

[space]

SPACE Annual Report 2021





SPACE ANNUAL REPORT 2021

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Trustees report

The trustees present their annual report and the audited financial statements for the year ended 31 March 2021. This has been an unprecedented year due to the Covid-19 pandemic, which forced us into lockdown in March 2020. Despite uncertainty across the year, we kept to our mission and goals throughout and focussed on our charitable goals.

SPACE exists to enable artists to make innovative and ambitious work. We have identified four routes to achieve this...

- Provide affordable studio spaces
- Support a network of artists
- Advocate for artists by being a good long-term neighbour
- Be a generous voice for artists
- **Vision** — to support resilience and sustainability of artists and to provide a supportive network in a changing urban environment.
- **Mission** — to provide space, resources and platforms for professional visual artists to develop their creative practice, and to enable audiences adjacent to studio sites to benefit from encounters with professional artists.



Love Shine Light

Aim Dream TRUTH

Om

remembering a brave new world

Joy



The impact of SPACE in 2020-21

In response to the pandemic, the trustees increased the number of meetings during the year and established six specialist sub-committees to increase the effectiveness of their support, each chaired by a relevant trustee and convened by a member of SPACE's senior management team.

We were obliged to close our public spaces at SPACE Ilford and furlough a number of related staff, whilst the rest of our operations continued throughout the year subject to regular review and risk assessment.

Key achievements for the year:

- 19 out of 21 of our studio buildings remained open and accessible to artists throughout the pandemic, following Covid safety guidelines. 2 buildings which are shared with public facing organisations were temporarily closed by our landlords but were fully open within 6 months.
- provided over 880 artists with creative workspace at 21 locations comprising over 310,000 sq ft
- despite our public spaces at Ilford being closed during the year, we maintained our community engagement activities with remote and online programmes
- specialist programmes supported a further 900+ artists to develop their potential and resilience, with our offer moving swiftly and successfully online
- 99% occupancy of studios shows they were valued by artists more than ever
- secured ACE Covid support funds which enabled us to offer hardship support to studio holders, as well as bursaries for up and coming artists



Supporting artists

SPACE supports artists and creative small businesses by providing affordable studios, professional development and advocacy.

At the start of the pandemic, many of our creative tenants faced an emergency, with commissions and exhibitions cancelled and freelance income curtailed. Home schooling, shielding and an inability to use public transport prevented some tenants from travelling to their studios. For others, the studio became a sanctuary where they could pursue their practice in isolation. We worked rapidly to quell anxiety, quickly putting into place an emergency rent relief fund and cancelling the planned annual rent uplift. We signposted tenants to useful resources, grants and further advice. We set up SPACE Advice Bureau to run online workshops to help artists through the challenging circumstances. We communicated regularly with tenants and conducted surveys to fully understand how they were affected.

We applied successfully to the Arts Council Emergency Response Fund, GLA Creative Workspace Resilience Fund and Arts Council England Cultural Recovery Fund, which were vital in providing rent relief to studio tenants in financial hardship and replenishing reserves that had been committed to see us through the immediate emergency. We are enormously grateful for all their support.

An additional 37 tenants who attended SPACE Advice Bureau sessions were awarded a grant of £250.

An important priority with our Culture Recovery Fund grant was our commitment to equality and access in recovery, which we achieved through our new SPACE Artist Awards. Over 500 artists applied for these awards for artists within 10 years of higher education who face inequality as a result of their ethnicity, socio-economic background or disability, experiencing extreme financial hardship. Our selection panel, including trustee Dr Omar Kholeif and Deborah Smith, Director of Arts Council Collection, awarded 20 artists each £5,000 plus mentoring support,

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 The Studio in Ilford to awardees.

To have funding accessible to produce [radical work] is really empowering for a young person. There should be more things like this, especially if we want to sustain the next generation of creatives, the individual voices or people on the fringes of the dominant art scene.

Gaby Sahhar

The SPACE award has given me infinite possibilities. It's expanded my mind and the way I think about my work. I'm a frugal artist and I work sparingly with my materials, but this just allowed me to be really adventurous. I've bought new materials and I feel that's impacted my making process.

Tobi Alexandra Falade

Arts Council England Culture Recovery Funds also helped us expand our online resources and programme for reopening SPACE Ilford.



SPACE Artist Award winner Gaby Sahhar

EQUALITY AND DIVERSITY COMMITMENT

As an organisation, SPACE works hard to ensure that equality, diversity and inclusion is embedded in everything we do – from the staff we employ, to the artists we commission, the contractors we work with, and the business development support we provide to the wider artist community.

Recognising that the art world can often be an exclusive territory for the privileged few, we used the money awarded to us by Arts Council England Culture Recovery Fund to make 20 × £5,000 Artist Awards — a meaningful sum of money that we felt could help support artists who face inequality due to their race, gender, sexual orientation, disability or socio-economic background.

Since 1968, SPACE has worked with communities with low art provision, giving a voice and a platform to local people. The recent relocation of our gallery and event space to Ilford continues this pioneering spirit and we are working hard to build community engagement through partnerships with local schools, community and faith groups, young people and older groups.



Building creative communities

New studios at SPACE Ilford bring creative workspace to an outer London borough with little existing provision; over 60% of tenants are Redbridge residents.

