

CHARITY NUMBER : 1045067
COMPANY NUMBER : 03011540 (England and Wales)

ARTISTS STUDIO COMPANY

REPORT AND FINANCIAL STATEMENTS
(A company limited by guarantee)

FOR THE YEAR ENDED 31 DECEMBER 2024

ARTISTS STUDIO COMPANY

Contents

	Page
. Legal and administrative information	1
. Trustees' report	2 - 5
. Independent auditor's report	6 - 8
. Statement of financial activities	9
. Balance sheet	10
. Cash flow statement	11
. Notes to the financial statements	12 - 18

ARTISTS STUDIO COMPANY

Legal and administrative information for the year ended 31 December 2024

Constitution

Artists Studio Company (ASC) is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

Charity number 1045067

Company number 03011540 (England and Wales)

Directors and trustees

The directors of the charitable company ("the Charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as trustees.

Trustees	C Upson J A Goode J Cassidy J L Hammond
Secretary	C Upson
Chief Executive Officer	P Flack
Registered Office	The Handbag Factory 3 Loughborough Street London SE11 5RB
Website	www.ascstudios.co.uk
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill, West Malling Kent, ME19 4JQ NatWest Bank PO Box 35 10 Southwark Street London Depot Code 190 SE1 1TJ
Solicitors	Ramdens Solicitors LLP Oakley House 1 Hungerford Road Huddersfield HD3 3AL
Auditor	PK Audit LLP 1 Parkshot Richmond TW9 2RD

ARTISTS STUDIO COMPANY

Trustees' report (including Directors' report) for the year ended 31 December 2024

The trustees are pleased to present their annual report together with the financial statements of the Charity for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's memorandum and articles of association, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic Ireland (FRS102) (effective 1 January 2019).

Aims and objectives

The objectives of the Charity are: -

- To advance the education of the public in arts;
- To relieve poverty by assisting un-established artists to become self-supporting through their art; and
- To promote and improve art and the production of objects and works of artistic merit.

To further the above objectives the Charity in brief:-

- Provides or assists in the provision of accommodation, studio space, equipment and materials for artists of promise who by reason of their poverty are unable to provide such accommodation, studio space, equipment and materials unaided;
- Promotes, encourages sponsors, produces or maintains and assists in the promotion, encouragement, sponsoring, production or maintenance of educational exhibitions and performances in public open spaces and elsewhere of paintings, sculpture, photographs, lithographs, engravings, etchings, bronzes, enamels, jewellery, gems, films, animations, plays, musical works, opera, dance, drama, poetry, literary works and other works or events of artistic, musical or literary merit;
- Provides, maintains and improves or assists in the provision, maintenance and improvement of premises of every description for exhibitions and or performances of paintings, sculpture, photographs, lithographs, engravings, etchings, bronzes, enamels, jewellery, gems, films, animations, plays, musical works, opera, dance, drama, poetry, literary works and other works or events of artistic, musical or literary merit; and
- Provides or assists in the provision of studios, workshops and other premises of every kind for the study and teaching of subjects and matters of artistic, musical or literary merit.

Organisation

The board of trustees currently numbers four but the board may from time to time register an increase of members. Powers to appoint trustees rests with the board of trustees. A chief executive is appointed by the trustees to manage the day-to-day operations of the Charity.

Investment powers

The trustees have discretion as to the manner in which funds are invested. Professional advice in this regard is sought through a financial advisor/broker.

Trustee induction and training

Trustees are provided with an induction pack containing key documents such as the Charity Commissions' welcome leaflet, 'The Essential Trustee' and a summary of the Trustee Act. New trustees are encouraged to spend time on induction and meeting key employees.

Public benefit statement

The Trustees have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The activities mentioned above demonstrate the public benefit arising through the Charity's activities.

ARTISTS STUDIO COMPANY

Trustees' report (including Directors' report) for the year ended 31 December 2024 (continued)

Structure, governance and management

New trustees are appointed through recommendation and interview with the full board.

The trustees manage the Charity. The full board meets every quarter. The full board of trustees is concerned with policy matters and agrees board strategies and areas of activity for the Charity. The Chief Executive Officer and the Financial Controller advise the full board on more detailed management, which the board review i.e. quarterly internal accounting / finance, monitoring of income and expenditure, staff salaries, studio rent reviews, property rent reviews, public benefit, public exhibitions and events, risk management, future planning and other issues deemed appropriate.

