waiting list are required to re-register on an annual basis; the list therefore represents active demand.

- The affordable inclusive rent to artists occupying our studios is based on a figure of **£9.46** per square foot per annum at the end of the year (£8.60 in 2009/10). Rents are reviewed every two years with the last review of the majority of studios taking place on 1 April 2010.
- We achieved high levels of occupancy of 99.21% (99.25% in 2009/10), low levels of arrears (rent arrears as at 31 March 2011 were £36,660, £33,013 as at 31 March 2010) of a total average monthly rent receivable of £136,681 (£121,177 in 2009/10). In the year we made a provision for bad debts of £5,555 although we fully expect these to be paid. In 2009/10 the amount of bad debts, previously provided for and received in the year, exceeded any amounts written-off creating a credit of £431 from a total rent turnover of £1,454,119.
- We successfully negotiated a new 11-year lease at our studios at **Carlew House**, SE27, to expire in 2021 and concluded lease negotiations at **Oaks Park**, Sutton to secure these studios for a further ten years also to expire in 2021.
- We commissioned a study to develop a regular (two-year) survey to provide a detailed understanding of the income profiles and public engagement activities of our artist tenants. In order to test a pilot questionnaire 11 artists have been interviewed. An on-line survey has now been developed and following a further pilot, the first survey is planned to be undertaken in April 2012.
- Working in partnership with Central Saint Martins College of Art and Design, University of the Arts London, we secured a two-year Knowledge Transfer Partnership in January 2010. This first-ever fine art KTP will review the changing role of the artist's studio within contemporary art practice and provide Acme with new user briefs for the design and management of artists' studios. Arantxa Echarte, appointed as Research and Development Associate, is employed by the university, and began work based at Acme full-time from July 2010, jointly supervised by ourselves and the university. We anticipate achieving valuable additional outputs from the research including oral history interviews with a range of artists, a major photographic survey of artists and their studios and a publication.

### Supporting artists – Residency, Awards & Community Programme – Appendix 3

The programme continued to expand during the year providing valuable support for a number of selected artists and recent graduates through residencies, rent-free studios, bursaries, professional mentoring and exhibiting opportunities. A number of the residencies were undertaken by artists whose practice is 'socially-engaged' generating public engagement and participation as well as significant professional development opportunities for the artists concerned.

- The **Fire Station Work/Live Residency Programme 4 (2010-15)** providing 12 five-year residencies (including a two-and-a-half year bursary, for a disabled or deaf artist) commenced in April 2010.

- In the year we were able to take advantage of the availability of the newly-built studios at Childers Street, SE8 to rationalise and add value to our growing graduate awards by dedicating three adjoining studios for this purpose. From October 2010 these accommodated the **Adrian Carruthers Award** for a postgraduate from the Slade School, the **Chadwell Award** for a postgraduate from the Royal Academy Schools and the **Chelsea Studio Award** for a graduating BA fine art student. The awards each consist of a rent-free studio (for a year and for six months for the Chelsea graduate) a bursary and professional mentoring. The adjoining studios also promote peer support.



Opening of 'Sydney Road' by Stephanie Kingston (Jessica Wilkes Award 2009-10) at the Acme Project Space. Photo: Esther Ellard (2010)

- The second **Jessica Wilkes Award** providing £10,000 for a year for an Acme studio tenant was awarded to Stephanie Kingston. She completed the award year in March 2010 and exhibited work made during the year at the Acme Project Space in October 2010. Andro Semeiko is the third recipient of the award which commenced in January 2011.
- K. Yoland began the third **Acme Southwark Studio Residency** in October 2010, which in partnership with Southwark Council and South London Gallery provides a rent-free studio for eighteen months at our Galleria studios, SE15 and a bursary of £10,000.
- Jan Hendrickse completed the first **Acme Tower Hamlets Residency** based at our new studios in Leven Road, E14 in March 2011. The residency provides an artist involved with socially-engaged practice with a rent-free studio for two years and a grant of £10,000 a year. In March/April 2011 he presented work at the Acme Project Space.
- The **Bow Cross Artist Residency**, a one-year artist in residence project (commencing November 2010) focusing on Swan Housing Group's Bow Cross regeneration scheme, supported by a £30,000 grant from the Swan Foundation, was awarded to Simon Terrill.
- We continued to operate our **work/live exchange programme** with **WASPS** in Scotland and, in August 2010, Acme artist Maggie Lill benefited from a one-month residency in Fife.
- We continued to collaborate with the Royal College of Art and students on the **Curating Contemporary Art (Inspire) MA** which aims to address the historical under-representation of Black and minority ethnic curators in the country's museums and galleries. In June 2010 students curated an exhibition 'Contort Yourself', at the Acme Project Space, of work by artists selected from our Residency, Awards & Community Programme.
- We have continued to operate the **Acme Project Space** as a resource available to artists on our Residency, Awards & Community Programme and available to hire for artists on our International Residencies Programme