SPACE's public programmes champion artist-led initiatives that support neighbours to our studio buildings, promoting artists and creativity at the heart of communities.

SPACE ILFORD

SPACE Ilford, supported by the Mayor of London's regeneration plan for Ilford town centre, had to close its public spaces for the year, forcing an early closure on our first commissioned exhibition in the new gallery: *Regrets, I've Had a Few*, created by Lindsey Mendick in collaboration with Redbridge over 65s.

Sahra Hersi's billboard commission at the new entrance, illustrating her childhood home in Ilford, remained in place throughout the year, giving visibility to an artist based in Redbridge.

During the height of the pandemic, SPACE provided remote creative learning workshops for members of the local community

April – July 2020

2 x 5 week artist-led projects that provided opportunities for Ilford-based over-65s during the first lockdown to work with artists to make art projects, learn new skills and socialise remotely from their homes.

Project 1

Making in Isolation, Together: Confinement, Solidarity and Survival

Led by artist Nicole Morris, the group explored batik and textile making. The resulting batiks were displayed at The Exchange shopping centre in Ilford from October – December 2020 and are now on permanent display at Age UK HQ in Redbridge. The project was captured in an online [booklet](#) on SPACE's website.

Project 2

Making in Isolation, Together: Recollections on Cloth

Led by artist Lara Hailey, the group learnt embroidery stitches and the processes of appliqué. Lara then added the pieces to a collective quilt, which was put on display in The Exchange shopping centre in Ilford from October – December 2020.

MyZine

May – June 2020

SPACE Ilford bursary artist Tamu Nkiwane led a remote creative learning project for a group of young people in Redbridge. The result is a 180 page publication containing drawings, paintings, poems and stories from 11 – 18 year olds who are members of the Redbridge Youth Council, the Youth Service, as well as Child Friendly Redbridge Ambassadors. View an online version of *MyZine* [here](#).





2013
618

BFI SOUTHBANK

SOUTHBANK
CENTRE

- Hayward Gallery
- Queen Elizabeth Hall
- Purcell Room
- Royal Festival Hall

HIGHLIGHTS FROM SPACE TENANTS

Alex Dordoy

Ruin is Rune, Grimm Gallery, New York

Caroline Walker

Janet, Ingleby Gallery, London;
Everyday Heroes, South Bank, London

Chila Kumari Singh Burman

Commission on the facade of Tate Britain;
Midnight's Family: 70 Years of Indian Artists in Britain,
online exhibition at Ben Uri Gallery

Emma Cousin

Solo exhibition at Goldsmiths Centre for Contemporary Art

Hannah Brown

Selected for the John Moores Painting Prize 2020 exhibition

Heather Phillipson

Tate Britain Commission; unveiled *The End*, Fourth Plinth
commission for Trafalgar Square

Hugh Mendes

A Portrait of Legacy, online at Townsend Gallery, New York

Lothar Götz

In Private, Petra Rinck Galerie, Düsseldorf, Germany

Olivia Bax

Won the Mark Tanner Sculpture Award (MTSA).
Off Grid, MTSA touring show

Walid Siti

Right to Climb public art installation at 31 Oval Road,
Camden as part of The London Festival of Architecture;
Everywhere is Somewhere, Duhok Gallery, Iraq



LEARNING & PARTICIPATION

SPACE creative learning projects engage schools, young people and communities to improve the lives of people local to our studio sites.

In Ilford, SPACE Artist Award winner Alaa Alsaraji worked with Redbridge Youth Services to co-create a Nature Guide for the local area. You can download a copy [here](#).

We participated in New Creatives, a partnership with the ICA, BBC Arts and Arts Council England, providing mentoring and professional industry support for young emerging talent to create interactive and film works.

The Creative Space Arlington

SPACE provides artist-led creative activities for homeless people at Arlington and Camden Pathways (St. Mungo's and Women at the Well). During the pandemic, these sessions moved online. Led by artists Brian Baderman, Federico Gallo and Crestina Velia Forcina, the group were able to continue creating artwork via weekly online meet-ups, sharing their progress and getting peer feedback via a dedicated WhatsApp group.

As a result of an organisational restructure in the summer of 2020, the following colleagues left SPACE, Persilia Caton, Fiona Fieber and Jane Leighton. We would like to thank them for their contribution to SPACE and to programming. In February 2021 a new Head of Community Engagement Programmes was appointed.



Artist professional development

SPACE supports artists and creative businesses to run resilient and sustainable practices through funded residencies, studio bursaries and free professional development programmes.

It is a brilliant programme – well thought out, inclusive and valuable. Thank you.

South East Creatives workshop participant

SPACE Advice Bureau

Launched during the pandemic in 2020 in response to requests and suggestions from our tenants, SPACE Advice Bureau offers free advice and guidance to all members of the SPACE community. The programme includes one-to-one mentoring, webinars, coaching and peer-to-peer sessions to support artists' practice.