When important matters arise in between meeting cycles the key staff and full board communicate with each other by phone or email in order to reach a decision. In some cases, it is felt appropriate to hold a special meeting, for example, when a new property is acquired and heads of terms require agreement.

The responsibilities for day-to-day management of the Charity lies with the Chief Executive Officer, who has the powers and responsibilities approved by the trustees.

None of the trustees receive remuneration from the Charity.

Trustees/Directors

The trustees perform the role of the directors for the purpose of the company law. Those who served during the year and up to the date of signature of the financial statements were as follows:

C Upson (Chairperson, Secretary)

J A Goode

J Cassidy

J L Hammond

The Charity's buildings:

The Charity operates affordable workspace and exhibition space within 10 buildings located across Greater London. Its buildings are held under various leasehold and freehold terms. All its buildings provide affordable workspace and exhibition space to artists, makers and not-for-profit arts organisations.

Achievements, performance and public benefit during the year

Over the period, the Charity managed 7 project spaces across our buildings. These are free venues where its tenants can exhibit their work to the public and stage talks and community events. Within these spaces the Charity supported 29 exhibitions and events supporting 183 artists and makers and attracting 2,751 visitors.

The Charity manages 3 public art galleries within the Handbag Factory, Vauxhall. 2 galleries are for hire and offered at discounted hire rates to organisations and groups in need of support, 1 gallery is a free gallery with the aim of promoting emerging artists. During the period these galleries staged 24 exhibitions supporting 232 artists and makers and attracting 4,011 visitors.

The Charity supports open studio events across all our buildings. These events are an opportunity for artists and makers within our buildings to open up their studios to the public. During the period the charity supported 6 open studio events attracting 1,400 visitors.

The Charity continued to support its tenants through its showcasing programme. The programme involves the production and broadcast of short films and interviews showcasing and promoting the work produced by selected tenants.

During the period, the Charity provided 550 affordable workspaces and 84 affordable desk spaces, supporting 730 artists, makers and arts organisations. The Charity's occupancy levels across all its buildings totalled 97.95% (2023: 98.56%).

During the period ASC successfully renewed the lease on its Thurlow Road Building due to expire over the period. The building is now secure for several more years and will continue to provide affordable workspace to 135 artists and makers together with space for Turps Art School.

ASC has successfully renewed the lease on its Empson Street building which was due to expire during the period. The building will continue to provide affordable workspace to 55 artists and makers for a further 15 years.

ARTISTS STUDIO COMPANY

Trustees' report (including Directors' report) for the year ended 31 December 2024 (continued)

During the period, in partnership with Chiswick House and Gardens, the charity developed 19 affordable artist and maker workspaces across several grade 1 historic buildings, located within Chiswick House and Gardens W4. The first phase of the project was opened by the Deputy Major for Culture & Creative Industries, Justine Simons OBE, in April 2025. Phase 2 is estimated to launch over 2026.

In June 2025 ASC purchased a 999 year lease on a new build property, Watkin Road HA9. The purchase price was discounted by 50% from market price through s106 Planning Gain Agreement. The project will provide 23 affordable artists and makers workspaces. The London Borough of Brent provided a substantial grant to help towards the buildings fit out costs. The fit out commenced in July 2025 with the projects launch estimated in December 2025.

Fundraising activities

The Charity had no fund raising activities during the year and prior year.

Future plans

The Charity's business includes the acquisition of new properties at below market price or rent. It will consider freehold or long-leasehold buildings offered at discount from market price or rent through s106 Planning Gain Agreement or temporary use buildings offered at low or peppercorn rent.

During the period ASC continued to refurbish 47c Streatham Hill. The charity leased the property for many years until it purchased the freehold in 2019. ASC carried out extensive refurbishment works during the period, including a new insulated roof and frontage, a new project space, toilets, flooring, kitchen, doors and signage. Works are estimated to complete in August 2025. ASC is planning a launch event in partnership with the London Borough of Lambeth in September 2025.

ASC continues to seek new buildings for use as affordable workspace and exhibition space for artists and makers. The charity aims to increase the number of its affordable workspaces significantly over the next five years. ASC is an organisation driving positive change which includes an ambition to achieve net-zero emissions. In response to this aim ASC is actively improving the energy performance of its existing long lease and freehold buildings and prioritizing the acquisition of new high energy performing buildings. Our acquisition of Watkin Road will increase the number of our high energy performing buildings to 4.

