

ASSOCIATION FOR CULTURAL ADVANCEMENT THROUGH VISUAL ART LIMITED

England & Wales · Charity number 287894

Details

Other names A C A V A

Status Registered

Legal form Charitable company

Company number [01749730](#)

Registered 1984-03-29

Register [View on the Charity Commission register](#)

Contact

Address Acava Ltd
54 Blechynden Street
London
W10 6RJ

Phone 02089605015

Email hello@acava.org

Website www.acava.org

Activities

Objects: THE OBJECT OF THE CHARITY IS, FOR THE PUBLIC BENEFIT IN THE UK, TO ADVANCE EDUCATION IN THE ARTS AND CULTURE, IN PARTICULAR BUT NOT EXCLUSIVELY BY PROVIDING OPPORTUNITIES FOR THE CREATION AND DISPLAY OF ART AND ACCESS TO COURSES, EVENTS AND WORKSHOPS.

Activities: The advancement of education by the encouragement of the arts through the establishment and management of community groups, centres, studios and activities for the furtherance of public benefit through the visual arts.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Essex
- Staffordshire
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	-	-	-	-
2023-09-30	-	-	-	-
2022-09-30	£2,017,915	£2,207,162	£612,008	22
2021-09-30	£2,093,832	£2,122,842	£801,255	22
2020-09-30	£1,879,736	£1,909,166	£830,265	26
2019-09-30	£2,200,423	£2,683,400	£859,695	24
2018-03-31	£1,817,991	£1,626,033	£1,342,672	25

Trustees

Name	Role	Appointed
Paul Augarde	Chair	2019-11-27
Alexandra Mathews		2022-03-02
Alice Boff		2021-03-10
Andrew Catcheside		2025-06-23
Clementine Loustric		2025-06-23
Jessica Arczynski		2025-06-23
Jessica Longmore		2025-06-23
Maya Kincaid		2025-06-23
Rachel McVeagh		2025-06-23

ASSOCIATION FOR CULTURAL ADVANCEMENT THROUGH VISUAL ART LIMITED

England & Wales - Charity number 287894

Accounts

Company number: 1749730

Charity number: 287894

Association for Cultural Advancement Through Visual Art

Report and financial statements

For the year ended 30 September 2022

Association for Cultural Advancement Through Visual Art

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For the year ended 30 September 2022

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Association for Cultural Advancement Through Visual Art

Reference and administrative information

For the year ended 30 September 2022

Company number 1749730 – incorporated in the United Kingdom

Charity number 287894 – registered in England & Wales

Registered office and operational address 54 Blechynden Street
London
W10 6RJ

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Paul Augarde	
Alice Boff	
Yasmin Jones–Henry	Appointed 02 March 2022
Michelle Kershaw	
Alex Matthews	Appointed 02 March 2022
Jeff Pym	Appointed 02 March 2022
Caspar Van Eijck	
Rebekah Paczek	Resigned as Trustee 15 February 2023

Key management personnel Tom Holley Chief Executive

Bankers National Westminster Bank
1st Floor
180 Brompton Road
London
SW3 1HL

Solicitors Russell Cooke LLP
2 Putney Hill
London
SW15 6AB

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108–114 Golden Lane
LONDON
EC1Y 0TL

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2022

The trustees present their report and the audited financial statements for the year ended 30 September 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Essential cultural infrastructure

ACAVA (Association for Cultural Advancement through Visual Art) is an arts organisation, limited company and registered charity that evolved from artist-led initiatives in the early 1970s. For almost 50 years, ACAVA has been one of the most progressive affordable workspace providers, helping define the sector through an innovative approach to workspace typologies, locations, a radical curatorial vision, and a long-standing commitment to the transformative power of creativity in health and wellbeing and community settings.

Today, ACAVA is one of the largest affordable workspace providers in the UK and an essential part of the national cultural infrastructure. We offer an ecosystem of workspace, production facilities, open access workshops, exhibition and event spaces, free professional development opportunities and public art programmes focused on community co-creation with multi-disciplinary creative practitioners.

During the reporting period, our estate of 16 buildings spans eight London boroughs, two locations in Essex and a post-industrial heritage site in Stoke-on-Trent that collectively support a community of over 400 artists, SMEs and third sector organisations.

Studios are in several areas of low engagement in the arts and culture, for example: LB Tower Hamlets, LB Newham, LB Brent, North Kensington (Royal Borough of Kensington and Chelsea), LB Merton, LB Hammersmith and Fulham, Deptford (LB Greenwich), Ardleigh (Tendring District Council, Essex) and Stoke-on-Trent.

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For the year ended 30 September 2022

We exited the building in Hadleigh, Essex (HOFS) in March 2023 therefore the portfolio is now 15 buildings.

Public exhibition and workshop facilities

The charity operates exhibition and workshop spaces in seven studio buildings. These facilities are available free of charge or at discounted rates to ACAVA studio artists, community partners, and others who wish to present arts programs that engage and educate the public.

These spaces serve as valuable communal environments where ACAVA staff, professional artists, emerging practitioners, local community groups, the public, and stakeholders can interact and engage in dialogue.

ACAVA's facilities are extensively used by diverse local groups across our property portfolio. These groups organise independent activities, which encompass curated exhibitions, presentations, workshops, family-oriented events, meetings, art classes, and film screenings.

Publicly accessible facilities are at the following locations: Blechynden Street Studios in North Kensington, London; Maxilla Walk Studios, which includes The Men's Shed and Maxilla Gallery, also in North Kensington, London; Central Space Gallery at Faroe Road Studios in Hammersmith, London; Hadleigh Old Fire Station Community Hall in Hadleigh, Essex (ACAVA vacated this building on 31 March 2023); and Spode Works Gallery at Spode Works in Stoke-on-Trent.

Workspace occupancy

Despite the pandemic that escalated rapidly in March 2020, occupancy for the year, and through 2021 and 2022, remained high (above 90%) with modest variations because of three national lockdowns. The pandemic, and lockdowns, led to a sudden and widespread loss of income to the arts sector generally and especially for freelance workers and sole traders working in the sector who constitute the majority of ACAVA's studio holders. The potential financial consequences if studio holders were unable to maintain their studios posed an existential threat to the organisation and it was imperative that ACAVA found ways of managing the risk. In mitigation, we increased communications and marketing output and streamlined studio allocations administration to try to minimise void periods.

Throughout 2020, 2021 and into 2022 the CEO focused on securing recovery funding from various sources, with considerable success. A compelling case for support was articulated in several funding applications – they collectively formed a strategy for survival, recovery and future development designed to strengthen business resilience. The aim was to survive the financial challenges of the pandemic and prepare for an unpredictable potentially volatile post pandemic socio-economic climate likely to include changes in social behaviour, changes to workplace culture and economic inflation. The objectives were to maintain demand for studios, high occupancy rates and robust health and safety regimes.

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For the year ended 30 September 2022

We successfully achieved funding for: an ACAVA Artists' Hardship Fund; lost income due to freezing inflation-linked licence fee increases for two years (while landlords did not freeze rent increases); a challenging increase in the volume of unpaid studios utilities; organisational restructuring; targeted capacity building; increased quality and volume of communications (including new social media content, newsletters, brand/identity and website); recalibrating our business model; new business development initiatives and professional advice and support in key areas e.g. legal, HR, fundraising and property.

The establishment of the ACAVA Artists' Hardship Fund (May 2020, now the ACAVA Artists' Support Fund) was a pivotal initiative. Discounts and debt write-off for studio holders in the most financial need helped people maintain their studios and continue their practice. This protected the organisation's core income and, combined with mitigating other losses, ACAVA survived the pandemic period. There is uncertainty about the future viability of the affordable workspace sector, with post-Brexit and pandemic factors continuing to impact the UK and global economy. During this period, it has been difficult to progress new building developments to replace those with expiring leases.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on promoting arts education and are undertaken to further the Association for Cultural Advancement Through Visual Art's charitable purposes for the public benefit.

Strategic partnerships and collaborations

The charity continues to cultivate and maintain mutually beneficial relationships with external stakeholders and agencies who fund, commission, or collaborate with us on our public programmes, which deliver our charitable purpose.

Partners include: 13 Local Authorities, 10 Trusts and Foundations, 22 community partners, 11 cultural sector partners, 19 education partners and five statutory funders.

ACAVA Programmes – co-creating with communities

ACAVA is a strong advocate for socially engaged arts initiatives in community and non-clinical health and wellbeing environments. Our expansive programmes are delivered from centres located in North Kensington and Stoke-on-Trent (expanding to LB Brent in April 2023 following being appointed as an Arts Council England National Portfolio Organisation (ACE NPO)). Activities conducted from two sites in North Kensington demonstrate our longstanding exemplary collaborations with the NHS, Clinical Commissioning Groups, art therapists, local stakeholders, artists, and community groups. Since 2017, we have been the lead cultural organisation delivering programmes that help individuals commemorate and recover from the Grenfell Tower fire. Our primary goal is to generate meaningful experiences that have positive impacts on wellbeing,

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2022

personal development, and social cohesion, inspiring individuals to engage in the arts, build confidence, and acquire new skills.

In recognition of the significance of this work, ACAVA's Grenfell Memorial Community Mosaic won the Culture Health and Wellbeing Alliance's Collective Power Award in 2022.

North Kensington, London

The charity's socially inclusive programmes are co-designed with local people and delivered by ACAVA staff working in our studios, workshops, makerspace, and galleries at two sites – Blechynden Street Studios and Maxilla Walk Studios.

Flourish

In an enclosed urban garden and forest school, a variety of intergenerational programmes take place where families and artists collectively participate in co-created activities centred around contemporary themes. These themes range from science to the environment, allowing participants to playfully delve into the exploration of art and its possibilities.

The Flourish garden serves as a sanctuary where families can connect with nature, engaging in activities such as constructing habitats for insects and pollinators. In response to community needs and the urgency of addressing climate change, ACAVA has expanded this programme, aligning it with our organisation's values.

Flourish: Breathe

Providing free trips out of London for North Kensington families to escape the city and engage in creative activities in new contexts. Three visits took place between August 2022 and April 2023.

Cultivate Create

During the spring of 2022, ACAVA introduced Cultivate Create. This programme enables families to grow an edible garden while also fostering an understanding of horticulture and conservation with a focus on wellbeing and emotional resilience.

Grenfell Memorial Community Mosaic: Walking as One

Phase three of our award-winning community-designed public memorial project was completed in June 2022 to mark the fifth anniversary of the Grenfell Tower fire. Mosaic artists, ACAVA and local people co-created a public artwork: Walking as One – a series of 39 mosaics embedded into paving stones set along the route of the Silent Walk each depicting the word Justice in a language spoken by the residents of Grenfell Tower.

Maxilla Men's Shed

A vibrant community workshop and makerspace located in our Maxilla Walk Studios, beneath the Westway flyover. Designed to engage socially isolated older men, we also welcome women and community groups who enjoy formal and informal making sessions, pastoral support from ACAVA staff, peer networks and socialisation.

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Since opening in October 2019, the Shed has facilitated over 800 places on courses, workshops, and drop-in sessions, delivering over 180 classes to 101 unique individuals.

Working with Kensington and Chelsea Social Council, the project has been made possible by funding from NHS West London Clinical Commissioning Group, Royal Borough of Kensington and Chelsea Public Health, the Kensington and Chelsea Foundation and Ernst & Young.

Pathways to employment

ACAVA has developed new programmes that support young people from underserved communities to develop the skills and knowledge that support them to pursue careers in the creative industries.

Young Photographers

A professional development programme that helps young people from diverse backgrounds to develop a professional standard portfolio. The programme not only enhances the participants' photography skills but also delivers real-life understanding of how to shoot engaging photos and manage an ongoing relationship with clients.

ACAVA Shoots

Traditional routes to a career in photography often involve unpaid work experience – a barrier to access for many young people. ACAVA Shoots promotes diversity in the creative industries by identifying paid work opportunities for Young Photographers alumni. Recent clients include Young Camden Foundation, The Local Trust and Young Kensington and Chelsea.

Studio 13 Residency

A career development opportunity for artists who consider social engagement integral to their studio practice. The resident receives six-months rent-free access to Studio 13 at our Blechynden Street Studios, training, and peer-to-peer support. Ran from March 2022 for six months.

Essex

Hadleigh Old Fire Station (HOFS)

Activities included:

- 43 groups, artists and individuals used the Appliance Hall for events, rehearsals, workshops, performances, and exhibitions.
- Total footfall for the space across all bookings and events of c. 20,000.
- 2,000 hours of community and creative activity.
- 10 cinema screenings with a total audience of 600.

ACAVA vacated this building on 31 March 2023.

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Stoke-on-Trent

ACAVA provides 43 studios, a gallery and delivers CPD programmes for local creative practitioners.

Factory

We continue to work in partnership with the British Ceramics Biennial (BCB), Staffordshire University and Staffordshire Chamber of Commerce to deliver this professional development programme that supports Staffordshire based artists, designers, makers, and small creative enterprises to develop their practice and business skills.

Financial review

Overview

During the 12-month period income was £2,017,915 (previous period £2,093,832) with expenditure of £2,207,161 (previous period £2,122,842).

For the 12-month period ended 30 September 2022, the charity incurred a deficit of £189,247 In the previous 12-month period, a deficit of £29,010 was incurred. The accounts for the year-to-date show that ACAVA made a significant loss. However, it should be noted that there were some exceptional legal costs in the year. Recovery of utilities costs and an increase in license fees in June 2023 will bring ACAVA to a break-even point by the end of September 2023.