South East Creatives

As the main provider for [South East Creatives](#), SPACE supported over 300 artists and creatives across East Sussex, Essex and Kent, offering workshops across various cultural venues including [Creative Folkestone](#), [De La Warr Pavilion](#), [Resort Studios](#), [Towner Eastbourne](#). The programme was seamlessly moved online to offer webinars, talks and group sessions. Mentoring was also available to businesses who attended a minimum of 12hrs of workshops both on and offline. This tailored mentoring matched each business with an industry expert to address the most pressing topics of their business.

I have a clearer and more confident vision of how to promote my business and what I need to concentrate on. I've begun production of two new bodies of work. One is more experimental, the other a portrait-based exploration of my local community. It's early days but I'm about as optimistic as I've ever been. Thank you!

South East Creatives workshop participant

London Creative Network

SPACE leads London Creative Network, an important London-wide creative professional development partnership programme now in its fourth year.

840 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



London Creative Network participant, artist Yukako Shibata

GRADUATE STUDIO BURSARIES

Graduate studio bursaries provide emerging artists with a year's free studio space and mentoring support. Bursaries were awarded to talented recent graduates, relieving artists' financial pressure to progress their studio practice.

SPACE Patrons and Friends graduate bursary artists were selected in partnership with widening participation tutors at Goldsmiths and Chelsea to ensure our programme benefits the most talented and deserving artists. Studio bursary partners include Alumno, Royal College of Art, Valerie Beston Artist Trust, Matts Gallery/David Troostwyk Award and New Contemporaries.

Tamu Nkiwane was the first recipient of the SPACE Ilford Patrons and Friends Studio Bursary 2019 – 2020. Tamu had access to a year's free studio at our new venue in Ilford. In addition, Tamu was supported through mentoring and other professional development opportunities throughout the year.

I'm delighted to get a studio with SPACE as it allows me to work without the fear of studio fees. I'm excited to do more socially engaged work within the North East and East London communities and this studio gives me the platform to work towards that project.

Tamu Nkiwane

During the first lockdown in March 2020, Tamu led a remote project for young people in Redbridge to express their feelings and thoughts in a collaborative zine.

Former bursary artist Djofray Makumbu has been commissioned to produce a SPACE Ilford Billboard in 2022. He was also awarded the Video Archive Commission by Goldsmiths Exhibitions Hub & London Community and Loewe Foundation/Studio Voltaire Award 2021.



ART+TECHNOLOGY

SPACE Art + Technology supports artists whose work engages with emergent technologies in a unique residency programme providing a test ground and critical exchange platform. Artists received free studio space, tailored mentoring and 1-2-1 support. In the final rounds of the programme:

- 8 artists looked at how AI is shaping what it means to be human in the digital age
- 8 artists looked at the cost of our gamified experiences and how play can be used to explore our relationship with nature and ourselves
- Our international residency partnership continued with the Finnish Cultural Institute and Saastamoinen Foundation
- Workshops enabled residency artists to share their research with wider audiences
- *Deep Play*, the final exhibition showcase, was presented online alongside live streamed talks and events



Fundraising

Fundraising, development and partnership working make a vital contribution to our income and impact.

Our dedicated Patrons and Friends support studio bursaries for recent graduates, and we are very grateful for their generosity. By recruiting more Patrons and Friends we increase the number of studio bursaries offered, which make an enormous difference to talented recent graduates who can least afford a studio.

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.

SPACE operates a safeguarding policy, which is reviewed and updated annually with staff receiving appropriate training. This policy forms the basis by which we protect vulnerable people and others from our fundraising activities.



Future plans

Building on a review of our vision and goals we have continued to refocus and outline how SPACE can best deliver its core mission of supporting artists and being good neighbours, particularly in the light of Covid-19 and the innovative thinking required to continue to flourish. We will continue to participate in Change Creation as we refocus.