Financial position:

The trustees are pleased that the financial statements show a net income, and increased gross income and net assets.

The Financial Statements show a net income for the year totalling £440,291 (2023: £560,660), and a gross income for the year totalling £3,018,996 (2023: £2,958,924, including grants). The Charity has improved its financial position in terms of net assets to £5,543,432 (2023: £5,103,141).

Reserves policy and risk management

As at 31 December 2024 the Charity recorded funds totalling £5,543,432 including fair value gain of £1,876,323. The Charity's free reserves include £425,123 returnable workspace deposits that may legally be used as working capital. The trustees have agreed a minimum free reserve totalling £450,000, including £425,123 returnable workspace deposits. This is the sum the trustees agree is a reasonable sum to safeguard against the Charity's identified risks.

The trustees agree that within the total free reserves up to £3,217,110 may be used to acquire new buildings, for building improvements or early repayments of Loans.

The Chief Executive maintains a Major Risks Report detailing the risks the Charity is exposed to. The trustees are satisfied that the systems are in place to mitigate exposure to the major risks.

The Charity continues to maintain and implement strict financial controls in order to safeguard the Charity's assets. The trustees review the financial controls periodically to ensure they meet the Charity's needs.

Investment Policy

The Charity's investments are safeguarded in accordance with the Charity's governing document and having regard to the Trustee Act 2000. All the Charity's investments are held in low risk bank accounts.

ARTISTS STUDIO COMPANY

Trustees' report (including Directors' report) for the year ended 31 December 2024 (continued)

Trustees' responsibilities statement

The trustees, who are also the directors of Artists Studio Company for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditor

In accordance with the company's articles, a resolution proposing that PK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

This report was approved by the board of trustees and signed on its behalf by:



J A Goode
Trustee

Date: 09 September 2025

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARTISTS STUDIO COMPANY**

Opinion

We have audited the financial statements of Artists Studio Company (the 'ASC') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 ASC 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other info

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 for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ARTISTS STUDIO COMPANY

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the ASC and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the ASC for the purpose 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 ASC'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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ARTISTS STUDIO COMPANY**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from the financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <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.

PK Audit LLP

Annie Lee (Senior Statutory Auditor)

For and on behalf of PK Audit LLP, Statutory Auditor

Chartered Accountants

1 Parkshot

Richmond

Surrey

TW9 2RD

Date: *9 September 2025*

ARTISTS STUDIO COMPANY

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Total Funds 2024 £	Total Funds 2023 <i>Restated</i> £
INCOME			
Income from charitable activities			
Studio licence fees		2,976,189	2,746,661
Other incoming resources		25,048	21,332
Investment Income		17,759	10,931
Grant income	14	-	180,000
TOTAL INCOME		<u>3,018,996</u>	<u>2,958,924</u>
EXPENDITURE			
Charitable activities	3	2,578,705	2,398,264
TOTAL EXPENDITURE		<u>2,578,705</u>	<u>2,398,264</u>
NET INCOME		<u>440,291</u>	<u>560,660</u>
Transfer of funds		-	-
NET MOVEMENTS IN FUNDS		440,291	560,660
Total funds brought forward		5,103,141	4,542,481
TOTAL FUNDS CARRIED FORWARD	10	<u>5,543,432</u>	<u>5,103,141</u>

Total funds held by the Charity are all unrestricted funds.

The notes on pages 12 to 18 form part of the financial statements.

ARTISTS STUDIO COMPANY

BALANCE SHEET AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
				<i>Restated</i>	<i>Restated</i>
FIXED ASSETS					
Tangible assets	6		8,145,000		8,171,269
			<u>8,145,000</u>		<u>8,171,269</u>
CURRENT ASSETS					
Debtors	7	275,305		288,367	
Cash at bank and in hand		737,334		564,324	
		<u>1,012,639</u>		<u>852,691</u>	
CREDITORS: Amounts falling due within one year	8	<u>(259,306)</u>		<u>(3,304,183)</u>	
NET CURRENT ASSETS/(LIABILITIES)			753,333		(2,451,492)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,898,333</u>		<u>5,719,777</u>
CREDITORS: Amounts falling due after more than one year	9		(3,354,901)		(616,636)
NET ASSETS			<u>5,543,432</u>		<u>5,103,141</u>
FUNDS					
Unrestricted funds			3,226,818		2,666,158
Net income for the year			440,291		560,660
Revaluation reserves			1,876,323		1,336,323
Revaluation reserves (Prior year adjustment)					540,000
TOTAL FUNDS	10		<u>5,543,432</u>		<u>5,103,141</u>