Financial management

We retain the services of external management accountants who have since become an integral part of our financial management and oversight – handling day to day transactions, cash flow, P&L, and forecasts working closely with ACAVA's staff and leadership.

In recent years, the charity has been navigating a challenging financial period caused by increasing operational costs, reduced development opportunities, inflation in the London property market and the impact of COVID-19. Current challenges in post-pandemic environment are rapidly increasing inflation and other cost pressures especially utility costs.

Robust financial management and cash flow control has given our bank confidence and we retain an overdraft facility at a much-reduced level than was necessary in the past.

Licence fees were increased by 12% in June 2023, which has improved income and cashflow. The increase had no significant impact on occupancy with spaces continuing to be in high demand and occupancy rates regularly reaching 98%. Further increases are planned for the next five years, however the level of future increases may not reach 12% again, increases will endeavour to balance the increases in costs due to inflation on the organisation and the affordability of studios for artists.

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Actions completed include annual licence fee forecast, revised utilities repayment system (rolled out in 2022) that has significantly improved cash flow, a comprehensive fundraising strategy (implemented in May 2021) and appointment of a Head of Fundraising to lead this work, diversification of income streams through commercial activities, efficient debt recovery, reduction of business rates, refinancing, negotiations to reduce rents, exiting unprofitable buildings, generating value from long leasehold properties and income generating development of freehold properties. ACAVA are on course to be at a break-even position by the end of September 2023.

Property assets

The charity's shares in five live/work properties at Honey Pot Lane are restricted under a section 106 agreement but could be sold on when this expires in approximately two years.

The balance sheet shows two freehold property assets historically valued at £110k. It should be noted that surveys carried out on behalf of our bank in July 2019 value them at £783,000 and £660,000 respectively giving a total potential market value of £1,443,000. Updated valuations are to be scheduled in the coming months, but trustees are not aware of anything currently that would indicate values are materially different from the above.

The two freehold properties have the potential to generate considerable revenue that would be used to refurbish studios in the London Borough of Hammersmith and Fulham. The development would create additional workspace and an upgraded public gallery space at one site which would increase revenue generated there. The architectural firm Jonathan Tuckey Design developed two feasibility studies and designs pro bono. A pre-planning application was submitted to LBHF in August 2020 and positive negotiations, surveys and site visits are currently taking place. The process has been slowed by changes in staff at LBHF, but we are actively discussing options to progress this project.

Another extensive property development feasibility study at our Blechynden Street Studios site has been completed. ACAVA briefed the architectural practice Jan Kattein Architects (JKA) to consider the potential to increase the number and type of workspace units alongside an ambitious vision for a community garden. The resulting study shows this is possible. Initial discussions with our landlord, the Royal Borough of Kensington and Chelsea, began in 2022. This is likely to be a long-term project with challenging capital expenditure requirements to complete.

Principal risks and uncertainties

The charity maintains a detailed risk register that is reviewed and discussed at board and management team meetings. The highest priority risks and mitigating actions are listed below.

Economic downturn

Unprecedented economic and political uncertainty caused by the UK leaving the EU, aftereffects of the COVID-19 pandemic are still of concern to the immediate and long-term future of the charity. The rising cost of goods and services linked to inflation has been challenging for the organisation particularly in relation to fluctuating utility costs. Increased costs of materials and services

Association for Cultural Advancement Through Visual Art

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For the year ended 30 September 2022

associated with general maintenance of properties is having a negative impact on planned improvements as well as future redevelopment plans. Increasing interest rates have been considered and are being adequately serviced from income. Further expected increases in interest rates can be tolerated from current income levels.

Our studios remain in high demand with occupancy levels stable and on target (98%), programmes continue to expand, and we are making good progress consolidating and diversifying our workspace offer. By identifying cost savings such as signing new fixed term utility contracts, negotiating charity discounts for subscriptions and services, and focussing on planned preventative maintenance rather than reactionary repairs we are reducing costs in a number of areas and are continuing to investigate further saving opportunities.

Profitability

Our policy is to only operate sites that generate sufficient revenue to cover their overheads. Consequently, ACAVA vacated Impress House (31 March 2022), Whitefriars Studios (30 June 2022), Harlow (30 November 2022), HOFS (31 March 2023) either because the landlord did not renew the lease (Impress House), or the building was loss-making (Harlow and HOFS). This successful process reduces financial losses and improves profitability – a key component of our business recovery strategy.

The charity continues to focus on improving general profitability and reducing historical debt. Excellent progress in finance and administration efficiencies that improve yield, minimise costs and streamline cash flow have been achieved and are under constant review and modification. Refinancing of loans has temporarily strengthened the cash position and created some working capital. We finalised negotiations with our bank and agreed revised terms in November 2022. Property development projects are progressing at three sites and seek to increase the number and quality of workspaces and exterior landscapes to generate higher levels of income from studios and hires. Recent grant awards include provision for legal and professional fees towards negotiating either improved rental terms or exits from leases especially those that make a loss. Early lease exits are difficult to achieve and can be costly.

The organisation is highly active in bidding for new sites with local authorities and private landlords. Several opportunities are in development, and we are optimistic that some of these will be successfully concluded.

Health and safety noncompliance

Maintaining health and safety compliance has been challenging with a small team and geographically distributed portfolio. A Health and Safety Officer has been contracted to review policies, audit the property portfolio, and work with employees to provide support and training.

Capacity

The organisation is managed by a comparatively small core team augmented by a full-time external management accountant firm and specialist associates in HR, fundraising, property development and regeneration on a project basis, as required.

The charity identified two new roles; Head of Professional Development which has been filled in an interim capacity until the end of 2023 and Head of Social Practice. Both roles will work closely with existing team members to support the organisation's programme activity and develop new opportunities.

Safeguarding vulnerable people

The charity maintains comprehensive up to date policies and procedures that ensure the safety and wellbeing of vulnerable people of all ages. We follow NSPCC best practice in policies relating to children and young people, and access relevant local Safeguarding Children Board training for staff and freelancers.

Reserves policy and going concern

Reserves

Reserves have been depleted in recent years. Total funds on 30 September 2022 were £612,008 (2021: £801,255).

Of this, £212,129 (2021: £62,686) was held as restricted funds.

Excluding property assets, bank loans and restricted funds, unrestricted general funds were negative £501,190, (2021: negative £213,420). It should be noted that this includes deposits from tenants of £196,210.

Our reserves policy sets a minimum target of £24,000 p/a for unrestricted reserves over the next five years with a target of £120,000.

It is our policy that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three- and six-months' expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Bank loans and overdraft

In February 2020, our overdraft limit was reduced to £50,000 and the facility is used to manage cash flow when required. The charity continued to meet its monthly loan repayments. No new loans were applied for.

Going concern

Trustees believe the charity is a going concern having made excellent progress over the past year on restructuring which has led to a more stable financial position. Demand for spaces remains high (regularly 98% occupancy) and licence fee income is a consistent stream of cash, much of it paid by direct debit. The demand for spaces provides assurance of this as an income stream. Loss making buildings put a significant strain on the organisation's finances and resources. Exiting

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2022

these buildings when leases expire does reduce income from licence fees but this is offset by lower maintenance and staff costs maintaining those spaces. This work is ongoing and will require more time to complete. Our business development and financial goals indicate we will achieve a sustainable position within three years.

At the time of reporting cash flow is under control and our overdraft limit is consistent at £50,000. The reduction of historical debt is being addressed through measures that have already been implemented, are in progress or are planned, as detailed elsewhere in this report.

In March 2021, we were awarded a further £208,477 from the DCMS/Arts Council England Culture Recovery Fund Round 2, the maximum amount available to us, and £208,254.50 was awarded in August 2021 from DCMS/Arts Council England Culture Recovery Fund Round 3. Since May 2020, we have been awarded over £900k in emergency grant income which has enabled the continuation of the hardship fund, partially covers lost income, enables capacity building in fundraising and communications and several organisational development initiatives including property portfolio performance analysis and property strategy.

We are actively targeting statutory funders, trusts and foundations, major donations, legacies, corporate foundations, in-kind partnerships, and capital funds. Our Case for Support continues to be developed and ambitious fundraising targets have been set.

New workspace and placemaking opportunities are actively being sought and if successful will generate new income streams.

Grant funding

£129,254 in restricted grant funding and £40,521 in unrestricted grant income for ACAVA's community programme has been raised during the reporting period.

ACAVA has received endorsements from several funders who have generously supported our recovery strategy and plans. During 2021/22, we received a grant of £208,455 from Arts Council England's Culture Recovery Fund (round 3) and a grant from the City Bridge Trust for staff access training and an access audit of Blechynden Street Studios and Community Workshop.

Community programmes have been generously supported by the Royal Borough of Kensington & Chelsea's (RBKC) Grenfell Recovery funds, RBKC S106 funding, Kensington & Chelsea Foundation, NHS NW London Clinical Commissioning Group, the Westway Trust, John Lyons Charity, Grenfell Foundation, DE Group, Blackrock and Ernst & Young.

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For the year ended 30 September 2022

In April 2023, ACAVA joined Arts Council England's National Portfolio. We have been awarded £80,000 per year for three years to deliver new family programmes and artists residencies in Barham Park, Brent.

ACAVA's fundraising is compliant with fundraising regulation and codes. We are not aware of any non-compliance with any code and no complaints about the organisation's fundraising activities have been received. Until now, the organisation has not used professional fundraisers or commercial participators. No third parties have carried out fundraising activity on behalf of the charity.

Legacies

Three legacy donations were accrued and/or received consisting of £17,600 received in May 2022, £90,000 received in August 2022 and £18,000 received November 2022. Of the legacies, £108,000 received is classed as restricted income and will be used to develop a ten-year ceramics residency programme for under-represented artists and provide opportunities for the community to experience the therapeutic benefits of working with clay.

Plans

The charity aims to generate sufficient income to continue to deliver its two main activities:

1 Creative workspace and facilities

The provision of workspace and facilities that support artists of all disciplines, but primarily in the visual arts, and enable the production of art and culture.

To maintain the necessary number of buildings and studio holders, the charity continually seeks new opportunities to establish studio buildings in London and the UK regions.

Increasingly, this requires dialogue with potential stakeholders working in placemaking and regeneration contexts where art, culture and the creative industries are recognised drivers key to community participation, cultural engagement, and social value.

It is essential to improve ACAVA's visibly and advocacy work with regeneration agencies, third sector organisations, cultural sector partners, businesses, architects, property developers, local and regional authorities, national government bodies and statutory funders.

Our future strategy includes increased communications, targeted marketing, and relationship cultivation and stewardship.

In recent years, the charity has established new buildings in three UK regions and will continue to explore similar opportunities in different parts of the country to reach a wider range of communities and beneficiaries with studio and workspace provision allied to ambitious community engagement programmes.

2 Programmes

ACAVA has accumulated unique knowledge and experience in community and wellbeing settings, and we aim to build on and expand our delivery of this work.

To support this, we commissioned an external evaluation and impact study. A review of our studios has focused on professional development activities which was launched in May 2023. Led by an Interim Head of Professional Development (new post) with support from an Assistant Curator (existing employee), the programme provides opportunities for studio holders and the wider creative community to access to high quality support and development activities via online and in person events.

Robust research-based evidence will strengthen advocacy, celebrate our work, and increase the organisation's profile with potential collaborators.

An extensive project to enhance our digital footprint including a new identity, new website and increased content across all platforms was completed in Summer 2022. A new fundraising function has been embedded in the new website.

We will maximise the income generating potential of properties across the portfolio including developing sites, increasing the number of studios, more efficient administration, minimising void periods, diversifying income from hires, increase fundraising and the development of commercial sponsorship and donations.

Structure, governance, and management

Association for Cultural Advancement through Visual Art (ACAVA) is a charitable company limited by guarantee, incorporated on 2 September 1983, and registered as a charity on 29 March 1984. The company is governed by Articles of Association revised, updated, and adopted on 29 January 2020.

Objects

The Charity's Object is:

For the public benefit in the UK, to advance education in the arts and culture, in particular but not exclusively by providing opportunities for the creation and display of art and access to courses, events and workshops.

The main activities undertaken to achieve those purposes are:

- 1 To establish and maintain studios, workshops, and other facilities that support the production of the arts and culture.

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For the year ended 30 September 2022

- 2 To produce, curate, and promote participatory public arts programmes and educational activities for the public benefit.

The board of trustees administers the charity and meets a minimum of four times a year. Two sub-committees that meet regularly between board meetings have oversight of specific areas of business: Finance and General Purposes Sub-Committee and Property Sub-Committee report and make recommendations to the board.

The CEO reports to the trustees and has authority over all operational matters including business development, strategy, finance, fundraising, HR, studio operations, policies, communications, and programmes.

The trustees review the aims, objectives, and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period.

The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Trustees give their time voluntarily and receive no benefits from the charity.

Management

Internal systems and processes continue to be updated delivering significant improvements in efficiency. Staff continue to work remotely and in shared working contexts across London. ACAVA is seeking alternative office accommodation that is of appropriate size and location.

Appointment of trustees

Prospective trustees are identified through a formal recruitment process. A trustee recruitment pack is circulated via the charity's website, social media, public mailing lists and personal networks.