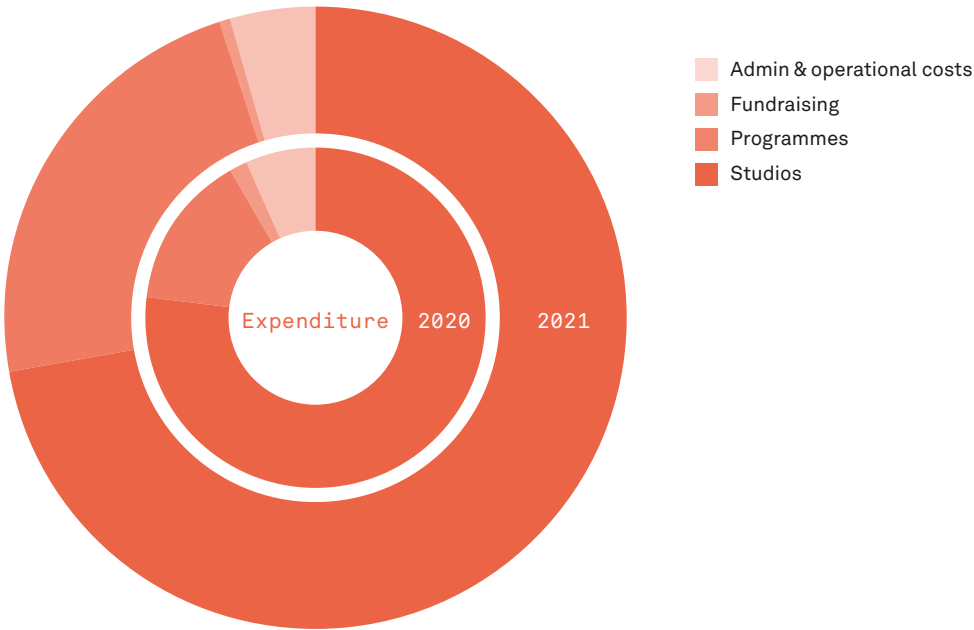
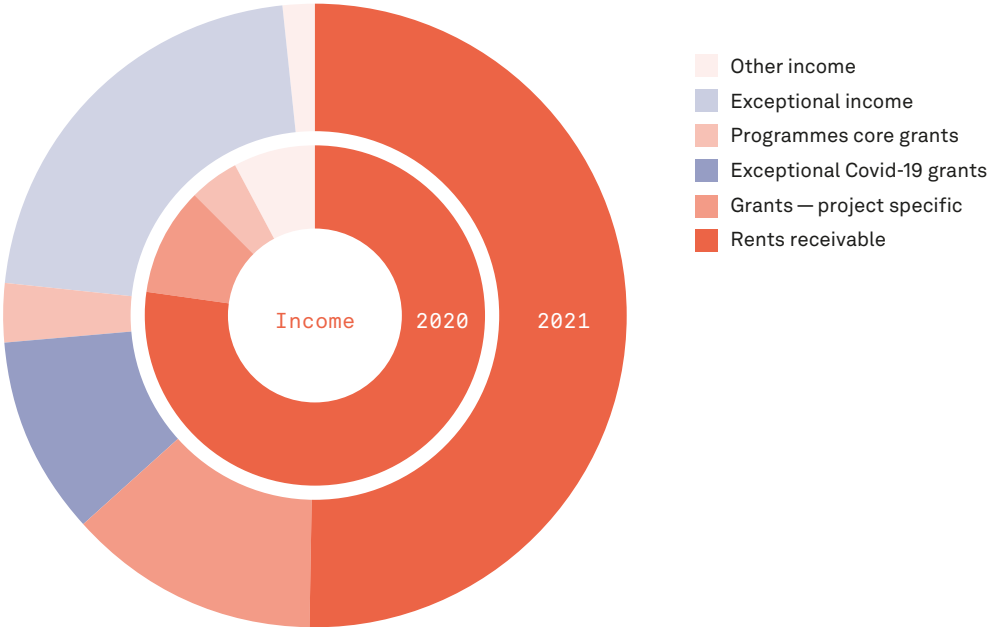
Despite the challenges of building audiences for our new programme during the exceptional Covid-19 year, SPACE's partnership with London Borough of Redbridge at SPACE Ilford and our work with the Redbridge Cultural Consortium and a wide range of community organisations are beginning to have a positive impact on diversifying our audiences.

A key priority is to build funds for new property acquisition for sustainable affordable studios and potential dilapidations liabilities at lease ends. We will continue our rolling maintenance programme on our studio sites and upgrade wherever resources permit to reduce our environmental impact.

A new partnership, Who Cares?, will enable SPACE to exchange ideas and skills with our European partners, through the Creative Europe programme.

With support from The European Regional Development Fund we will continue to lead delivery of the London Creative Network, however with Brexit the programme delivery is due to end in 2021/22.

Income/expenditure snapshot



Financial review

Income from studios represented **51%** of SPACE's revenue, with occupancy in the studios continuing at over **95%**. Grants represented **26%** of income while exceptional income and other income represented **23%**.

This was an exceptional funding year due to Covid emergency grants, a large proportion of which went directly to our artist tenants in the form of rent relief.

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 **£225,292** towards our programme.

Income/expenditure snapshot

Income	2021 (£)	2020 (£)	+/-
Rents receivable	3,844,172	4,030,386	-5%
Grants —Project specific	982,199	521,685	88%
Exceptional Covid-19 grants	791,315	-	n/a
Programmes core grants	225,292	251,221	-10%
Exceptional income	1,658,404	-	n/a
Other income	105,862	389,905	-73%
Total income	7,607,244	5,202,197	-

Expenditure	2021 (£)	2020 (£)	+/-
Studios	4,007,059	3,919,577	2%
Programmes	1,265,970	756,757	67%
Fundraising	39,275	75,930	-48%
Admin & operational costs	235,746	337,240	-30%
Total expenditure	5,548,050	5,089,504	-

The charity achieved a surplus of **£2,059,194** for the year. This is an exceptional result, made possible by the receipt of large Covid-19 related grants and the receipt of **£1.6 million** for a settlement relating to a property transaction on one of our freeholds. This exceptional income has been ring fenced for future acquisition or redevelopment of our existing freehold. The positive result enables us to continue 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.

Reserves Policy

SPACE generated a total unrestricted funds of **£7,394,494** as at 31 March 2021. Within the total unrestricted funds, **£2,796,365** 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 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.