### Supporting the sector

In the year we continued to:

- Work with Arts Council England, the National Federation of Artists' Studio Providers and others to help secure, develop and expand affordable studio provision for non-commercial fine artists throughout the UK. Jonathan Harvey continued as Treasurer and a founding trustee of the NFASP.
- Provide a nation-wide free advisory service to all those involved in seeking or providing affordable space for artists in economic need (see Appendix 4), and adopted a memorandum of understanding with the NFASP to formalise our respective advisory roles, responding to direct enquiries and referrals from the Federation, and

- undertook demand and feasibility studies for the provision of affordable artists' studios for Aldeburgh Music at Snape Maltings and for Thurrock Thames Gateway Development Corporation at the Royal Opera House Production Facility in Thurrock, completed in April and November 2010 respectively.
- A Communications Strategy (2010-12) was adopted in the year: website content and functionality continued to increase with the site receiving 43,000 unique visits averaging 3 minutes each, a regular e-bulletin has been developed to help promote our work to targeted audiences, an on-line application system put in place for all strands of our Residency, Awards & Community Programme and our mailing database further reviewed and developed.

### **Investment activities – International Residencies Programme – Appendix 5**

- As investment activity we continue to operate the programme as if it was a separate entity with all central costs cross-charged to provide a true picture of income generation. The loss in the year of £5,469 was the direct result of the ending of our contract with Fundação Calouste Gulbenkian, and the The Swiss Federal Office of Culture (BAK) programme being on hold. With the development of a new Associate Artist Residency strand, and the prospect of securing new business, we expect to break even in 2011/12 and return to profit in the following year.
- Following the appointment of environmental consultant Donnachadh McCarthy, of 3 Acorns Eco-audits, to review all areas of our activities and to provide a framework, including first benchmark measurements on four sample properties, an environmental policy and strategy was adopted by the board in May 2010.

### **Capital programme**

We have continued successfully to pursue our long-term capital development programme as set out in our October 2004 Development Plan supported by £2,000,000 Arts Council England Grants for the Arts – capital allocation.

### **Investment activities – Matt's Gallery**

- We continued to provide premises for Matt's Gallery.

### **Governance, staff and resources**

- We continued to pursue the ambitions detailed in our Equal Opportunities Plan, including our Race Equality Action Plan.
- Following an open recruitment campaign to expand of our board in order to ensure that we continue to be in touch with the needs of artists, have access to appropriate professional experience and expertise, and to add fresh perspectives, we appointed new board members: Sarah Davenport and Caroline Summerfield.
- We continued to work in partnership with Telford Homes Plc to realise the mixed-use development (**Matchmakers Wharf**) at the former Lesney Toy Factory site in Homerton, Hackney, E9. The project will include 49 studios built to our specification to be sold to us at a fixed price of £75 (including VAT) per lettable square foot. We also worked with them to commission a permanent public art work, as part of the s106 planning agreement, and our studios will include an ongoing artist residency programme. The project

is due for completion/occupation in June 2012.