The charity retains the services of a HR consultant who acts as an independent adviser, responds to enquiries, reviews applications, and carries out an initial conversation with applicants. Shortlisted candidates are invited to meet trustees and, at a separate meeting, the CEO, prior to attending a board meeting as an observer where they are briefed on trustees' obligations, the organisation's business plan, financial performance, and risk management.

New trustees may only be appointed by a formally convened meeting of the board of trustees. Once appointed, trustees undertake a thorough induction to the organisation by the Chief Executive Officer. We have recently appointed Jeff Pym, a chartered accountant with over 30 years' experience, Alex Matthews an HR Director with over 25 years of experience, and Yasmin Jones-Henry a journalist and strategist with a specialism covering the arts, macroeconomics, and fashion.

Remuneration policy for key management personnel

When recruiting for the post of Chief Executive Officer in 2018 trustees employed a specialist recruitment consultant. The salary for the role was aligned with that of the outgoing post holder.

In August 2019, the charity's HR adviser was briefed to undertake a benchmarking survey to ascertain whether its salary levels were competitive.

The method included obtaining salary ranges of similar roles, using knowledge of the sector, sector surveys, advertised salaries and contacts in the arts. Salaries were compared with the general not for profit sector as well as the arts. Where possible, similar sized organisations were used as comparators.

Statement of responsibilities of the trustees

The trustees (who are also directors of Association for Cultural Advancement Through Visual Art for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 (Statement of Recommended Practice)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2022

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 financial statements may differ from legislation in other jurisdictions.

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

The trustees' annual report has been approved by the trustees on 27 June 2023 and signed on their behalf by

Name: Michelle Kershaw

Title: Chair of the Board of Trustees

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

Opinion

We have audited the financial statements of Association for Cultural Advancement Through Visual Art (the 'charitable company') for the year ended 30 September 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

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

- We enquired of management and the board of trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

Date: 28 June 2023

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

Association For Cultural Advancement Through Visual Art

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

For the year ended 30 September 2022

	Note	Unrestricted £	Restricted £	30-Sep-22 Total £	Unrestricted £	Restricted £	30-Sep-21 Total £
Income from:							
Donations and legacies	2	24,905	316,455	341,360	498,701	-	498,701
Charitable activities							
Community programme	3	40,521	129,254	169,775	-	162,439	162,439
Studio provision	3	1,253,759	-	1,253,759	1,322,900	-	1,322,900
Other trading activities	4	253,021	-	253,021	109,792	-	109,792
Total income		1,572,206	445,709	2,017,915	1,931,393	162,439	2,093,832
Expenditure on:							
Charitable activities							
Community programme	5	(134,798)	296,266	161,468	25,074	254,049	279,123
Studio provision	5	2,045,694	-	2,045,694	1,843,719	-	1,843,719
Total expenditure		1,910,896	296,266	2,207,162	1,868,793	254,049	2,122,842
Net movement in funds		(338,690)	149,443	(189,247)	62,600	(91,610)	(29,010)
Reconciliation of funds:							
Total funds brought forward		738,569	62,686	801,255	675,969	154,296	830,265
Total funds carried forward		399,879	212,129	612,008	738,569	62,686	801,255

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Association For Cultural Advancement Through Visual Art

Balance sheet

Company no. 01749730

As at 30 September 2022

	Note	£	2022 £	£	2,021 £
Fixed assets:					
Tangible assets	11		<u>1,210,814</u>		<u>1,303,221</u>
			1,210,814		1,303,221
Current assets:					
Debtors	12	301,220		450,738	
Cash at bank and in hand		<u>6,014</u>		<u>61,542</u>	
		307,234		512,280	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>(620,380)</u>		<u>(642,677)</u>	
Net current liabilities			<u>(313,146)</u>		<u>(130,396)</u>
Total assets less current liabilities			897,668		1,172,825
Creditors: amounts falling due after one year	14		<u>(285,660)</u>		<u>(338,570)</u>
Provisions for liabilities	15		<u>-</u>		<u>(33,000)</u>
Total net assets	16		<u><u>612,008</u></u>		<u><u>801,255</u></u>
The funds of the charity:	17				
Restricted income funds			<u>212,129</u>		<u>62,686</u>
Unrestricted income funds:					
Designated funds		<u>901,069</u>		<u>951,989</u>	
General funds		<u>(501,190)</u>		<u>(213,420)</u>	
Total unrestricted funds			<u>399,879</u>		<u>738,569</u>
Total charity funds			<u><u>612,008</u></u>		<u><u>801,255</u></u>

Approved by the trustees on 27 June 2023 and signed on their behalf by

Michelle Kershaw
Chair of the Board of Trustees

Association For Cultural Advancement Through Visual Art

Statement of cash flows

For the year ended 30 September 2022

	Note	30-Sep-22		30-Sep-21	
		£	£	£	£
Cash flows from operating activities					
Net (expenditure) for the reporting period (as per the statement of financial activities)		(189,247)		(29,010)	
Depreciation charges		117,894		113,986	
Decrease/(increase) in debtors		149,518		(84,075)	
Increase in creditors		(33,719)		(150,962)	
(Decrease)/increase in provisions		(33,000)		23,000	
Net cash provided by/(used in) operating activities			11,446		(127,061)
Cash flows from investing activities:					
Purchase of fixed assets		(25,486)		-	
Net cash provided by/(used in) investing activities			(25,486)		-
Cash flows from financing activities:					
Repayments of borrowing		(41,488)		(12,784)	
Net cash (used in) financing activities			(41,488)		(12,784)
Change in cash and cash equivalents in the period			(55,528)		(139,845)
Cash and cash equivalents at the beginning of the period			61,542		201,387
Cash and cash equivalents at the end of the period			6,014		61,542

Analysis of cash and cash equivalents and of net debt

	At 1 October 2021 £	Cash flows £	Other non-cash changes £	At 30 September 2022 £
Cash at bank and in hand	61,542	(55,528)	-	6,014
a Total cash and cash equivalents	61,542	(55,528)	-	6,014
Loans falling due within one year	(15,063)	(9,022)	-	(24,085)
Loans falling due after more than one year	(336,170)	50,510	-	(285,660)
Total net debt	(289,691)	(14,040)	-	(303,731)

Notes to the financial statements

For the year ended 30 September 2022

1 Accounting policies

a) Statutory information

Association for Cultural Advancement through Visual Art (ACAVA) is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 54 Blechynden Street, London W10 6RJ.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Trustees believe the charity is a going concern having again made progress over the past year on restructuring. This work is ongoing. The conversion of historical short term debt is being addressed through long term borrowing, which will also improve liquidity and efficiency. As noted previously, in August 2021, we were awarded a further £208,455 from the DCMS/Arts Council England Culture Recovery Fund Round 3, the maximum amount available to us. Since May 2020, we have been awarded over £900,000 in emergency grant income which enabled the hardship fund, which partially covers lost income as the income was recognised in a prior period. Licence fees have been increased by 12% in June 2023. Additionally, We are actively targeting statutory funders, trusts and foundations, major donations, legacies, corporate foundations, in-kind partnerships and capital funds. Property redevelopment of two sites is on-going. Current cashflow is low and the overdraft is in use, however, with debt restructuring, increased licence fees to account for the increase in RPI and better recovery of utility costs, together with the National Portfolio Organisation award in 2023 of £80,000 per year for three years, the future looks positive and cashflow should improve. New workspace and placemaking opportunities are actively being sought and if successful will generate new income streams.

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

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Project fees are treated as income when the services have been met. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Licence fees and rental income are treated as income when the space has been utilised by the hiree.

Notes to the financial statements

For the year ended 30 September 2022

1 Accounting policies (continued)

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

Income is recognised on the sale of property assets when they have legally exchanged.

f) Interest receivable

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

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services, exhibitions and projects and providing studio space to further the purposes of the charity, and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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

- | | |
|--------------------------|----------------------------|
| ● Freehold property | 50 years |
| ● Leasehold property | Over the term of the lease |
| ● Leasehold improvements | Over the term of the lease |
| ● Computer equipment | 3 – 10 years |

l) Debtors

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

Notes to the financial statements

For the year ended 30 September 2022

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1 Accounting policies (continued)

n) Creditors and provisions

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

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The charity makes contributions to a defined contribution scheme for eligible employees. The charity's obligation is limited to monthly contributions as they fall due.

2 Income from donations and legacies

	Unrestricted £	Restricted £	30-Sep-22 Total £	Unrestricted £	Restricted £	30-Sep-21 Total £
Legacies	17,600	108,000	125,600	-	-	-
Grants	7,305	208,455	215,760	498,701	-	498,701
	24,905	316,455	341,360	498,701	-	498,701

3 Income from charitable activities

	Unrestricted £	Restricted £	30-Sep-22 Total £	Unrestricted £	Restricted £	30-Sep-21 Total £
Community programme						
Grants and donations	40,521	129,254	169,775	-	162,439	162,439
Sub-total for Community programme	40,521	129,254	169,775	-	162,439	162,439
Studio provision						
Licence fees	1,219,877	-	1,219,877	1,286,553	-	1,286,553
Membership fees	33,882	-	33,882	36,347	-	36,347
Sub-total for studio provision	1,253,759	-	1,253,759	1,322,900	-	1,322,900
Total income from charitable activities	1,294,280	129,254	1,423,534	1,322,900	162,439	1,485,339

4 Income from other trading activities

	30-Sep-22 Total £	30-Sep-21 Total £
Rental income	62,590	23,405
Utility recharges	190,431	86,387
	253,021	109,792

All income from trading activities is unrestricted.

All other income is unrestricted.

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2022

5a Analysis of expenditure (current year)

	Charitable activities				30-Sep-22 £	30-Sep-21 £
	Community programme £	Studio provision £	Governance costs £	Support costs £		
Staff costs (Note 7)	72,799	436,841	-	-	509,640	444,258
Direct project costs	88,669	-	-	-	88,669	103,024
Property expenses	-	398,219	-	-	398,219	258,607
Insurance	-	47,776	-	3,264	51,040	50,387
Publicity	-	-	-	16,958	16,958	8,822
Legal and professional	-	27,442	16,920	161,810	206,172	158,381
Travel expenses	-	-	-	6,995	6,995	2,559
Rent	-	694,043	-	-	694,043	712,222
Bad debts	-	754	-	-	754	673
Office expenses	-	-	-	28,007	28,007	41,514
Bank charges and interest	-	709	-	22,445	23,154	23,668
Other	-	12,011	-	21,475	33,486	37,462
Hardship fund income relief granted	-	32,617	-	-	32,617	167,277
Depreciation and loss on disposal of assets	-	116,399	-	1,009	117,408	113,986
	161,468	1,766,811	16,920	261,963	2,207,162	2,122,842
Support costs	-	261,963	-	(261,963)	-	-
Governance costs	-	16,920	(16,920)	-	-	-
Total expenditure 2022	161,468	2,045,694	-	-	2,207,162	
Total expenditure 2021	111,846	2,010,996	-	-		2,122,842

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2022

5b Analysis of expenditure (prior year)

	Charitable activities				30-Sep-21 £
	Community programme £	Studio provision £	Governance costs £	Support costs £	
Staff costs (Note 7)	-	444,258	-	-	444,258
Direct project costs	103,024	-	-	-	103,024
Property expenses	-	258,607	-	-	258,607
Insurance	-	-	-	50,387	50,387
Publicity	8,822	-	-	-	8,822
Legal and professional	-	-	25,130	133,251	158,381
Travel expenses	-	-	-	2,559	2,559
Rent	-	712,222	-	-	712,222
Bad debts	-	673	-	-	673
Office expenses	-	-	-	41,514	41,514
Bank charges and interest	-	23,668	-	-	23,668
Other	-	23,000	-	14,462	37,462
Hardship fund income relief granted	-	167,277	-	-	167,277
Depreciation and loss on disposal of assets	-	-	-	113,986	113,986
	<u>111,846</u>	<u>1,629,706</u>	<u>25,130</u>	<u>356,159</u>	<u>2,122,842</u>
Support costs	-	356,159	-	(356,159)	-
Governance costs	-	25,130	(25,130)	-	-
Total expenditure 2021	<u>111,846</u>	<u>2,010,996</u>	<u>-</u>	<u>-</u>	<u>2,122,842</u>

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2022

6 Net income / (expenditure) for the period

This is stated after charging / (crediting):

	30-Sep-22 £	30-Sep-21 £
Depreciation	117,893	113,986
Operating lease rentals payable:		
Property	694,043	712,222
Auditor's remuneration (excluding VAT):		
Audit	11,100	10,800
	<u>11,100</u>	<u>10,800</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	30-Sep-22 £	30-Sep-21 £
Salaries and wages	460,194	416,282
Social security costs	45,287	21,485
Employer's contribution to defined contribution pension schemes	8,377	6,492
Total	<u>509,640</u>	<u>444,258</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 – £69,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £79,906 (2021: £70,833).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

No trustees claimed expenses in the year (2021: £Nil)

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the period was 22 (2021: 22).

9 Related party transactions

There are no related party transactions to disclose for 2022 (2021: none).

Aggregate donations from related parties were £nil (2021: £nil).