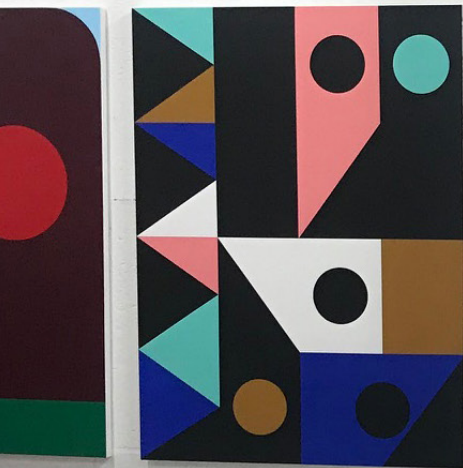
To ensure resilience, the Trustees have set a minimum free reserve target of three months' worth of total operating costs, being the appropriate level necessary for the Charity to continue its normal activities in the event of a significant drop in income. On the basis of past and current costs data, the required minimum target range is **£1,100,000** to **£1,300,000**, with actual free reserve position being **£1,869,034** at 31 March 2021.

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 managed. 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 we have sufficient reserves in place to withstand any challenges in the year ahead despite Covid-19 uncertainty.

Investment Policy

The Charity's investments are managed in accordance with the Trust's 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.



Art Services Grants Limited (SPACE)

Financial statements for the year ended 31 March 2021

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).

1. REFERENCE AND 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	
Imogen Willetts	(April 2020 – January 2021)
Lise Molgaard Frandsen	(Appointed February 2020)
Paulette Mizrahi	(Appointed February 2020)

SECRETARY Anna Harding

CHIEF EXECUTIVE Anna Harding

**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 Building
138 Houndsditch
London EC3A 7AR

BANKERS

Natwest Bank Plc
140 Victoria Street
London SW1E 5LF

COIF Charities Deposit Fund
St Alphage House
2 Fore Street
London EC2Y 5AQ

Triodos Bank
Deanery Road
Bristol BS1 5AS

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Art Services Grants Ltd (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 the company 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 and also Patrons. 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. On-going training is provided to Trustees throughout the year. No Trustee expenses have been incurred.

During the year, the Property Working Group and Development Advisors Group supported the Trustee board. Both advisory groups include co-opted experts and report to the Trustee board. The Trustees are grateful for generous support from its Property Working Group members: Claire Bennie, Chris Currell (Trustee), Alan Leibowitz at Dorrington Plc (Chair), Selina Mason, Rory Brooke at Savills and would like to thank Toni Lodeiro of Dalton Warner Davis, our property advisors who acted on our behalf throughout the year.

SPACE established an Equality and Diversity 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 work place 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 as below. 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.

Risk Management Practices

- SPACE has a business continuity plan to cover all potential operational considerations.
- annual review of priorities ensures we meet objectives effectively.
- lease agreements are negotiated to ensure that our obligations are not onerous.
- artist tenancy agreements allow us to give one month's notice.

Risk Management Practices (contd.)

- Income generation targets are reviewed monthly and appropriate action taken.
- Risk is an agenda item at all Trustee meetings
- SPACE evaluates and responds to risk at regular meetings including:
 - Quarterly trustee meetings
 - Monthly senior management team meetings
 - Monthly studios management meetings
 - Monthly programmes meetings
 - Monthly finance & administration meetings
 - Monthly full staff meetings
 - Quarterly property working group meetings

Keys risks identified

- Reduced operating margins within the existing property portfolio due to some substantial rent increases at rent reviews and lease renewals
- Potential loss of income with fundraising uncertainty, pressure on funding bodies, limited affordable long-term leaseholds and freeholds available to add to current portfolio
- Fire and security risks within all our properties

- Increase in studio costs threatening affordability of studios
- Safeguarding becoming an increased risk for all charities
- New Redbridge premises creating split office sites
- Impact of Covid-19 on tenants' ability to meet their rent obligation, potentially leading to voids, increased arrears and bad debts
- Impact of Covid-19 on the ability to effectively manage new lettings and deliver programme
- General economic uncertainty resulting from the pandemic and its long term effect on organisational resilience
- Threat to programmes fundraising resulting from the pandemic as funders change their funding priorities.

Statement of trustees 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 trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the 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 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 charitable company 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Small company rules

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.

On behalf of the Board

Chair: Caroline Cole

Date: 08 December 2021

A handwritten signature in black ink, appearing to read 'Caroline Cole', with a horizontal line underneath.

Independent auditor's report to the members of Art Services Grants Limited

Opinion

We have audited the consolidated financial statements of Art Services Grants Limited for the year ended 31 March 2021 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 2021 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 39, 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.

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. 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.

Richard Weaver (Senior Statutory Auditor)

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

Date: 08 December 2021

A handwritten signature in black ink, appearing to read 'R Weaver', is positioned below the printed name and firm details.