The financial statements were approved by the board of trustees and signed on its behalf by:



J A Goode
Trustee

Date: 09 September 2025

Company number 03011540 (England and Wales)

ARTISTS STUDIO COMPANY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
		£	£
	Notes		
Cash flows from operating activities			
Cash generated from operations	15	<u>697,844</u>	<u>780,043</u>
Investing activities			
Interest received		17,759	10,931
Purchase of tangible fixed assets		<u>(39,317)</u>	<u>(180,003)</u>
Net cash used in investing activities		<u>(21,558)</u>	<u>(169,072)</u>
Financing activities			
Cash inflows from new loans		3,078,300	-
Repayment of loans (including interest)		<u>(3,581,576)</u>	<u>(650,549)</u>
Net cash (used in)/from financing activities		<u>(503,276)</u>	<u>(650,549)</u>
Net increase/(decrease) in cash and cash equivalents		173,010	(39,578)
Cash and cash equivalents at beginning of period		<u>564,324</u>	<u>603,902</u>
Cash and cash equivalents at the end of period		<u><u>737,334</u></u>	<u><u>564,324</u></u>
Cash and cash equivalents at the end of period comprise:			
Cash at bank and in hand		<u><u>737,334</u></u>	<u><u>564,324</u></u>

ARTISTS STUDIO COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES

Charity information

Artists Studio Company is a private company limited by guarantee incorporated in England and Wales. The registered office is The Handbag Factory, 3 Loughborough Street, London, SE11 5RB.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Charity's memorandum and article of association, the Charities Act 2011 and Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019).

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

The Charity meets the definition of a public benefit entity under FRS 102. The financial statement have been prepared under the historical cost convention, modified to include the revaluation of properties at fair value. The principal accounting policies adopted are set out below.

1.2 Judgements and key sources of estimation uncertainty

In preparing the financial statements, the trustees make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

One key area of estimation is the valuation of properties. The determination of the fair value or carrying value of property for financial reporting purposes requires the use of professional judgment and involves consideration of a wide range of factors including location, condition, rental income, market trends, and legal circumstances. Property values represent a significant portion of the company's assets and have a material impact on the financial statements, including net assets and related ratios

As at 31 December 2024, the properties have been stated at a valuation of £7,812,442 (2023: £7,812,442, restated).

1.3 Going Concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Charity continues to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Income recognition

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from studio licence fees is recognised on a straight line basis.

Other income, services recharged and miscellaneous income, are recognised in the period in which they are receivable.

Bank interest is recognised at the time the investment income is received.

Grants and donations are only included in the SOFA when the general income recognition criteria are met.

In the case of performance related grants, income must only be recognised to the extent that the Charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met.

1.5 Expenditure and irrecoverable VAT

Expenditure is recognised in the financial statements as soon as there is a legal or contractual obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is charged as a cost against the category of expenditure for which it was incurred.

1. ACCOUNTING POLICIES (CONTINUED)**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Fixed assets costing more than £1,000 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold & Long-term leasehold property	- Over the lease period
Leasehold improvements	- Over the lease period or grant period
Motor Vehicle	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance
Equipment	- 33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to resource expended in the Statement of Financial Activities.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets.

At each reporting date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transactions price including transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

ARTISTS STUDIO COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES (CONTINUED)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.11 Retirement benefits

The Charity has a defined contribution pension scheme. The cost of contributions made by the Charity to the scheme are charged as an expenditure as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Operating Leases

Rentals payable under operating leases, including any lease incentive received, are charged to the Statement of Financial Activities on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the term pattern in which economic benefits from the lease asset are consumed.

1.14 Fund Accounting

Funds held by the Charity are all unrestricted funds which can be used in accordance with the charitable objects at the discretion of the trustees. There are no restricted funds.

1.15 Taxation

The registered charity is exempt from income and corporation tax in respect of the charitable activities.

ARTISTS STUDIO COMPANY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)
2. LEGAL STATUS of the Charity

The Charity is a company limited by guarantee and incorporated in England and Wales. Its registered office is The Handbag Factory, 3 Loughborough Street, London, SE11 5RB. The members of the company are the trustees named on page 3. In the event of the Charity being wound up, the liabilities in respect of the guarantee is limited to £1 per member of the Charity.