Notes to the financial statements

For the year ended 30 September 2022

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Freehold property £	Leasehold property and improvement £	Computer equipment £	Total £
Cost				
At the start of the period	157,033	2,384,433	174,298	2,715,764
Additions in period	-	10,350	15,136	25,486
Disposals in period	-	-	-	-
At the end of the period	<u>157,033</u>	<u>2,394,783</u>	<u>189,434</u>	<u>2,741,250</u>
Depreciation				
At the start of the period	54,657	1,183,588	174,298	1,412,543
Charge for the period	7,852	108,547	1,494	117,893
Eliminated on disposal	-	-	-	-
At the end of the period	<u>62,509</u>	<u>1,292,135</u>	<u>175,792</u>	<u>1,530,436</u>
Net book value				
At the end of the period	<u>94,524</u>	<u>1,102,648</u>	<u>13,642</u>	<u>1,210,814</u>
At the start of the period	<u>102,376</u>	<u>1,200,845</u>	<u>-</u>	<u>1,303,221</u>

The trustees have undertaken an impairment review during the period of all fixed assets and are satisfied that there is no indication of impairment for any assets. In addition, it should be noted that the two freehold properties carried at historic cost, less depreciation, of £94,524 were revalued in July 2019, where the market value was deemed to be £1.443 million. The trustees continue to recognise all tangible fixed assets at historic cost rather than adopt a revaluation model and so this valuation has not been reflected in the above figures. A full revaluation of the properties will be necessary for the debt restructuring. This will be undertaken in June 2023 and consideration to the carrying carrying value will be assessed and changed if appropriate to do so at this time.

All of the above assets are used for charitable purposes.

12 Debtors

	2022 £	2021 £
Trade debtors	37,405	29,760
Prepayments and accrued income	263,815	420,978
	<u>301,220</u>	<u>450,738</u>

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	24,085	15,063
Trade creditors	235,805	249,478
Taxation and social security	111,000	24,254
Other creditors	201,118	331,301
Accruals	48,372	22,581
	<u>620,380</u>	<u>642,677</u>

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2022

14 Creditors: amounts falling due after one year

	2022 £	2021 £
Bank loans	285,660	336,170
Other creditors	-	2,400
	<u>285,660</u>	<u>338,570</u>

Bank loans totalling £309,745 (2021: £351,233) are secured by fixed charges over the Association's freehold properties at 62 Hetley Road and 23 to 20 Faroe Road and long leasehold property interests.

15 Provisions for liabilities

Provisions for liabilities comprises a dilapidation provision relating to operating leases on studios.

	2022 £	2021 £
Balance at the beginning of the period	33,000	10,000
(Decrease)/increase in provision in the period	(33,000)	23,000
Balance at the end of the period	<u>-</u>	<u>33,000</u>

16a Analysis of net assets between funds (current period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	1,210,814	-	1,210,814
Net current assets/(liabilities)	(501,190)	(24,085)	212,129	(313,146)
Long term liabilities	-	(285,660)	-	(285,660)
Net assets at 30 September 2022	<u>(501,190)</u>	<u>901,069</u>	<u>212,129</u>	<u>612,008</u>

16b Analysis of net assets between funds (prior period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	1,303,221	-	1,303,221
Net current assets/(liabilities)	(178,019)	(15,063)	62,686	(130,396)
Long term liabilities	(2,400)	(336,170)	-	(338,570)
Provisions for liabilities	(33,000)	-	-	(33,000)
Net assets at 30 September 2021	<u>(213,419)</u>	<u>951,988</u>	<u>62,686</u>	<u>801,255</u>

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2022

17a Movements in funds (current year)

	At 1 October 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2022 £
Restricted funds:					
Project funds	58,505	129,254	(152,050)	-	35,709
Legacies	-	108,000	-	-	108,000
Grants	4,181	208,455	(144,216)	-	68,420
Total restricted funds	62,686	445,709	(296,266)	-	212,129
Unrestricted funds:					
Designated funds:					
Property	951,989	-	-	(50,920)	901,069
Total designated funds	951,989	-	-	(50,920)	901,069
General funds	(213,420)	1,572,206	(1,910,896)	50,920	(501,190)
Total unrestricted funds	738,569	1,572,206	(1,910,896)	-	399,879
Total funds	801,255	2,017,915	(2,207,162)	-	612,008

The narrative to explain the purpose of each fund and the reason for the transfers are given at the foot of the note below.

17b Movements in funds (prior period)

	At 1 October 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2021 £
Restricted funds:					
Project funds	54,081	117,244	(112,820)	-	58,505
Grants	100,215	45,195	(141,229)	-	4,181
Total restricted funds	154,296	162,439	(254,049)	-	62,686
Unrestricted funds:					
Designated funds:					
Property	1,053,191	-	-	(101,202)	951,989
Total designated funds	1,053,191	-	-	(101,202)	951,989
General funds	(377,222)	1,931,393	(1,868,793)	101,202	(213,420)
Total unrestricted funds	675,969	1,931,393	(1,868,793)	-	738,569
Total funds	830,265	2,093,832	(2,122,842)	-	801,255

Purposes of restricted funds

Project fund

This relates to charitable activity projects funded by specific grants by donors.

Legacy

This relates to a donation from a studio holder, which is to establish a ceramics studio at Bletchynden Street. We are developing a ten year ceramics residency programme for under-represented artists in this field, and will provide opportunities for the community to experience the therapeutic benefits of working with clay.

Notes to the financial statements

For the year ended 30 September 2022

Grants

This relates to grant income received from various sources where the income is restricted for specific projects and charitable purposes. This includes both programming income and Cultural Recovery Fund 3 income.

18 Purposes of designated funds

Property

This represents the net book value of all tangible fixed assets as these do not form part of the free reserves of the charity less the value of bank loans secured on these properties.

19 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property	
	2022	2021
	£	£
Less than one year	514,037	648,765
One to five years	1,832,343	1,892,189
Over five years	2,873,108	2,624,864
Total	5,219,488	5,165,818

The future commitments includes the liability for a rent review of a property, that took place after the year end. However, the increased liability has been included above, as the review created a genuine future commitment for that lease.

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

ASSOCIATION FOR CULTURAL ADVANCEMENT THROUGH VISUAL ART LIMITED

England & Wales - Charity number 287894

Accounts

Company number: 1749730

Charity number: 287894

Association for Cultural Advancement Through Visual Art

Report and financial statements

For the year ended 30 September 2021

Association for Cultural Advancement Through Visual Art

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Association for Cultural Advancement Through Visual Art

Reference and administrative information

For the year ended 30 September 2021

Company number 1749730 – incorporated in the United Kingdom

Charity number 287894 – registered in England & Wales

Registered office and operational address 54 Blechynden Street
London
W10 6RJ

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Paul Augarde	
Alice Boff	Appointed 10 March 2021
Nikhil Gupta	Resigned 28 September 2021
Michelle Kershaw	
Rebekah Paczek	
Caspar Van Eijck	
Alex Matthews	Appointed 02 March 2022
Jeff Pym	Appointed 02 March 2022
Yasmin Jones-Henry	Appointed 02 March 2022

Key management personnel Tom Holley Chief Executive

Bankers National Westminster Bank
1st Floor
180 Brompton Road
London
SW3 1HL

Solicitors Russell Cooke LLP
2 Putney Hill
London
SW15 6AB

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108–114 Golden Lane
LONDON
EC1Y 0TL

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2021

The trustees present their report and the audited financial statements for the period ended 30 September 2021. Whilst the audited financial statements run to 30 September 2021, this annual report includes commentary on activities since then, particularly in light of the arrival of COVID-19 and its aftermath.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Essential cultural infrastructure

ACAVA (Association for Cultural Advancement through Visual Art) is an arts organisation, limited company and registered charity that evolved from artist-led initiatives in the early 1970s. For almost 50 years, ACAVA has been one of the most progressive affordable workspace providers, helping define the sector through an innovative approach to workspace typologies, locations, a radical curatorial vision and a long-standing commitment to the transformative power of creativity in health and wellbeing settings.

Today, ACAVA is one of the largest affordable workspace providers in the UK and an essential part of the national cultural infrastructure. We offer an ecosystem of workspace, production facilities, open access workshops, exhibition and event spaces, free professional development opportunities and public art programmes focused on community co-creation with multi-disciplinary creative practitioners.

Our estate of 16 buildings spans eight London boroughs, two locations in Essex and a post-industrial heritage site in Stoke-on-Trent that collectively support a community of over 400 artists, SMEs and third sector organisations.

Association for Cultural Advancement Through Visual Art

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Studios are located in several areas of low engagement in the arts and culture, for example: LB Tower Hamlets, LB Newham, LB Brent, North Kensington (Royal Borough of Kensington and Chelsea), LB Merton, LB Hammersmith and Fulham, Deptford (LB Greenwich), Hadleigh (Essex), Ardleigh (Tendring District Council, Essex) and Stoke-on-Trent.

Public exhibition and workshop facilities

The charity maintains exhibition and workshop facilities at seven studio buildings. They serve as events platforms for ACAVA studio artists, community partners and others free of charge (or at below market rates) to present arts programmes that engage and educate the public.

These spaces are important shared contexts that enable interaction, knowledge exchange and dialogue between ACAVA staff, professional artists, emerging practitioners, local community groups, the general public, and stakeholders.

ACAVA's facilities are regularly accessed by diverse local groups across our property portfolio where they stage self-initiated independent activities that include curated exhibitions, presentations, workshops, family activities, meetings, art classes, exercise classes, film screenings and more.

Publicly accessible facilities are located at: Blechynden Street Studios, North Kensington, London; The Men's Shed and Maxilla Gallery – Maxilla Walk Studios, North Kensington, London; Central Space Galley at Faroe Road Studios – Hammersmith, London; Hadleigh Old Fire Station Community Hall – Hadleigh, Essex; and Spode Works Gallery – Spode Works, Stoke-on-Trent.

Workspace occupancy and COVID-19

Despite the pandemic that escalated rapidly in March 2020, occupancy for the year, and through 2021, remained high (above 90%) with modest variations as a result of three national lockdowns. The pandemic, and lockdowns, led to a sudden and widespread loss of income to the arts sector generally and especially for freelance workers and sole traders working in the sector who constitute the majority of ACAVA's studio holders. The potential financial consequences if studio holders were unable to maintain their studios posed an existential threat to the organisation and it was imperative that ACAVA found ways of managing the risk. In mitigation, we increased communications and marketing output and streamlined studio allocations administration to try to minimise void periods. Throughout 2020 and 2021 the CEO was focused on securing recovery funding from various sources, with some success. A compelling case for support was articulated in several funding applications – they collectively formed a strategy for survival, recovery and development designed to strengthen business resilience. The aim was to survive the financial challenges of the pandemic and prepare for an unpredictable potentially volatile post pandemic socio-economic climate likely to include changes in social behaviour, changes to workplace culture and inflation. The objectives were to maintain demand for studios, high occupancy rates and robust health and safety regimes. We successfully achieved funding for: an ACAVA Artists' Hardship Fund; lost income due to freezing inflation-linked licence fee increases for two years

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2021

(while landlords did not freeze rent increases); a challenging increase in the volume of unpaid studios utilities; organisational restructuring; targeted capacity building; increased quality and volume of communications (including new social media content, newsletters, brand/identity and website); recalibrating our business model; new business development initiatives and professional advice and support in key areas e.g. legal, HR, fundraising and property.

The establishment of the ACAVA Artists Hardship Fund (May 2020, now the ACAVA Artists' Support Fund) was a pivotal initiative. Discounts and debt write-off for studio holders in the most financial need helped people maintain their studios and continue their practice. This protected the organisation's core income and, combined with mitigating other losses, ACAVA survived the pandemic period. There is uncertainty about the future viability of the affordable workspace sector as a whole, with post-Brexit and pandemic factors continuing to impact the UK and global economy. During this period, it has been difficult to progress new building developments to replace those with expiring leases.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on promoting arts education and are undertaken to further the Association for Cultural Advancement Through Visual Art's charitable purposes for the public benefit.

Strategic partnerships and collaborations

The charity continues to cultivate and maintain mutually beneficial relationships with external stakeholders and agencies who fund, commission or collaborate with us on the public programmes which deliver our charitable purpose.

Partners include: NHS West London Clinical Commissioning Group (WLCCG); Royal Borough of Kensington and Chelsea Grenfell Projects Fund); Al-Manaar The Muslim Cultural Heritage Centre; Kensington and Chelsea Foundation; NHS Central and North West London Mental Health Trust Grenfell Recovery Service; Kensington Aldridge Academy; Royal Borough of Kensington and Chelsea; Action Disability Kensington and Chelsea; The Stables Traveller Site; Kensington and Chelsea Social Council; London Borough of Hammersmith and Fulham; London Borough of Merton; London Borough of Brent; London Borough of Ealing; Harrow Council; Essex County Council; Harlow Council; Castle Point Borough Council; Stoke-on-Trent City Council; Action Space; Greater London Authority; Arts Council England; Open Arts – of NHS South Essex Partnership Trust; Golborne and Maxilla Nursery School; St Francis of Assisi RC Primary; Kids on the Green; Bramley House Tenants and Residents Association; Trees for Grenfell; Baraka Supplementary School; EPCA Supplementary School; Silchester Estate Tenants and Residents Association; Maxilla Social Club; Midaye; Grenfell Tower site team; Humanity for Grenfell; Hestia; Volunteer Centre Kensington and Chelsea; Venture Centre; Avondale Park Primary; Barlby Primary; Bevington Primary; Colville Primary; Grenfell United; Lancaster West Estate Tenant and Resident Association; Oxford Gardens Primary; St Charles RC Primary; St Clements and St James Primary; St Thomas' CE Primary; St. Mary's RC Primary; Thomas Jones Primary; BCB; Staffordshire University; Stoke-on-Trent Chamber

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For the year ended 30 September 2021

of Commerce; High Street Heritage Action Zone (Stoke-on-Trent); Community Cinema (Hadleigh); Department for Digital, Culture, Media & Sport (DCMS); Creative Land Trust; Grenfell Foundation; John Lyons Charity; NHS North West London Clinical Commissioning Group; Idverde ; Westway Trust.