Statement of financial activities for the year ended 31 March 2021

	Unrestricted revenue funds (£)	Restricted revenue funds (£)	Restricted capital funds (£)	Total 2021 (£)	Total 2020 (£)
Income from					
Donations ²	6,800	-	-	6,800	259,696
Investments ³	6,516	-	-	6,516	11,794
Charitable activities ⁴	4,860,779	982,199	-	5,842,978	4,803,293
Other trading activities ⁵	1,682,649	68,301	-	1,750,950	127,414
Total income	6,556,744	1,050,500	-	7,607,244	5,202,197
Expenditure on					
Hires and Fundraising ⁶	41,717	-	-	41,717	75,930
Charitable activities ⁶	4,205,526	1,152,145	148,662	5,506,333	5,013,574
Total expenditure	4,247,243	1,152,145	148,662	5,548,050	5,089,504
Net income/(expenditure)	2,309,501	(101,645)	(148,662)	2,059,194	112,693
Transfer between funds ¹⁵	(90,497)	90,497	-	-	-
Net movement in funds	2,219,004	(11,148)	(148,662)	2,059,194	112,693
Fund balances at 01 April 2020	5,175,490	5,520	1,286,233	6,467,243	6,354,550
Fund balances at 31 March 2021¹⁵	7,394,494	(5,628)	1,137,571	8,526,437	6,467,243

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 £3,853,923 within general funds and £1,137,571 within restricted funds.

The notes on pages 54 – 73 form part of these financial statements.

Balance sheet as at 31 March 2021

	2021 (£)	2021 (£)	2020 (£)	2020 (£)
Fixed Assets				
Tangible assets ¹⁰		8,187,773		8,518,209
Current Assets				
Debtors ¹¹	1,015,588		956,318	
Cash on short term deposit at bank and in hand	5,371,605		2,155,385	
Subtotal	6,387,193		3,111,703	
Creditors: amounts falling due within one year ¹²	(2,985,098)		(2,092,528)	
Net Current Assets		3,402,095		1,019,175
Total Assets Less Current Liabilities		11,589,868		9,537,383
Creditors: amounts falling due after more than one year ¹³		(3,063,431)		(3,070,140)
Total Net Assets		8,526,437		6,467,243
Funds				
Unrestricted Funds ¹⁵		6,336,936		4,090,431
Revaluation Reserve ¹⁵		1,057,558		1,085,059
Restricted Funds ¹⁵		1,131,943		1,291,753
Total Funds		8,526,437		6,467,243

The notes on pages 54 — 73 form part of these financial statements.

The accounts are prepared in accordance with the special provisions of part 15 of Companies Act 2006 relating to small entities. Approved by the Board of Directors and authorised for issue 08 December 2021.

Chair: Caroline Cole

Date: 08 December 2021, Company #1157240

Statement of cash flows for year ended 31 March 2021

	2021 (£)	2020 (£)
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/ (expenditure) (as per the statement of financial activities) ^{SOFA}	2,059,193	112,693
Adjustments for:		
Depreciation charges ¹⁰	537,196	498,579
Investment income	(6,516)	(11,794)
Interest cost	92,256	103,495
(Increase)/decrease in debtors ¹¹	(59,268)	(94,102)
Increase/(decrease) in creditors ¹²	885,859	416,650
Net cash provided by/(used in) operating activities	3,508,720	1,025,521
Cash flows from investing activities		
Interest income	6,516	11,794
Purchase of property, plant and equipment ¹⁰	(206,760)	(95,444)
Net cash provided by/(used in) investing activities	(200,244)	(83,650)
Cash flows from financing activities		
Repayments of borrowing	-	(201,623)
Cash inflow from new borrowing	-	-
Interest cost	(92,256)	(103,495)
Net cash provided by/(used in) investing activities	(92,256)	(305,118)
Change in cash and cash equivalents in the reporting period	3,216,220	636,753
Cash and cash equivalents at the beginning of the reporting period	2,155,385	1,518,632
Cash and cash equivalents at the end of the reporting period	5,371,605	2,155,385
Analysis of cash and cash equivalents		
Cash in hand	5,371,605	2,155,385
Total cash and cash equivalents	5,371,605	2,155,385

Notes to the financial statements for year ended 31 March 2020

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. 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.

In terms of future cashflow and operating capacity, since the year end, Covid-19 has impacted on the artists' livelihoods. SPACE has dealt with this uncertainty by setting up a rent relief fund, providing emergency support webinars and mentoring and successfully applying to Arts Council England and Greater London Authority for emergency funds to ensure resilience of SPACE and artist tenants. The public gallery and event spaces were temporarily closed with programmes moving online where possible and the charity made use of the furlough scheme to reduce costs. In addition, the charity received a settlement relating to a property transaction. All these developments have reinforced the viability of the charity as a going concern.

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: 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. 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

l) Financial instruments:

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.

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 transaction price and subsequently at amortised cost.

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

Year to 31 March 2021

Donations	6,800	-	6,800
	6,800	-	6,800

Year to 31 March 2020

Donations	259,696	-	259,696
	259,696	-	259,696

3. Income from investments

Year to 31 March 2021

Bank interest	6,516	-	6,516
	6,516	-	6,516

Year to 31 March 2020

Bank interest	11,794	-	11,794
	11,794	-	11,794

4.(a) Income from charitable activities

Year to 31 March 2021

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

4.(b) Grants

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: 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
Total	1,016,607	982,199	1,998,806

	Unrestricted funds (£)	Restricted funds (£)	Total 2021 (£)
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4.(c) Income from charitable activities

Year to 31 March 2020

Grants 4 (d)	251,221	521,685	772,906
Rental income	4,030,386	-	4,030,386
Total	4,281,607	521,685	4,803,292