- Our partnership (planning-gain) project with Catalyst Housing Group at **Harrow Road**, NW10 originally brokered by the London Borough of Brent, providing 12 new-build studios, was handed over in April with full occupation achieved in May 2010. A formal launch by the leader of the council, Ann John OBE, took place in October.
- The planning-gain scheme, brokered by the London Borough of Newham, which will provide 15 purpose-converted studios in Stratford High Street is now due for delivery in October 2012. We have negotiated a further floor of studios within the development at **Warton House**, E15 which will increase the number of studios to 27.

- Having negotiated a new lease on the whole of the site at **165 Childers Street**, SE8 to 2028, securing the existing 102 studios and space for the development of 30 additional studios, we completed the conversion within our budget figure (£814,000) and on time, with the new studios opening in October 2010 within the time-frame of the rent-free period allowed by the landlord.
- In the year we continued to enter into exploratory discussions with a number of commercial and social property developers to secure permanent affordable space.



Exterior of Harrow Road, NW10 showing 12 ground-floor studios on the left-hand side. Photo: Greg Goodale (2010)

# Finance

## CONSOLIDATED ANALYSIS FOR THE THREE COMPANIES

### Principal funding sources

Our main source of funding in the year continued to be generated from rent income totalling **£1,640,174** (£1,454,119 in 2009/10) received from the letting of affordable studio and living space to artists in economic need. Net of direct property expenses associated with operating and maintaining this property, our income totalled **£645,663** (£592,688 in 2009/10).

Associated management and studio registration fees received from artists totalled **£10,355** (£4,530 in 2009/10) given the increased numbers of allocations associated with our new studios at Childers Street, SE8.

We continued to receive a revenue grant as a regularly funded organisation of Arts Council England (ACE) towards our activities of **£197,694** (£193,465 in 2009/10).

In addition **£8,915** was drawn (£5,000 in 2009/10) from our Arts Council England capacity building allocation linked to our Grants for the Arts – capital award.

Acme received consultancy fees from Thurrock Thames Gateway Development Corporation and Aldeburgh Music for demand and feasibility studies for artists' studios. Net income from consultancy work totalled **£17,248** (£451 in 2009/10).

We received a total of **£20,175** (£13,256 in 2009/10) from grants and memorial funds towards the cost of our Residency, Awards & Community Programme.

Income, in the form of fees, derived from the investment activity of managing our International Residencies Programme, totalled **£50,500** (£64,634 in 2009/10). The costs involved in managing this programme were **£55,969** (£57,645 in 2009/10), resulting in a deficit for the year of **£5,469** (a surplus of £6,989 was achieved in 2009/10). This loss was the direct result of the end of our contract with Fundação Calouste Gulbenkian, and the The Swiss Federal Office of Culture (BAK) programme was on hold. We are projected to secure new business and expect to break even in 2011/12 and return to profit in the following year.

## Expenditure to support key objectives

To deliver activities supporting our key objectives **£517,264** was expended on staffing costs (£501,261 in 2009/10), **£3,145** on establishment (£5,130 in 2009/10) and **£114,307** on administrative expenses (£132,165 in 2009/10).

In January 2010 we were awarded funding to embark on a two-year Knowledge Transfer Partnership with Central Saint Martins College of Art and Design, University of the Arts London. The partnership will enable us to research and develop new user briefs for the development and management of studios which meet the changing needs of artists. The net cost in the year was **£17,605**.

Through our Residency, Awards & Community Programme we provided grants and rent-free space to artists to

the value of £68,959 (£49,234 in 2009/10), which net of grants and memorial funds cost £48,789 (£35,978 in 2009/10).