ACAVA Programmes – co-creating with communities

For over 30 years, ACAVA has championed socially engaged arts programmes in community and non-clinical health and wellbeing settings. Expansive programmes are now delivered from our creative hubs in North Kensington, Essex and Stoke-on-Trent. Activities delivered from our two-site campus in North Kensington exemplify decades-long successful collaborations with the NHS, Clinical Commissioning Groups, art therapists, local stakeholders, artists and communities. Since 2017, we have been the lead cultural organisation delivering programmes that help enable people to memorialise and recover from the Grenfell Tower fire. We aim to create meaningful experiences with positive outcomes on wellbeing, personal growth and social cohesion that inspire people to participate in the arts, promote confidence and learn new skills.

In recognition of the significance of this work, ACAVA was shortlisted for the Award for Civic Arts Organisations (2022) by the Calouste Gulbenkian Foundation and King's College London. In November 2022, ACAVA's Grenfell Memorial Community Mosaic project won the Culture Health and Wellbeing Alliance's Collective Power Award 2022.

North Kensington, London

The charity's socially inclusive programmes are co-designed with local people and delivered by ACAVA staff working in our studios, workshops, makerspace and a gallery at two sites – Blechynden Street Studios and Maxilla Walk Studios.

Since the Grenfell Tower fire of June 2017, ACAVA has been the lead arts organisation delivering Grenfell recovery creative programmes that enable local communities to memorialise and recover from the event and its consequences. In communities suffering displacement and trauma ACAVA has been commended for delivering inclusive programmes. Our investment in communications and fundraising capacity has led to an increase in visibility and wide sector recognition of its achievements demonstrated by the prestigious awards above.

Flourish

A range of intergenerational programmes set in an enclosed urban garden and forest school where families and artists engage in co-created activities with contemporary themes, from science to the environment, and playfully explore what art is and can be.

After the Grenfell Tower fire, there was urgent need for a safe, family-friendly space for local people. Flourish is a direct response to this need and has been an essential lifeline for families ever since. More recently, during the pandemic, outdoor activities have been a welcome escape for families living in overcrowded accommodation with little or no access to exterior space. The Flourish garden is a tranquil haven for families to create, play and engage with nature for example

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For the year ended 30 September 2021

by building insect and pollinator environments. ACAVA has expanded this programme in response to the needs of communities and to address climate change, in line with our own and the local authority's policies.

In Spring 2022, ACAVA launched Cultivate Create, a new programme for families to create a bio-diverse edible garden, explore horticulture and conservation.

Grenfell Memorial Community Mosaic

This award winning community-designed public memorial is delivered in partnership with Al-Manaar Muslim Cultural Heritage Centre. The mosaic is a collective community project that started in April 2018 – an evolving public installation situated close to the base of Grenfell Tower. The final stage of the project launched in June 2022, a permanent public artwork Walking as One, comprising 39 individual mosaics embedded in paving stones creating way-markers along the route of the Grenfell Silent Walk.

Maxilla Men's Shed

Maxilla Men's Shed is a vibrant community workshop and makerspace located in our Maxilla Walk Studios, beneath the Westway flyover. Designed to engage socially isolated older men, we also welcome women and community groups who enjoy formal and informal making sessions, pastoral support from ACAVA staff, peer networks and socialisation. Activities include carpentry, coppersmithing and constructing 'bug hotels' for a Bee Superhighway in collaboration with RBKC Ecology Team and the borough's landscape contractors, Idverde. The Shed makes a significant positive impact on emotional, mental and physical health, effectively counteracting loneliness and isolation.

Pathways to employment

ACAVA has developed new programmes that support young people from underserved communities to develop the skills and knowledge that support them to pursue careers in the creative industries.

Young Photographers

A professional development programme that helps young people from diverse backgrounds to develop a professional standard photography portfolio. Mentored by a professional photographer, participants create compelling images and learn to manage client relationships while working on paid assignments.

ACAVA Shoots

Traditional routes to a career in photography often involve unpaid work experience – a barrier to access for many young people. ACAVA Shoots promotes diversity in the creative industries by identifying paid work opportunities for Young Photographers alumni.

Recent clients include Young Camden Foundation, The Local Trust and Young Kensington and Chelsea.

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For the year ended 30 September 2021

Exhibition and talk at The Photographers' Gallery

Piece Together: Documenting Grenfell Memorial Community Mosaic was a documentary photography exhibition of photography created by the ACAVA Shoots cohort held in the Eranda Studio at the prestigious The Photographers' Gallery in July 2022. It mapped the creation of the Grenfell Memorial Community Mosaic public artworks alongside photographs of the community since the Grenfell Tower fire tragedy. The photographs were first displayed at ACAVA Maxilla Walk gallery in North Kensington in June 2022.

The exhibition was accompanied by In Conversation: How can radical community documentary photography shift the power of the lens? With the decline of investment in local news, significant socio-economic barriers in a career in photography, and the domination of a mainstream media lens of the Grenfell community, this event explored how ACAVA Shoots has empowered three emerging photographers to tell a different story. The talk was presented by Jolie Hockings, Curator, Schools and Young People at The Photographer's Gallery, members of the ACAVA Shoots team and Ismahan Egal, Art Therapy Coordinator at the Al Manaar Mosque.

Essex

Hadleigh Old Fire Station (HOFS)

Community programmes included:

- Community Cinema – four monthly screenings of mainstream titles.
- Community Youth Brass project.
- Edible England Hadleigh Heritage Open Day.
- Sustainable Clothing Swap.

The community use of the hall was greatly reduced due to COVID-19 restrictions between December 2020 and July 2021.

Gatehouse Studios, Harlow

- 12 exhibitions were hosted in a gallery window facing the street, allowing the programme to continue throughout the pandemic.

Stoke-on-Trent

ACAFA provides 43 studios, gallery and delivers CPD programmes for local creative practitioners in an ambitious regeneration of the post-industrial Spode ceramics factory, a 250 year old heritage site.

We delivered three programmes in Stoke-on-Trent:

Factory

A monthly skills development programme that supports Staffordshire based artists, designers, makers and small creative enterprises to develop their practice and business skills in partnership with Staffordshire Chambers of Commerce, Staffordshire University and the British Ceramics Biennial.

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2021

This programme was delivered online due to COVID-19 restrictions.

ACAVA Artists Community-led Heritage Engagement Trail

Six artists co-created visual arts installations in local shop windows and doorways with local community groups.

My Life In Art

An exhibition and competition that engaged over 250 local children to produce artwork about their feelings about life in Staffordshire during the pandemic.

Bookings and programmed events, exhibitions, and workshops due to take place throughout the year in our communal area and exhibition space were postponed, rescheduled, or cancelled due to COVID-19 restrictions.

Evaluation and impact

In 2020, ACAVA commissioned sector specialist research organisation The Audience Agency to produce a report on the impacts of ACAVA's education and community outreach programmes and to advise on an evaluation framework. The report was completed in March 2021 and has informed an embedded approach to monitoring and evaluation of ACAVA's work. We have adapted the framework to suit our needs and capacity and will continue to refine it by testing new qualitative methods including audio visual content alongside standard quantitative data and metrics.

Impact summary

ACAVA delivered 13 distinct programmes of activity with 423 adults and c.1,000 children participating.

"ACAVA were able to persuade the NHS on the most appropriate way to do their monitoring ... the NHS knew they weren't dealing with amateurs; they were dealing with people who knew the milieu in which they were working. It's been really good."

Community partner

- 21 artists were employed delivering programmes.
- £30,000 of income was generated for artists employed in programmes.
- 500 creative practitioners joined in our free CPD workshops.

Flourish (North Kensington)

"Just to have that kind of support was really crucial for me and my daughter ... I honestly don't know what I would have done that summer ... so to have that to go to and have that as the creative aspect for us was a real lifeline."

Flourish participant

- 82% of families came from a minority ethnic background.
- 40% of families included children on the autism spectrum.
- 60% of children were in receipt of free school meals.

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For the year ended 30 September 2021

Maxilla Men's Shed (North Kensington)

"I sleep better because I've actually done something ... you feel a bit depressed and you feel useless. But if you do something, and you can see it coming along and you've helped someone or had a laugh and joked with them, it puts a little bit of a spring in your step."

Maxilla Men's Shed participant

- 140 people participated in Shed programmes.
- 75% of participants gained a new skill.
- 80% of participants felt more confident.
- 80% of participants felt inspired.

Young Photographers (North Kensington)

"It's to do with confidence. I don't know how I'll take it into the future but hopefully I'll go to university and I'll already have been through six months of learning – I'll be ready to go!"

Ashleigh, Young Photographers' graduate

Essex

- 30 community groups and organisations hired the HOFs appliance hall to run regular events attended by 9,400 people.

Spode Works (Stoke-on-Trent)

- 137 adults and 300+ children participated, including six families.
- Six freelance creative practitioners were provided with paid work of over £5,000.

Financial review

Overview

During the 12 month period income was £2,093,832 (previous period £1,879,736) with expenditure of £2,122,842 (previous period £1,909,166).

For the 12 month period ended 30 September 2021, the charity incurred a deficit of £29,010. In the previous 18 month period, a deficit of £29,430 was incurred.

Updated cloud finance, property, project management and administration systems have led to more transparent and efficient process. This has been important during long periods of lockdown and remote working. External management accountants (My Management Accountant) appointed in March 2020 strengthened financial capacity, management, communications and reporting. This has been key to managing unprecedented levels of negotiations with studio holders, stakeholders, funders, bank and landlords through the pandemic.

Financial management

In March 2020 we retained the services of external management accountants who have since become an integral part of our financial management and oversight – handling day to day transactions, cash flow, P&L, and forecasts working closely with ACAVA's staff and leadership.

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In recent years, the charity has been navigating a challenging financial period caused by increasing operational costs, reduced development opportunities, inflation in the London property market and the impact of COVID-19. Current challenges in post-pandemic environment are likely to be a combination of reduced opportunities to identify new sites, rapidly increasing inflation and other cost pressures.

Robust financial management and cash flow control has given our bank confidence that progress is being made on financial recovery and we retain an overdraft facility at a much reduced level than was necessary in 2019.

Due to the Covid 19 pandemic, no increase to licence fees have been made since 2019. However, budgets are being set to ensure future profitability and viability of the property portfolio and in June 2022 we applied a 9% licence fee increase.

Throughout this period, changes have continued to be made that recalibrate the business model, improve financial performance, manage cash flow, reduce debt and stabilise the financial position.

Several short and longer term objectives are planned that will support our financial recovery, albeit their implementation has been slowed by the impact of COVID-19. Actions completed include annual licence fee forecast, revised utilities repayment system (rolled out in 2022) that has significantly improved cash flow, a comprehensive fundraising strategy (implemented in May 2021) and appointment of a Head of Fundraising to lead this work, diversification of income streams through commercial activities, efficient debt recovery, reduction of business rates, refinancing, negotiations to reduce rents, exiting unprofitable buildings, generating value from long leasehold properties and income generating development of freehold properties.

Property assets

The charity's shares in five live/work properties at Honeypot Lane are restricted under a section 106 agreement but could be sold on when this expires in approximately four years.

The balance sheet shows two freehold property assets historically valued at £110k. It should be noted that surveys carried out on behalf of our bank in July 2019 value them at £783,000 and £660,000 a potential market value of £1,443,000. The charity does not intend to dispose of these assets because there are potential development opportunities at both sites.

The two freehold properties have the potential to generate considerable revenue that would be used to refurbish studios in the London Borough of Hammersmith and Fulham. The development would create additional workspace and an upgraded public gallery space at one site which would increase revenue generated there. The architectural firm Jonathan Tuckey Design was approached and agreed to develop two feasibility studies and designs pro bono. A pre-planning application was submitted to LBHF in August 2020 and positive negotiations are ongoing (2022).

Another extensive property development feasibility study at our Blechynden Street Studios site has been completed. ACAVA briefed the architectural practice Jan Kattein Architects (JKA) to consider

the potential to increase the number and type of workspace units alongside an ambitious vision for a community garden. The resulting study shows this is possible. Initial discussions with our landlord, the Royal Borough of Kensington and Chelsea, began in 2022. This is likely to be a long term project with challenging capital expenditure requirements to complete.

Principal risks and uncertainties

The charity maintains a detailed risk register that is reviewed and discussed at board and management team meetings. The highest priority risks and mitigating actions are listed below.

Economic downturn

Unprecedented economic and political uncertainty caused by the UK leaving the EU, global and local impacts of the COVID-19 pandemic are of concern to the immediate and long term future of the charity.

COVID-19

The impact of the COVID-19 pandemic on the charity has been severe. There have been three main issues: an immediate shortfall in income from studio licence fees and planned licence fee increases that could not be implemented, the closure of public facilities and the need to invest in staff capacity to support increased fundraising, communications and health and safety as workloads increased dramatically.

However, ACAVA has successfully navigated the challenges of the COVID-19 pandemic and it is likely that the most challenging time is in the past. Our studios remain in high demand with occupancy levels generally stable and on target, programmes continue to expand and we are making good progress consolidating and diversifying our workspace offer.