4.(d) Grants

Year to 31 March 2020

ACE: NPO core funding programme	221,221	-	221,221
Academy of Fine Arts, Helsinki	-	10,000	10,000
Bloomberg Philanthropies	30,000	-	30,000
Action for Bow	-	11,120	11,120
European Regional Development Fund	-	137,210	137,210
Institute of Contemporary Arts	-	35,372	35,372
London Community Foundation, Cockayne Trust	-	15,000	15,000
The Mercers' Company	-	15,538	15,538
Thurrock Council (ERDF)	-	287,805	287,805
Other (individual grants less than £10,000)	-	9,640	9,640
Total	251,221	521,685	772,906

5. Other trading activities

Year to 31 March 2021

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

	Unrestricted funds (£)	Restricted funds (£)	Total (£)
5. Other trading activities (contd.)			
Year to 31 March 2020			
Management fees	-	67,671	67,671
Other income:			
Venue hire	18,495	-	18,495
Workshop fees	1,941	-	1,941
Bursary studios	-	5,556	5,556
Other	8,426	25,325	33,751
Total	28,862	98,552	127,414

	Studio costs (£)	Programme costs (£)	Costs of generating funds (£)	Support costs (£)	Total 2021 (£)
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6. Total resources expended

Year to 31 March 2021

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 and 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 and 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 and professional	11,314	27,568	-	713	39,595
Depreciation	528,965	-	-	8,232	537,197
Bank charges and 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)	-
Total	4,182,142	1,324,191	41,717	-	5,548,050

Expenditure in total was £5,548,050 (2020: £5,098,204) of which £4,247,243 was unrestricted (2020: £4,286,563) and £1,300,807 was restricted (2020: £802,641).

Studio costs (£)	Programme costs (£)	Costs of generating funds (£)	Support costs (£)	Total 2020 (£)
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6. Total resources expended (contd.)

Year to 31 March 2020

Staff costs (see note 8)	262,217	408,319	25,227	138,980	834,743
Other staff related costs	5,666	26,428	6,708	16,604	55,406
Rent, rates, maintenance and other property costs	2,882,475	20,212	108	72,468	2,975,263
General office expenses	51,852	2,940	217	15,170	70,179
Publicity and marketing	2,717	26,518	18,219	-	47,454
Print, post, stationery	282	990	29	7,904	9,205
Information systems and equipment	6,059	29,883	2,751	52,514	91,207
Bad debts	-	-	-	-	-
Legal and professional	101,390	7,618	70	-	109,078
Depreciation	490,620	-	-	7,959	498,579
Bank charges and interest	98,654	272	-	4,569	103,495
Other programmes costs	17,345	233,577	22,601	4,787	278,610
Governance costs	-	-	-	16,285	16,285
	3,919,577	756,757	75,930	337,240	5,089,504
Allocation of support costs	242,345	81,614	13,281	(337,240)	-
Total	4,161,922	838,371	89,211	-	5,089,504

2021 (£)

2020 (£)

7. Net incoming resources

Net incoming resources stated after charging:

Auditors' remuneration	15,000	15,000
Depreciation	537,196	498,579
Rentals paid under operating leases – property	1,764,316	1,686,915

8. Staff costs

Wages and salaries	741,791	737,600
Pensions	29,958	30,774
Social security costs	68,257	66,369
Total	840,006	834,743

There was no employee during the year whose emoluments, excluding pension costs, fell between the range of £60,000 – £70,000 (2019: 1)

No emoluments or expenses were paid to the trustee directors during the year (2020: 0).
The total cost of staff redundancy for the year was £13,575 (2020: 0)

The average weekly number of employees during the year was:

	No.	No.
Studios	9	8
Programmes	11	11
Cost of generating funds	2	3
Support	4	5
Total	26	27

Key management personnel:

Key management personnel include the Trustees, Chief Executive and senior management reporting directly to the Chief Executive, including Finance Director, Head of Grants, Properties Director, Studios Director, Operations Director, Strategic Development Director and Programmes Development Manager. The total employee benefits, including pension costs, of the charity's key management personnel were £341,345 (2020: £293,319).

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 2020	9,133,045	3,439,611	182,041	2,800	12,757,497
Additions	2,833	194,727	-	9,200	206,760
Disposals	-	-	-	-	-
at 31 March 2021	9,135,878	3,634,338	182,041	12,000	12,964,257

Depreciation:

at 1 April 2020	1,856,158	2,223,180	157,150	2,800	4,239,288
Charge for year	267,713	253,047	14,136	2,300	537,196
Disposals	-	-	-	-	-
at 31 March 2021	2,123,871	2,476,227	171,286	5,100	4,776,484

Net book value:

As at 31 March 2021	7,012,007	1,158,111	10,755	6,900	8,187,773
as at 31 March 2020	7,276,887	1,216,431	24,891	-	8,518,209

The Mayor and Burgesses of The London Borough of Hackney holds 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.