3. CHARITABLE EXPENDITURE

	Basis	Charitable Activities £	2024 Total £	2023 Total £
Rent	Direct	816,805	816,805	840,042
Rates	Direct	173,401	173,401	163,389
Building insurances	Direct	95,101	95,101	76,040
Light and heat	Direct	280,309	280,309	245,664
Repairs and maintenance	Direct	140,805	140,805	119,864
Leasehold amortisation	Direct	61,677	61,677	89,338
Salaries	Staff time	509,710	509,710	394,611
Social security costs	Staff time	47,757	47,757	34,798
Pension costs	Direct	23,735	23,735	17,766
Staff welfare/training/recruitment	Direct	7,630	7,630	11,245
Travelling expenses	Direct	6,837	6,837	6,745
Motor expenses	Direct	5,441	5,441	8,674
Printing, postage and stationery	Direct	2,049	2,049	1,721
Telephone costs	Direct	30,959	30,959	30,489
Computer & website expenses	Direct	12,889	12,889	7,690
Bank, card and other charges	Direct	422	422	322
Insurance	Direct	11,026	11,026	16,113
Gallery expenses	Direct	3,187	3,187	2,656
Sundry expenses	Direct	9,698	9,698	6,075
Legal and professional	Direct	106,755	106,755	79,654
Auditors' remuneration	Direct	10,800	10,800	10,500
Bank loan interest	Direct	215,105	215,105	227,797
Bad debts	Direct	2,698	2,698	-
Depreciation on motor vehicle	Direct	2,241	2,241	2,988
Depreciation on fixtures & fittings	Direct	1,668	1,668	4,083
		2,578,705	2,578,705	2,398,264

Salaries of key staff members are allocated to support costs based on their time spent on management and administration. The support costs for the year was £189,303 (2023: £155,732)

4. STAFF COSTS

No remuneration was paid to the trustees in the year, nor were any expenses reimbursed to them.

	2024 £	2023 £
The staff costs were:		
Wages and salaries	509,710	394,611
Social security costs	47,757	34,798
Pension costs	23,735	17,766
	581,202	447,175

The average number of full time equivalent employees during the year was as follows:

Other staff	11	9
Administrative	2	2

The number of employees whose remuneration fell within the following bands:
£130,001 - £140,000

1	1
----------	----------

The number of employees for whom retirement benefits are accruing under a money purchase scheme totalled 13 (2023 - 8).

ARTISTS STUDIO COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5. MOVEMENT IN TOTAL FUNDS FOR THE YEAR

	2024 £	2023 £
This is stated after charging:		
Operating leases - land & buildings	816,805	840,042
Depreciation of tangible fixed assets	65,586	96,409
Auditor's remuneration for audit services	10,800	7,800

6. TANGIBLE FIXED ASSETS

	Freehold Land and buildings £	Leasehold Land and buildings £	Buildings improvements £	Fixtures, fittings, equipment & motor vehicle £	Total £
Cost or valuation					
At 1 January 2024	1,882,441	5,390,001	1,059,255	41,370	8,373,067
Prior year adjustment (Fair value changes)	540,000				540,000
Restated at 1 January 2024	2,422,441	5,390,001	1,059,255	41,370	8,913,067
Additions			38,171	1,146	39,317
Disposals				(15,292)	(15,292)
At 31 December 2024	2,422,441	5,390,001	1,097,426	27,224	8,937,092
Depreciation					
At 1 January 2024	-	-	711,061	30,737	741,798
Charge for the year	-	-	61,677	3,909	65,586
Disposals	-	-		(15,292)	(15,292)
At 31 December 2024	-	-	772,738	19,354	792,092
Net Book Value					
At 31 December 2024	2,422,441	5,390,001	324,688	7,870	8,145,000
At 31 December 2023 (Restated)	2,422,441	5,390,001	348,194	10,633	8,171,269

National Westminster Bank Plc has the 1st legal charge on the land and buildings and its associated assets to the amount of £3,022,545.

The fair value of the properties has been arrived at on a basis of a valuation by JLL, Chartered Surveyors who are not connected to the company on 23 July 2021. The valuations were made on an open market value and fair value basis by reference to market evidence of transaction prices for similar properties and referencing increased demand in the market. The trustees consider that the carrying value is not significantly different from current market value at the end of the reporting period.