Many ACAVA studio holders are freelancers who work in the cultural and creative sectors. The sudden closure of education and cultural institutions caused by COVID-19 and lockdown decimated the livelihoods of thousands and caused a national crisis for workspace providers. Many studio holders were unable to pay their licence fees leading to unprecedented cash flow difficulties for the charity. They experienced lost, or much reduced, incomes during the pandemic. International working, presentation and exchange have been dramatically curtailed during this period due to post-Brexit limitations and the pandemic.

The latest figures indicate a shortfall in income from unpaid licence fees and utilities of between 15% – 20%. Additionally, plans to increase income by 7% during 2020 have not been possible to and represents a loss of forecast income. Our current inflation linked forecasts indicate a 9% uplift in licence fees to be applied in 2022 will not be sufficient to cover all costs however we are working on a five year forecast with incremental increases eased in with the aim of recovering from deficit by 2024. This remains an achievable target.

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2021

In mitigation, we introduced a light touch hardship fund in May 2020 (now the ACAVA Artists Support Fund) that supports studio holders to maintain their studios by offering non-refundable discounts to studio licence fees and utilities based on need. The organisation focused on minimising void periods, increased marketing and communications about vacant studios, extended newsletter circulation and information about income making opportunities, successfully applied for COVID-19 recovery funding, from various sources, to further underpin the hardship fund, strengthen capacity and support a step change in fundraising, communications and administration. These strategies have proven successful as ACAVA moves past the pandemic with a significantly improved identity and visibility, increased funding applications and a focus on delivering new business.

It is unclear at this time how accurate our financial forecasts are with inflation well into double figures causing concern. The charity has been proactive in response to these challenges and taken the following effective mitigating actions:

- Studio buildings remained open helping to maintain core income and stabilise cash flow.
- Negotiated loan repayment holidays for 10–12 month periods effective from May 2020 saving £7,000 p/m.
- Six staff (40%) were furloughed saving approximately £7,000 p/m. They returned to work in September 2020.
- Established the ACAVA COVID-19 Artists Hardship Fund with a modest sum of £5,645, increasing to £126,345 (June 2020) through successful fundraising activity. The fund supports artists in the most need to pay their licence fees and utilities bills, enables the charity to support individual artists and protect its primary source of income.
- Programme activities successfully transitioned to online delivery, enabling continuity.
- Our head office closed in March 2020 and is rented as a workspace generating new income.
- Office staff continue to work remotely.

Profitability

Several buildings are loss-making, where the income received from studio licences does not cover that building's operating expenditure. These losses are unsustainable. A historical cross-subsidy model between buildings has been corrected, and our current policy is only to operate sites that generate sufficient revenue to cover their overheads. The re-calibration of this earlier model is complete; however, delivering change is a slow process, and backlogs of work in national institutions and local authorities exacerbate the situation. Consequently, ACAVA vacated Impress House (31 March 2022), Whitefriars Studios (30 June 2022), and Harlow (30 November 2022) either because the landlord did not renew the lease (Impress House) or the building was loss-making. This successful process reduces financial losses and strengthens efficiency – a key component of our business recovery strategy that will continue for several years.

The charity continues to focus on improving general profitability and reducing historical debt. Excellent progress in finance and administration efficiencies that improve yield, minimise costs and streamline cash flow have been achieved and are under constant review and modification.

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For the year ended 30 September 2021

Refinancing of loans has temporarily strengthened the cash position and created some working capital. We finalised negotiations with our bank and agreed revised terms in November 2022. Property development projects are progressing at three sites and seek to increase the number and quality of workspaces and exterior landscapes to generate higher levels of income from studios and hires. Recent grant awards include provision for legal and professional fees towards negotiating either improved rental terms or exits from leases especially those that make a loss. Early lease exits are difficult to achieve and can be costly.

The organisation is very active in bidding for new sites with local authorities and private landlords. Several opportunities are in development and we are optimistic that some of these will be successfully concluded.

Health and safety noncompliance

Maintaining health and safety compliance has been challenging with a small team and geographically distributed portfolio. There is a degree of risk related to this. COVID-19 has brought increased need for cleaning, hygiene, logistics and general facilities management although currently this is reducing.

Health and Safety remains a key area for capacity building when finances permit. Financial planning accounts for the need to appoint several roles including a senior property team leader with the appropriate health and safety experience although we are unlikely to achieve these goals until after 2022/23. ACAVA's public spaces closed and re-opened during COVID-19 lockdowns in 2020 and in 2021. H&S and C-19 policies have been developed and regularly updated.

Capacity

The organisation is managed by a comparatively small core team augmented by a full-time external management accountant firm and specialist associates in HR, fundraising, property development and regeneration on a project basis, as required.

The charity identified new roles that have been funded through grants, specifically – Administrator, Head of Fundraising, Fundraising Consultant (p/t) and Head of Communications and Marketing. Grants contributed towards increasing the Communications Manager from one to four days p/w.

When compared to similar organisations, ACAVA's team is significantly under resourced and often stretched beyond capacity. Strengthening our teams is a long term objective – financial planning, fundraising, organisational development and new business development prioritise both capacity and increased/diversified income.

Safeguarding vulnerable people

The charity maintains comprehensive up to date policies and procedures that ensure the safety and wellbeing of vulnerable people of all ages. We follow NSPCC best practice in policies relating to children and young people, and access relevant local Safeguarding Children Board training for staff and freelancers.

Reserves policy and going concern

Reserves

Reserves have been depleted in recent years. Total reserves on 30 September 2021 were £801,255 (2020: £830,265).

Of this, £62,686 (2020: £154,296) was held as restricted funds.

Excluding property assets, bank loans and restricted funds, unrestricted general funds were negative £213,420 (2019: £377,222). It should be noted that this includes deposits from tenants of £198,683.

Our reserves policy sets a minimum target of £24,000 p/a for unrestricted reserves over the next five years with a target of £120,000.

It is our policy that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Bank loans

In February 2020, our overdraft limit was reduced to £50,000 and has been used sparingly since. The charity continued to meet its monthly loan repayments. No new loans were applied for.

Going concern

Trustees believe the charity is a going concern having made excellent progress over the past year on restructuring which has led to a more stable financial position. This work is ongoing and will require more time to complete. Our business development and financial goals indicate we will achieve a sustainable position within three years.

At the time of reporting cash flow is under control and our overdraft limit is consistent at £50,000. The reduction of historical debt is being addressed through measures that have already been implemented, are in progress or are planned, as detailed elsewhere in this report.

Grant funding of £554,881 raised from statutory bodies in the six months between May and October 2020 is evidence of broad support for ACAVA's progress. The charity has clearly been recognised as a critical part of the UK's creative and cultural infrastructure.

In March 2021, we were awarded a further £208,477 from the DCMS/Arts Council England Culture Recovery Fund Round 2, the maximum amount available to us, and £208,254.50 was awarded in August 2021 from DCMS/Arts Council England Culture Recovery Fund Round 3. Since May 2020, we have been awarded over £900k in emergency grant income which has enabled the continuation of the hardship fund, partially covers lost income, enables capacity building in fundraising and

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2021

communications and several organisational development initiatives including property portfolio performance analysis and property strategy.

We are actively targeting statutory funders, trusts and foundations, major donations, legacies, corporate foundations, in-kind partnerships and capital funds. A revised Case for Support was completed in June 2021 and ambitious fundraising targets have been set.

Property redevelopment of two sites is in planning and an extensive feasibility study and community consultation at Blechynden Street (mentioned above), funded by DCMS/Arts Council England Culture Recovery Fund Round 2, was completed in December 2021.

New workspace and placemaking opportunities are actively being sought and if successful will generate new income streams.

Grant funding

£45,195 in restricted grant funding has been raised during the reporting period. ACAVA has received endorsements from several funders who have generously supported our recovery strategy and plans. During 2020/21, we received grants from the Arts Council England Emergency Response Fund, Creative Land Trust and the Mayor of London Creative Workspace Resilience Fund and Arts Council England/DCMS Culture Recovery Fund rounds 1, 2 and 3 (R2 in March, R3 in Aug 2021).

ACAVA's fundraising is compliant with fundraising regulation and codes. We are not aware of any non-compliance with any code and no complaints about the organisation's fundraising activities have been received. Until now, the organisation has not used professional fundraisers or commercial participators. No third parties have carried out fundraising activity on behalf of the charity.

Legacies

Two legacy donations were received consisting of £17,600 received in June 2022 and £90,000 received in August 2022.

Plans for the future

The charity aims to generate sufficient income to continue to deliver its two main activities:

1 Creative workspace and facilities

The provision of workspace and facilities that support artists of all disciplines, but primarily in the visual arts, and enable the production of art and culture.

To maintain the necessary number of buildings and studio holders, the charity continually seeks new opportunities to establish studio buildings in London and the UK regions.

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2021

Increasingly, this requires dialogue with potential stakeholders working in placemaking and regeneration contexts where art, culture and the creative industries are recognised drivers key to community participation, cultural engagement and social value.

It is essential to improve ACAVA's visibly and advocacy work with regeneration agencies, third sector organisations, cultural sector partners, businesses, architects, property developers, local and regional authorities, national government bodies and statutory funders.

Our future strategy includes increased communications, targeted marketing, and relationship cultivation and stewardship.

In recent years, the charity has established new buildings in three UK regions and will continue to explore similar opportunities in different parts of the country to reach a wider range of communities and beneficiaries with studio and workspace provision allied to ambitious community engagement programmes.

2 Programmes

ACAVA has accumulated unique knowledge and experience in community and wellbeing settings and we aim to build on and expand our delivery of this work.

To support this, we have commissioned external evaluation and impact studies. A review of our studios focused professional development activities is under way and due to complete in Autumn 2022.

Robust research based evidence will strengthen advocacy, celebrate our work, and increase the organisation's profile with potential collaborators.

An extensive project to enhance our digital footprint including a new identity, new website and increased content across all platforms was completed in Summer 2022. A new fundraising function has been embedded in the new website.

We will maximise the income generating potential of properties across the portfolio including developing sites, increasing the number of studios, more efficient administration, minimising void periods, diversifying income from hires, increase fundraising and the development of commercial sponsorship and donations.

Structure, governance and management

Association for Cultural Advancement through Visual Art (ACAVA) is a charitable company limited by guarantee, incorporated on 2 September 1983, and registered as a charity on 29 March 1984. The company is governed by Articles of Association revised, updated, and adopted on 29 January 2020.

Objects

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2021

The Charity's Object is:

For the public benefit in the UK, to advance education in the arts and culture, in particular but not exclusively by providing opportunities for the creation and display of art and access to courses, events and workshops.

The main activities undertaken to achieve those purposes are:

- 1 To establish and maintain studios, workshops, and other facilities that support the production of the arts and culture.
- 2 To produce, curate, and promote participatory public arts programmes and educational activities for the public benefit.

The board of trustees administers the charity and meets a minimum of four times a year. Two sub-committees that meet regularly between board meetings have oversight of specific areas of business: Finance and General Purposes Sub-Committee and Property Sub-Committee report and make recommendations to the board.

The CEO reports to the trustees and has authority over all operational matters including business development, strategy, finance, fundraising, HR, studio operations, policies, communications, and programmes.

The trustees review the aims, objectives, and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period.

The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Trustees give their time voluntarily and receive no benefits from the charity.

Management

Internal systems and processes have been updated with integrated cloud computing systems widely deployed. This has delivered significant improvements in efficiency and enabled collaborative working and knowledge sharing essential during the pandemic. Our office was closed in March 2020 and staff continue to work remotely and in shared working contexts across London. ACAVA is seeking alternative office accommodation that is of appropriate size and location.

Appointment of trustees

Prospective trustees are identified through a formal recruitment process. A trustee recruitment pack is circulated via the charity's website, social media, public mailing lists and personal networks.

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2021

The charity retains the services of a HR consultant who acts as an independent adviser, responds to enquiries, reviews applications, and carries out an initial conversation with applicants. Shortlisted candidates are invited to meet trustees and, at a separate meeting, the CEO, prior to attending a board meeting as an observer where they are briefed on trustees' obligations, the organisation's business plan, financial performance, and risk management.

New trustees may only be appointed by a formally convened meeting of the board of trustees. Once appointed, trustees undertake a thorough induction to the organisation by the Chief Executive Officer.

Remuneration policy for key management personnel

When recruiting for the post of Chief Executive Officer in 2018 trustees employed a specialist recruitment consultant. The salary for the role was aligned with that of the outgoing post holder.

In August 2019, the charity's HR adviser was briefed to undertake a benchmarking survey to ascertain whether its salary levels were competitive.

The method included obtaining salary ranges of similar roles, using knowledge of the sector, sector surveys, advertised salaries and contacts in the arts. Salaries were compared with the general not for profit sector as well as the arts. Where possible, similar sized organisations were used as comparators.

Statement of responsibilities of the trustees

The trustees (who are also directors of Association for Cultural Advancement Through Visual Art for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2021

The trustees are responsible for keeping adequate accounting records that 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 charitable company 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 charitable company's auditor is unaware
- 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 financial statements may differ from legislation in other jurisdictions.

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

The late filing of this audit is due to several delays beyond the charity's control. The COVID-19 pandemic caused staff, stakeholder and other absences due to illness and care needs, delays in local authority administration processes from correspondence to processing business rates, severe (and ongoing) backlogs in the legal system, making working on leases and other issues extraordinarily slow and discussions with banks and funders drawn out much longer than usual.