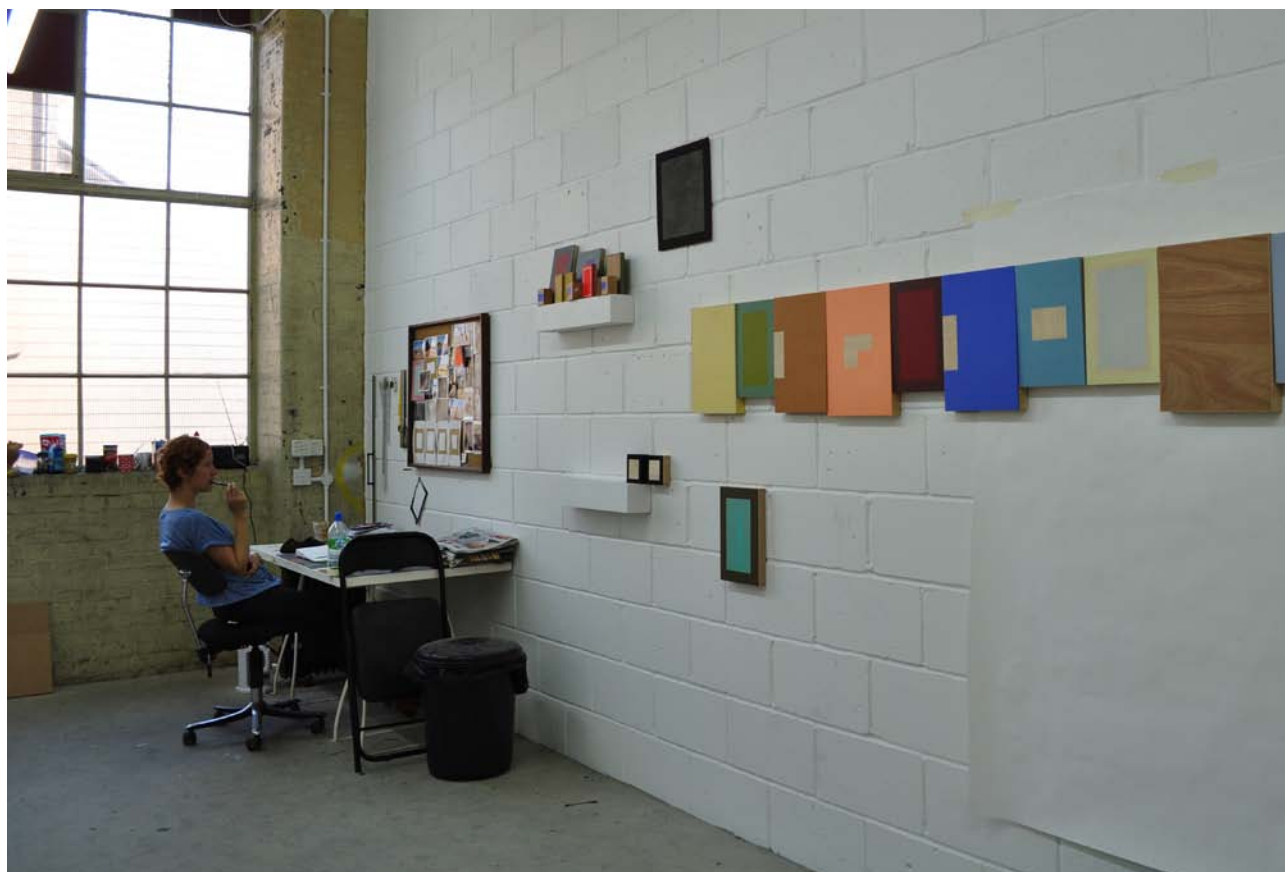
## Revenue surplus

The net surplus for the year was **£129,812** (£103,524 in 2009/10).

## Loan

From the surplus we repaid a further £120,126 of our £2,500,000 loan facility granted by Lloyds TSB Bank plc. The loan is on a fixed rate of 6.45% and will be extinguished after a further 46 consecutive quarterly instalments.

A second facility of £2,500,000 was granted by Lloyds TSB Bank plc to fund our capital development programme. At the end of the year £1,050,000 of this facility had been drawn. The loan is payable by 60



Rose Davey (Adrian Carruthers Award 2010/2011) in the award studio at Childers Street, SE8. Photo: Rose Davey (2011)

quarterly instalments from March 2013.

The loan is on a variable rate of 2.5% above LIBOR as modified by the bank's associated cost rate.

At the year end the total of outstanding loans was £3,121,738.

### **Capital expenditure**

The cost in the year of converting the ground floor of Childers Street, SE8 to 30 new studios was **£800,239**. This amount was capitalised and will be amortised over the length of the new lease. A new 11-year lease was agreed with the landlord at our studios in Carlew House, SE27. **£19,116** was expended in the year to carry out works which were a requirement of the new lease. These costs will be capitalised over the term of the new lease.