2021 (£) 2020 (£)

11. Debtors

Rental debtors (including electricity costs recharged to tenants)	154,126	140,824
Other debtors	42,978	117,981
Prepayments	509,217	443,083
Accrued income	309,267	254,430
Total	1,015,588	956,318

12. Creditors: amounts falling due within one year

Tenant deposits held on account	120,026	119,083
Rental creditors	124,028	60,249
Other taxes and social security costs	21,859	21,879
Bank loan	132,851	126,137
Trade creditors	370,584	159,195
Other creditors	16,250	6,006
Accruals and deferred income	2,199,500	1,599,979
Total	2,985,098	2,092,528

Analysis of deferred income:

Balance as at 1 April 2020	13,464	-
Amount received in the year	65,560	14,640
Amount released in the year	1,176	1,176
Balance as at 31 March 2021	77,848	13,464

13. Creditors: falling due after one year

Bank loans

Amounts falling due:

Between one to two years	136,551	132,851
Between two to five years	432,896	421,167
Over five years	2,493,984	2,516,122
Total	3,063,431	3,070,140

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 a minimum rate of 2.75% p.a. dependent upon the terms stated at the outset of each loan.

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 2020 (£)	Incoming resources (£)	Resources expended (£)	Transfers (£)	Total at 31 Mar 2021 (£)
15. Reserves					
Year to 31 March 2021					
Unrestricted Funds					
General reserve	1,115,979	6,556,744	(4,247,243)	(1,559,909)	1,865,571
Designated funds:					
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
Total unrestricted funds	5,175,490	6,556,744	(4,247,243)	(90,497)	7,394,494
Restricted Funds:					
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)
Total restricted programme funds	5,520	1,050,500	(1,152,145)	90,497	(5,628)
7. Restricted property funds					
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
Total restricted property funds	1,286,233	-	(148,662)	-	1,137,571
Total restricted funds	1,291,753	1,050,500	(1,300,807)	90,497	1,131,943
Total funds	6,467,243	7,607,244	(5,548,050)	-	8,526,437

	At 01 Apr 2019 (£)	Incoming resources (£)	Resources expended (£)	Transfers (£)	Total at 31 Mar 2020 (£)
15. Reserves					
Year to 31 March 2020					
Unrestricted Funds					
General reserve	828,129	4,592,953	(4,286,863)	(18,240)	1,115,979
Designated funds:					
1. property funds for assets funded internally	2,974,452	-	-	-	2,974,452
Revaluation reserve	1,112,560	-	-	(27,501)	1,085,059
Total unrestricted funds	4,915,141	4,592,953	(4,286,863)	(45,741)	5,175,490
Restricted Funds:					
2. Restricted Programme funds - NCM project	-	204,881	(250,622)	45,741	-
3. Restricted Programme funds - other	2,976	404,364	(401,820)	-	5,520
Total restricted programme funds	2,976	609,245	(652,442)	45,741	5,520
7. Restricted property funds					
Redbridge Town Hall	64,663	-	(13,765)	-	50,898
ACE Capital Works fund	742,909	-	(47,363)	-	695,546
Triangle fund	460,252	-	(67,068)	-	393,184
Sarah Lane fund	41,269	-	(13,756)	-	27,513
Bridget Riley Studios fund	5,240	-	(1,048)	-	4,192
Haymerle Road fund	122,100	-	(7,200)	-	114,900
Total restricted property funds	1,436,433	-	(150,200)	-	1,286,233
Total restricted funds	1,439,409	609,245	(802,642)	45,741	1,291,753
Total funds	6,354,550	5,202,198	(5,089,505)	-	6,467,243

For an explanation of these funds, see the narrative on the description to the funds on p 70

15. Reserves (see previous spread)

1. 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.
2. Settlement for a property transaction ring fenced for either future acquisition or redevelopment of existing freeholds.
3. Covid-19 related grant from the government earmarked for Colchester programmes.
4. 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.
5. LCN project funds reflect expenditure incurred against grant funding received from The Greater London Authority in 2020-21. The transfer from general reserve is in line with matched funding agreement.
6. 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.
7. 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 2020 (£)
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16. Analysis of net assets between funds

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	1,869,034	1,542,149	(5,629)	3,405,554
Long term liabilities	-	(3,063,431)	-	(3,063,431)
Total net assets	2,926,038	4,471,365	1,131,943	8,529,896

	General funds (£)	Designated funds (£)	Designated funds (£)	Total 2019 (£)
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Fund balances at 31 March 2020 are represented by:

Tangible fixed assets	1,061,246	6,170,729	1,286,233	8,518,209
Net current assets/liabilities	1,139,792	(126,137)	5,520	1,019,175
Long term liabilities	-	(3,070,140)	-	(3,070,140)
Total net assets	2,201,038	2,974,452	1,291,753	6,467,243

17. Contingent liabilities and other financial commitments

There were no contingent liabilities as at 31 March 2021 (2020:0). At 31 March 2021, there were total commitments under non-cancellable operating leases as follows:

	2021 Equipment (£)	2020 Equipment (£)	2021 Land & buildings (£)	2020 Land & buildings (£)
Operating leases which expire				
Within one year	30,662	22,996	-	-
Between two to five years	-	30,662	7,007,031	6,883,307
Over five years	-	-	5,312,450	6,761,825
Total	30,662	61,324	12,319,481	13,645,132

18. Related party transactions

There were no related party transactions during the year 2021 (2020:£0).

	2021 (£)	2020 (£)
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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)	506,371	513,235
Financial liabilities measured at amortised cost (trade and other creditors, accruals and bank loans)	763,739	470,670

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For more information, please visit
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