The trustees' annual report has been approved by the trustees on 13 February 2023 and signed on their behalf by

Name: Michelle Kershaw

Title: Chair of the Board of Trustees

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

Opinion

We have audited the financial statements of Association for Cultural Advancement Through Visual Art (the 'charitable company') for the period ended 30 September 2021 which comprise the statement of financial activities, balance sheet, 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 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The 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' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Judith Miller (Senior statutory auditor)

Date 03 March 2023

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

Association For Cultural Advancement Through Visual Art

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

For the year ended 30 September 2021

	Note	Unrestricted £	Restricted £	30-Sep-21 Total £	Unrestricted £	Restricted £	30-Sep-20 Total £
Income from:							
Donations and legacies	2	4,329	-	4,329	24,132	-	24,132
Charitable activities							
Community programme	3	494,371	162,439	656,810	-	250,344	250,344
Studio provision	3	1,322,900	-	1,322,900	1,305,078	3,375	1,308,453
Other trading activities	4	109,792	-	109,792	124,336	-	124,336
Other	5	-	-	-	172,471	-	172,471
Total income		1,931,393	162,439	2,093,832	1,626,017	253,719	1,879,736
Expenditure on:							
Charitable activities							
Community programme	6	25,074	254,049	279,123	9,588	152,348	161,936
Studio provision	6	1,843,719	-	1,843,719	1,747,230	-	1,747,230
Total expenditure		1,868,793	254,049	2,122,842	1,756,818	152,348	1,909,166
Net movement in funds		62,600	(91,610)	(29,010)	(130,801)	101,371	(29,430)
Reconciliation of funds:							
Total funds brought forward		675,969	154,296	830,265	806,770	52,925	859,695
Total funds carried forward		738,569	62,686	801,255	675,969	154,296	830,265

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

Association For Cultural Advancement Through Visual Art

Balance sheet

Company no. 01749730

As at 30 September 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	12		<u>1,303,221</u>		<u>1,417,207</u>
			1,303,221		1,417,207
Current assets:					
Debtors	13	450,738		366,663	
Cash at bank and in hand		<u>61,542</u>		<u>201,387</u>	
		512,281		568,050	
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(642,677)</u>		<u>(793,639)</u>	
Net current liabilities			<u>(130,396)</u>		<u>(225,589)</u>
Total assets less current liabilities			1,172,825		1,191,618
Creditors: amounts falling due after one year	15		<u>(338,570)</u>		<u>(351,353)</u>
Provisions for liabilities	16		<u>(33,000)</u>		<u>(10,000)</u>
Total net assets	17a		<u>801,255</u>		<u>830,265</u>
The funds of the charity:	18a				
Restricted income funds			62,686		154,296
Unrestricted income funds:					
Designated funds		951,989		1,053,191	
General funds		<u>(213,420)</u>		<u>(377,222)</u>	
Total unrestricted funds			<u>738,569</u>		<u>675,969</u>
Total charity funds			<u>801,255</u>		<u>830,265</u>

Approved by the trustees on 13 February 2023 and signed on their behalf by

Michelle Kershaw
Chair of the Board of Trustees

Association For Cultural Advancement Through Visual Art

Statement of cash flows

For the year ended 30 September 2021

	Note	30-Sep-21		30-Sep-20	
		£	£	£	£
Cash flows from operating activities					
Net expenditure for the reporting period (as per the statement of financial activities)		(29,010)		(29,430)	
Depreciation charges		113,986		108,265	
(Profit)/loss on disposal of fixed assets		-		(172,471)	
Increase in debtors		(84,075)		(63,728)	
(Decrease)/increase in creditors		(150,962)		234,209	
Decrease/(increase) in provisions		23,000		(1,076)	
Net cash (used in)/provided by operating activities			(127,062)		75,769
Cash flows from investing activities:					
Proceeds from the sale of fixed assets		-		245,515	
Purchase of fixed assets		-		(4,545)	
Net cash provided by investing activities			-		240,970
Cash flows from financing activities:					
Repayments of borrowing		(12,783)		(48,128)	
Net cash (used in) financing activities			(12,783)		(48,128)
Change in cash and cash equivalents in the period			(139,845)		268,611
Cash and cash equivalents at the beginning of the period			201,387		(67,224)
Cash and cash equivalents at the end of the period	a		61,542		201,387

Analysis of cash and cash equivalents and of net debt

	At 1 October 2020	Cash flows	Other non-cash changes	At 30 September 2021
	£	£	£	£
Cash at bank and in hand	201,387	(139,845)	-	61,542
Overdraft facility repayable on demand	-	-	-	-
a Total cash and cash equivalents	201,387	(139,845)	-	61,542
Loans falling due within one year	(15,063)	-	-	(15,063)
Loans falling due after more than one year	(348,953)	12,783	-	(336,170)
Total net debt	(162,629)	(127,062)	-	(289,691)

1 Accounting policies

a) Statutory information

Association for Cultural Advancement through Visual Art (ACAVA) is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 54 Blechynden Street, London W10 6RJ.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Trustees believe the charity is a going concern having made excellent progress over the past year on restructuring which has led to a more stable financial position. This work is ongoing. The reduction of historical debt is being addressed through measures that have already been implemented, are in progress or are planned as detailed in the Trustees report. In March 2021, we were awarded a further £208,477 from the DCMS/Arts Council England Culture Recovery Fund Round 2, the maximum amount available to us and grant of £208,255 was awarded in August 2021 from Round 3. Since May 2020, we have been awarded over £900,000 in emergency grant income which has enabled the continuation of the hardship fund, which partially covers lost income, enables temporary capacity building in fundraising and communications and enables a property development feasibility study. We are actively targeting statutory funders, trusts and foundations, major donations, legacies, corporate foundations, in-kind partnerships and capital funds. A revised Case for Support was completed in June 2021 and ambitious fundraising targets have been set. Property redevelopment of two sites is in planning and an extensive feasibility study and community consultation at Blechynden Street (mentioned above), funded by DCMS/Arts Council England Culture Recovery Fund Round 2, was completed in December 2021. Current cashflow is low and the overdraft is in use, however, following receipt of legacy payments and looking towards the NPO receivable in 2023 the future looks positive and cashflow should improve following an increase in licence fees. New workspace and placemaking opportunities are actively being sought and if successful will generate new income streams

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

Notes to the financial statements

For the year ended 30 September 2021

1 Accounting policies (continued)

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Project fees are treated as income when the services have been met. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Licence fees and rental income are treated as income when the space has been utilised by the hiree.

Income is recognised on the sale of property assets when they have legally exchanged.

f) Interest receivable

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

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services, exhibitions and projects and providing studio space to further the purposes of the charity, and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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

- | | |
|--------------------------|----------------------------|
| ● Freehold property | 50 years |
| ● Leasehold property | Over the term of the lease |
| ● Leasehold improvements | Over the term of the lease |
| ● Computer equipment | 3 – 10 years |

Notes to the financial statements

For the year ended 30 September 2021

1 Accounting policies (continued)

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

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

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The charity makes contributions to a defined contribution scheme for eligible employees. The charity's obligation is limited to monthly contributions as they fall due.

2 Income from donations and legacies

	30-Sep-21			30-Sep-20		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations	-	-	-	1,926	-	1,926
Government grants	4,329	-	4,329	22,206	-	22,206
	<u>4,329</u>	<u>-</u>	<u>4,329</u>	<u>24,132</u>	<u>-</u>	<u>24,132</u>

3 Income from charitable activities

	30-Sep-21			30-Sep-20		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Community programme						
Grants and donations	494,371	162,439	656,810	-	250,344	250,344
Sub-total for Community programme	<u>494,371</u>	<u>162,439</u>	<u>656,810</u>	<u>-</u>	<u>250,344</u>	<u>250,344</u>
Studio provision						
Licence fees	1,286,553	-	1,286,553	1,288,970	-	1,288,970
Membership fees	36,347	-	36,347	16,108	3,375	19,483
Sub-total for studio provision	<u>1,322,900</u>	<u>-</u>	<u>1,322,900</u>	<u>1,305,078</u>	<u>3,375</u>	<u>1,308,453</u>
Total income from charitable activities	<u>1,817,271</u>	<u>162,439</u>	<u>1,979,710</u>	<u>1,305,078</u>	<u>253,719</u>	<u>1,558,797</u>

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2021

4 Income from other trading activities

	30-Sep-21 Total £	30-Sep-20 Total £
Rental income	23,405	26,597
Utility recharges	86,387	97,739
	<u>109,792</u>	<u>124,336</u>

All income from trading activities is unrestricted.

5 Other income

	30-Sep-21 Total £	30-Sep-20 Total £
Profit on the sale of tangible fixed assets	-	172,471
	<u>-</u>	<u>172,471</u>

All other income is unrestricted.

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2021

6a Analysis of expenditure (current year)

	Charitable activities				30-Sep-21 £	30-Sep-20 £
	Community programme £	Studio provision £	Governance costs £	Support costs £		
Staff costs (Note 8)	-	444,258	-	-	444,258	367,390
Direct project costs	103,024	-	-	-	103,024	118,273
Property expenses	-	258,607	-	-	258,607	271,857
Insurance	-	-	-	50,387	50,387	48,120
Publicity	8,822	-	-	-	8,822	5,704
Legal and professional	-	-	25,130	133,251	158,381	104,751
Travel expenses	-	-	-	2,559	2,559	3,040
Rent	-	712,222	-	-	712,222	697,653
Bad debts	-	673	-	-	673	61,987
Office expenses	-	-	-	41,514	41,514	40,378
Bank charges and interest	-	23,668	-	-	23,668	24,879
Other	-	23,000	-	14,462	37,462	18,910
Hardship fund income relief granted	167,277	-	-	-	167,277	37,959
Depreciation and loss on disposal of assets	-	-	-	113,986	113,986	108,265
	279,123	1,462,429	25,130	356,159	2,122,842	1,909,166
Support costs	-	356,159	-	(356,159)	-	-
Governance costs	-	25,130	(25,130)	-	-	-
Total expenditure 2021	279,123	1,843,719	-	-	2,122,842	
Total expenditure 2020	161,936	1,747,230	-	-		1,909,166

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2021

6b Analysis of expenditure (prior year)

	Charitable activities				30-Sep-20 £
	Community programme £	Studio provision £	Governance costs £	Support costs £	
Staff costs (Note 8)	-	367,390	-	-	367,390
Direct project costs	118,273	-	-	-	118,273
Property expenses	-	271,857	-	-	271,857
Insurance	-	-	-	48,120	48,120
Publicity	5,704	-	-	-	5,704
Legal and professional	-	-	12,000	92,751	104,751
Travel expenses	-	-	-	3,040	3,040
Rent	-	697,653	-	-	697,653
Bad debts	-	61,987	-	-	61,987
Office expenses	-	-	-	40,378	40,378
Bank charges and interest	-	24,879	-	-	24,879
Other	-	-	-	18,910	18,910
Hardship fund income relief granted	37,959	-	-	-	37,959
Depreciation and loss on disposal of assets	-	-	-	108,265	108,265
	<u>161,936</u>	<u>1,423,766</u>	<u>12,000</u>	<u>311,464</u>	<u>1,909,166</u>
Support costs	-	311,464	-	(311,464)	-
Governance costs	-	12,000	(12,000)	-	-
Total expenditure 2020	<u>161,936</u>	<u>1,747,230</u>	<u>-</u>	<u>-</u>	<u>1,909,166</u>

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2021

7 Net income / (expenditure) for the period

This is stated after charging / (crediting):

	30-Sep-21	30-Sep-20
	£	£
Depreciation	113,986	108,265
(Profit)/loss on disposal of fixed assets	-	(172,471)
Operating lease rentals payable:		
Property	712,222	697,653
Auditor's remuneration (excluding VAT):		
Audit	10,800	12,000
Other services	-	8,400
	<u> </u>	<u> </u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	30-Sep-21	30-Sep-20
	£	£
Salaries and wages	416,282	335,743
Social security costs	21,485	26,555
Employer's contribution to defined contribution pension schemes	6,492	5,092
Total	<u>444,258</u>	<u>367,390</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021	2020
	No.	No.
£60,000 – £69,999	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £70,833 (2020: £72,025).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

No trustees claimed expenses in the year (2020: £Nil)

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the period was 22 (2020: 26).

10 Related party transactions

There are no related party transactions to disclose for 2021 (2020: none).

Aggregate donations from related parties were £nil (2020: £nil).

Notes to the financial statements

For the year ended 30 September 2021

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Freehold property £	Leasehold property and improvement £	Computer equipment £	Total £
Cost				
At the start of the period	157,033	2,384,433	174,298	2,715,764
Additions in period	-	-	-	-
Disposals in period	-	-	-	-
At the end of the period	157,033	2,384,433	174,298	2,715,764
Depreciation				
At the start of the period	50,489	1,079,100	168,968	1,298,557
Charge for the period	4,168	104,488	5,330	113,986
Eliminated on disposal	-	-	-	-
At the end of the period	54,657	1,183,588	174,298	1,412,543
Net book value				
At the end of the period	102,376	1,200,845		1,303,221
At the start of the period	106,544	1,305,333	5,330	1,417,207

The trustees have undertaken an impairment review during the period of all fixed assets and are satisfied that there is no indication of impairment for any assets. In addition, it should be noted that the two freehold properties carried at historic cost, less depreciation, of £102,376 were revalued in July 2019, where the market value was deemed to be £1.443 million. The trustees continue to recognise all tangible fixed assets at historic cost rather than adopt a revaluation model and so this valuation has not been reflected in the above figures.