Final legal costs of **£10,845** for the purchase of 12 studios at Harrow Road, NW10 were capitalised in the year

New sound-proof floor coverings to all work/live units were installed as part of the refurbishment at the Fire Station, E14. The final cost of these (£7,546) was capitalised in the year (£7,546 was capitalised in 2009/10). The total sum will be amortised over the next 9 years.

### **Reserves**

At the end of the period Acme had revenue reserves of £1,633,277 (£1,503,465 in 2009/10).

Over the years we have made significant investments in property, both in the conversion of leasehold stock, and the acquisition of freehold and long-term leasehold buildings, in order to deliver our principal charitable aim of providing affordable space for artists in economic need, and to create a secure asset base in order to sustain and expand this provision.

This investment in our property portfolio has been financed by borrowing and from our reserves, supported by significant capital grants from Arts Council England. The investment in the conversion of short-term leasehold stock has been capitalised and depreciated over the lease terms. As a result our reserves are fully committed.

# Balance Sheet - Consolidated

## 31 March 2011

	2011		2010	
<b>Fixed assets</b>				
Land and buildings	5,013,044		4,240,569	
Fixtures, fittings and equipment	<u>36,158</u>		<u>37,548</u>	
	<b>5,049,202</b>	<b>5,049,202</b>	<b>4,278,117</b>	<b>4,278,117</b>
<b>Current assets</b>				
Debtors	134,170		184,083	
Cash	<u>-</u>		<u>198,627</u>	
	<b>134,170</b>	<b>134,170</b>	<b>382,710</b>	<b>382,710</b>
<b>Creditors</b>				
Trade creditors and accruals	(418,304)		(467,365)	
Bank loan and overdraft (due within one year)	(136,084)		(118,252)	
Bank loan (due after one year)	<u>(2,995,698)</u>		<u>(2,571,738)</u>	
	<b>(3,550,086)</b>	<b>(3,550,086)</b>	<b>(3,157,355)</b>	<b>(3,157,355)</b>
<b>Net assets</b>		<b><u>1,633,286</u></b>		<b><u>1,503,472</u></b>
<b>Capital and reserves</b>				
Share capital		9		7
Revenue reserve		<u>1,633,277</u>		<u>1,503,465</u>
		<b><u>1,633,286</u></b>		<b><u>1,503,472</u></b>

# Income and Expenditure Account

## 31 March 2011

	2011		2010	
<b>Turnover</b>				
Rent income	1,640,174		1,454,119	
Property expenses	(994,511)		(861,431)	
<b>Net property income</b>	<b>645,663</b>	<b>645,663</b>	<b>592,688</b>	<b>592,688</b>
<b>Other income</b>				
Management and studio registration fees	10,355		4,530	
Arts Council England				
Revenue grant	197,694		193,465	
Strategic advocacy	0		0	
Technical assistance/capacity building	8,915		5,000	
Residency, Awards & Community Programme	20,175		13,256	
International Residencies Programme fees	50,500		64,634	
Consultancy fees	17,248		451	
Interest received	0		0	
Ordinary shares cancelled	0		0	
<b>Total other income</b>	<b>304,887</b>	<b>304,887</b>	<b>281,354</b>	<b>281,354</b>
<b>Gross surplus</b>		<b>950,550</b>		<b>874,042</b>
<b>Less: Administrative expenses</b>				
Staff	517,264		501,261	
Establishment	3,145		5,130	
Administrative expenses	114,307		132,165	
Research and development	17,605		0	
International Residencies Programme	55,969		57,645	
Residency, Awards & Community Programme	68,959		49,234	
Technical assistance costs	8,915		10,549	
Financial costs	25,637		5,456	
Depreciation	8,937		9,078	
<b>Total administrative expenses</b>	<b>820,738</b>	<b>820,738</b>	<b>770,518</b>	<b>770,518</b>
<b>Net surplus for the year</b>		<b>129,812</b>		<b>103,524</b>