Prior year adjustment

A prior year adjustment has been made to fixed assets and revaluation reserve of £540,000. Due to a mathematical mistake further adjustments affecting prior years have been made to the carrying value of the properties in the tangible fixed assets, which in turn affected the tangible fixed assets and total funds brought forward for prior years. The adjustments had the following effect on the balance sheet as shown on the balance sheet and in note 6 to the accounts. There has been no impact on the net income for the prior year.

If the properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2024 £	2023 £
Cost	5,936,119	5,936,119
Accumulated depreciation	-	-
Carrying amount	5,936,119	5,936,119

7 DEBTORS

	2024 £	2023 £
Due within one year		
Trade debtors	1,133	3,608
Prepayments	240,082	252,157
Other debtors	24,090	22,602
	265,305	278,367
Due after more than one year		
Other debtors	10,000	10,000
Total Debtors	275,305	288,367

ARTISTS STUDIO COMPANY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)
8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans	81,538	3,064,034
Deposits held on account	7,062	900
Trade creditors	40,519	67,081
Social security and other taxes	-	12,853
Other creditors	25,388	17,535
Accruals	104,799	141,780
	259,306	3,304,183

9 CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Bank loans	2,936,840	242,515
Deposits held on account	418,061	374,121
	3,354,901	616,636

Creditors which fall due after five years are as follows:

	2024	2023
	£	£
Payable by instalments	2,230,611	184,019

The bank loans are secured by fixed and floating charges over the properties and undertaking of the Charity.

10 FUNDS

Analysis of fund movements	Balance at 1 Jan 24 (Restated)	Income	Expenditure	Balance at 31 Dec 24
	£	£	£	£
Unrestricted funds	3,226,818	3,018,996	(2,578,705)	3,667,109
Revaluation reserves	1,876,323			1,876,323
	5,103,141	3,018,996	- 2,578,705	5,543,432

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

These funds are represented by:

	2024	2023
	£	£
	Unrestricted	Restated Unrestricted
Tangible assets	8,145,000	8,171,269
Current assets	1,002,639	842,691
Current liabilities	(259,306)	(3,304,183)
Non current assets	10,000	10,000
Long term liabilities	(3,354,901)	(616,636)
	5,543,432	5,103,141

11 OPERATING LEASE COMMITMENTS

At 31 December 2024 the Charity had outstanding financial commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

Expiry date:	2024	2023
	£	£
Within one year	671,381	629,479
Between two and five years	1,062,785	1,094,125
In over five years	743,488	306,202
	2,477,654	2,029,806

ARTISTS STUDIO COMPANY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)
12 PENSIONS

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the Charity to the fund and amounted to £23,735 (2023 - £17,766).

13 RELATED PARTY TRANSACTION

During the year the Charity:

- received £4,176 as coworking membership fee from David Le Lay Ltd represented by a trustee.
- received £51,290 as studio fee from Bainbridge Print represented by the spouse of the CEO.
- paid £11,250 as consultancy fee for Gallery Hire to Bainbridge Print represented by the spouse of the CEO.

All transactions were conducted on normal commercial terms. There were no amounts outstanding at the year end (2023: £nil).

The key management personnel of the Charity comprise the trustees and the Chief Executive Officer of the Charity.

Remuneration of Key management personnel

	2024	2023
	£	£
Aggregate remuneration	<u>132,504</u>	<u>128,836</u>

	2024	2023
	£	£
14 GRANT INCOME		
Council grant	<u>-</u>	<u>180,000</u>
	<u>-</u>	<u>180,000</u>

15 CASH GENERATED FROM OPERATIONS

	2024	2023
	£	£
Net Income for the year	440,291	560,660
Adjustments for:		
Depreciation	65,586	96,409
Interest payable	215,105	227,797
Interest received	(17,759)	(10,931)
Movements in working capital:		
Decrease/(increase) in debtors	13,062	24,494
Increase/(decrease) in creditors	(18,441)	(118,386)
Cash generated from operations	<u>697,844</u>	<u>780,043</u>

16 NET DEBT RECONCILIATION

	01 Jan 24	Cash flows	31 Dec 24
	£	£	£
Cash at bank and in hand	564,324	173,010	737,334
Loan due within one year	(3,064,034)	2,982,496	(81,538)
Loan due more than one year	(242,515)	(2,694,325)	(2,936,840)
	<u>(2,742,225)</u>	<u>461,181</u>	<u>(2,281,044)</u>