All of the above assets are used for charitable purposes.

13 Debtors

	2021 £	2020 £
Trade debtors	29,760	68,843
Other debtors	-	275
Prepayments and accrued income	420,979	297,545
	450,738	366,663

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	15,063	15,063
Trade creditors	249,478	444,346
Taxation and social security	24,254	86,700
Other creditors	331,301	219,810
Accruals and deferred income	22,581	27,720
	642,677	793,639

Notes to the financial statements

For the year ended 30 September 2021

15 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	336,170	348,953
Other creditors	2,400	2,400
	338,570	351,353

Bank loans totalling £351,233 (2020: £364,016) are secured by fixed charges over the Association's freehold properties at 62 Hetley Road and 23 to 20 Faroe Road and long leasehold property interests.

16 Provisions for liabilities

Provisions for liabilities comprises a dilapidation provision relating to operating leases on studios.

	2021 £	2020 £
Balance at the beginning of the period	10,000	11,076
Decrease in provision in the period	23,000	(1,076)
Balance at the end of the period	33,000	10,000

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	1,303,221	-	1,303,221
Net current assets/(liabilities)	(178,019)	(15,063)	62,686	(130,396)
Long term liabilities	(2,400)	(336,170)	-	(338,570)
Provisions for liabilities	(33,000)	-	-	(33,000)
Net assets at 30 September 2020	(213,419)	951,989	62,686	801,255

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

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	1,417,207	-	1,417,207
Net current assets/(liabilities)	(364,822)	(15,063)	154,296	(225,589)
Long term liabilities	(2,400)	(348,953)	-	(351,353)
Provisions for liabilities	(10,000)	-	-	(10,000)
Net assets at 30 September 2019	(377,222)	1,053,191	154,296	830,265

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2021

18a Movements in funds (current year)

	At 1 October 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2021 £
Restricted funds:					
Project funds	54,081	117,244	(112,820)	-	58,505
Grants	100,215	45,195	(141,229)	-	4,181
Total restricted funds	154,296	162,439	(254,049)	-	62,686
Unrestricted funds:					
Designated funds:					
Property	1,053,191	-	-	(101,202)	951,989
Total designated funds	1,053,191	-	-	(101,202)	951,989
General funds	(377,222)	1,931,393	(1,868,793)	101,202	(213,420)
Total unrestricted funds	675,969	1,931,393	(1,868,793)	-	738,569
Total funds	830,265	2,093,832	(2,122,842)	-	801,255

The narrative to explain the purpose of each fund and the reason for the transfers are given at the foot of the note below.

18b Movements in funds (prior period)

	At 1 October 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2020 £
Restricted funds:					
Project funds	52,925	113,624	(112,468)	-	54,081
Grants	-	140,095	(39,880)	-	100,215
Total restricted funds	52,925	253,719	(152,348)	-	154,296
Unrestricted funds:					
Designated funds:					
Property	1,181,827	-	-	(128,636)	1,053,191
Project fund	-	-	-	-	-
Total designated funds	1,181,827	-	-	(128,636)	1,053,191
General funds	(375,057)	1,626,017	(1,756,818)	128,636	(377,222)
Total unrestricted funds	806,770	1,626,017	(1,756,818)	-	675,969
Total funds	859,695	1,879,736	(1,909,166)	-	830,265

Purposes of restricted funds

Project fund

This relates to charitable activity projects funded by specific grants by donors.

Notes to the financial statements

For the year ended 30 September 2021

18 Movements in funds (continued)

Purposes of designated funds

Property

This represents the net book value of all tangible fixed assets as these do not form part of the free reserves of the charity less the value of bank loans secured on these properties.

Project fund

This relates to resources allocated to earmarked projects identified by the trustees.

19 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2021 £	2020 £
Less than one year	648,765	665,399
One to five years	1,892,189	2,031,423
Over five years	2,624,864	3,031,215
Total	5,165,818	5,728,037

The future commitments includes the liability for a rent review of a property, that took place after the year end. However, the increased liability has been included above, as the review created a genuine future commitment for that lease.

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

ASSOCIATION FOR CULTURAL ADVANCEMENT THROUGH VISUAL ART LIMITED

England & Wales - Charity number 287894

Accounts

Company number: 1749730

Charity number: 287894

Association for Cultural Advancement Through Visual Art

Report and financial statements

For the year ended 30 September 2020

Association for Cultural Advancement Through Visual Art

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For the year ended 30 September 2020

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Association for Cultural Advancement Through Visual Art

Reference and administrative information

For the year ended 30 September 2020

Company number 1749730 – incorporated in the United Kingdom

Charity number 287894 – registered in England & Wales

Registered office and operational address 54 Blechynden Street
London
W10 6RJ

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Paul Augarde	Appointed 27 November 2019
Alice Boff	Appointed 10 March 2021
Nikhil Gupta	Appointed 14 March 2019
Colin Prescod	Resigned 3 December 2019
Caroline Jenkinson	Resigned 6 March 2020
Michelle Kershaw	Appointed 15 August 2019
Karen Lee	Resigned 6 March 2020
Rebekah Paczek	Appointed 11 March 2020
Gavin Turk	Resigned 6 March 2020
Caspar Van Eijck	Appointed 27 November 2019

Key management personnel Tom Holley Chief Executive

Bankers National Westminster Bank
1st Floor
180 Brompton Road
London
SW3 1HL

Solicitors Russell Cooke LLP
2 Putney Hill
London
SW15 6AB

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108–114 Golden Lane
LONDON
EC1Y 0TL

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2020

The trustees present their report and the audited financial statements for the period ended 30 September 2020. Whilst the audited financial statements run to 30 September 2020, this annual report includes commentary on activities since then, particularly in light of the arrival of COVID-19.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

An important part of the national arts and cultural infrastructure, ACAVA operates an ecosystem of affordable workspaces, facilities, professional development programmes, exhibitions and public art programmes focused on community collaboration.

ACAVA continued to provide studios and facilities that support the production of the visual arts, and other creative practices, maintaining over 400 studios and workspaces in twenty buildings.

The charity operates in diverse socioeconomic contexts: nine London boroughs; three locations in Essex; and a large heritage regeneration site in Stoke-on-Trent. Studios are located in several areas of low engagement in the arts and culture, for example: LB Tower Hamlets, LB Newham, LB Brent, LB Harrow, North Kensington (RBKC), LB Merton, LB Hammersmith and Fulham, LB Wandsworth, Deptford, Hadleigh (Essex), Harlow (Essex), Ardleigh (Essex) and Stoke-on-Trent.

For over 30 years, ACAVA has been a pioneer of arts in health and wellbeing settings. Fostering creativity and wellbeing remains a central concern of our programmes today. This involves working collaboratively with professional art therapists, local authorities, the NHS, clinical commissioning groups, community groups, individuals, voluntary groups and professional artists who are often ACAVA studio holders.

Association for Cultural Advancement Through Visual Art

Trustees' annual report

For the year ended 30 September 2020

ACAVA delivers sustainable life-long learning and participation opportunities for people to benefit from high quality arts interventions that are participant led or co-created with professional artists.

Public exhibition and workshop facilities

The charity maintains exhibition and workshop facilities at seven of its studio buildings. They serve as exhibition and event platforms for ACAVA artists, our community partners, and others to present arts and cultural programmes that engage the public. These spaces are important shared contexts that enable interaction, knowledge exchange and dialogue between professional artists, local communities, the public and our strategic partners/stakeholders.

Facilities are regularly accessed by diverse local communities across the portfolio where they stage self-initiated independent activities that include curated exhibitions, presentations, workshops, family activities, meetings, art classes, exercise classes, film screenings and more.

Accessible community asset facilities are located at seven sites:

- Studio 1 Workshop – Blechynden Street Studios, North Kensington, London
- Maxilla Gallery – Maxilla Walk Studios, North Kensington, London
- Central Space Galley at Faroe Road Studios – Hammersmith, London
- Whitefriars Gallery, Whitefriars Studios – Harrow, London
- Gatehouse Gallery – Harlow, Essex
- Hadleigh Old Fire Station Community Hall – Hadleigh, Essex
- Spode Works Gallery – Spode Works, Stoke-on-Trent

Workspace occupancy and COVID-19

Despite the pandemic that escalated rapidly in March 2020 occupancy for the year, and into 2021, has remained high with modest variances caused by three national lockdowns. The pandemic caused a sudden and widespread loss of income to the arts sector and especially for freelance workers and sole traders who constitute the majority of ACAVA studio holders. The potential financial consequences if studio holders were unable to maintain their studios posed an existential threat. To mitigate the risk, we increased resources given to communications and marketing and streamlined studio allocations processes. The establishment of the ACAVA Artists Hardship Fund in May 2020 has proved significant along with several successful fundraising applications that have stabilised finances, addressed some losses and enabled restructuring.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on promoting arts education and are undertaken to further the Association for Cultural Advancement Through Visual Art's charitable purposes for the public benefit.

Strategic partnerships and collaborations

The charity has established, and continues to nurture, mutually beneficial relationships with external stakeholders and agencies who fund, commission or collaborate with our public programme activities.

Partners include: NHS West London Clinical Commissioning Group (WLCCG); Grenfell Recovery Fund (Young People); City Living Local Life; Al-Manaar The Muslim Cultural Heritage Centre; Kensington and Chelsea Foundation; NHS Central and North West London Mental Health Trust Grenfell Recovery Service; Kensington Aldridge Academy; Royal Borough of Kensington and Chelsea; NHS Central and North West London Mental Health Trust Grenfell Recovery Service; Action Disability Kensington and Chelsea; The Stables Traveller Site; Kensington and Chelsea Social Council; London Borough of Hammersmith and Fulham; London Borough of Merton; London Borough of Brent; London Borough of Ealing; Harrow Council; Essex County Council; Harlow Council; Hadleigh Council; Castle Point Borough Council; Castle Point Regeneration Partnership; Stoke-on-Trent City Council; Action Space; Greater London Authority; Arts Council England; Open Arts – of NHS South Essex Partnership Trust; Golborne and Maxilla Nursery School; St Francis of Assisi RC Primary; Kids on the Green; Bramley House Tenants and Residents Association; Trees for Grenfell; Just Solutions 123; Baraka Supplementary School, EPCA Supplementary School; Silchester Estate Tenants and Residents Association; Maxilla Social Club; Midaye; Grenfell Tower site team; Humanity for Grenfell; Hestia; Volunteer Centre Kensington and Chelsea; Venture Centre; Avondale Park Primary; Barlby Primary; Bevington Primary; Colville Primary; Grenfell United; Lancaster West Estate Tenant and Resident Association; Oxford Gardens Primary; St Charles RC Primary; St Clements and St James Primary; St Thomas' CE Primary; St. Mary's RC Primary; Thomas Jones Primary; BCB; Staffordshire University; Stoke-on-Trent Chamber of Commerce; Pat and Fred Phillips; High Street Heritage Action Zone (Stoke-on-Trent); Community Cinema (Hadleigh).

Public Programmes Summary

Programmes are delivered across a range of different geographical, socio-economic and cultural contexts in London, Essex and Stoke-on-Trent.

Participation

ACAVA delivered 380 public events across its portfolio with 2,500 people attending.

North Kensington, London

The charity's socially inclusive programmes in North Kensington are co-designed, curated and produced by staff based at our Blechynden Street Studios and community workshop headquarters and our studios, gallery and workshop at Maxilla Walk in North Kensington.

The lasting impact of these programmes is testament to successful ACAVA, NHS, clinical commissioning group, local authority, and community collaborations spanning generations.

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Since the Grenfell Tower fire of June 2017, ACAVA has been the lead arts organisation delivering Grenfell recovery creative programmes that enable local communities to memorialise and recover. In communities suffering displacement and trauma ACAVA has been commended for delivering inclusive programmes including but not limited to the following core activities.

Flourish

A safe space for intergenerational groups/families who have been impacted by the Grenfell Tower fire. Flourish delivers school holiday art programmes led by professional artists and storytellers whose experience includes artist in residence at the Large Hadron Collider, CERN and commissions from EurOcean and the Welcome Collection. They deliver creative experiences that encourage families to explore art in a contemporary context.

We delivered a face to face programme each school holiday. ACAVA at Home translated learning materials for online delivery achieved under challenging circumstances during the first lockdown. The initiative enabled participating families to engage remotely with planned programmes. We produced artist-designed worksheets, storytelling sessions, 'How to' videos and a series of animated gifs focused on mindfulness and mental wellbeing.

Flourish in the Forest

During May 2020 half term a pilot Flourish in the Forest offered families living in overcrowded accommodation with no access to outside space the chance to play and be creative in the Maxilla Forest School Garden. It was a successful and we subsequently secured funding for more support to in-need families over the summer months.

Grenfell Memorial Community Mosaic

This acclaimed community-designed public memorial is delivered in partnership with Al-Manaar Muslim Cultural Heritage Centre. The mosaic is a collective project initiated in April 2018 – an evolving and growing wall-mounted installation situated close to the base of Grenfell Tower. Each month a different community, faith group or school collaborate with artists to craft a new section which is added to the artwork.

Art Therapy for Adults

In response to the Grenfell Tower fire ACAVA worked with a team of state registered art psychotherapists to provide group and individual art therapy sessions for adults affected by the fire.

Art for Wellbeing Everyday (June 2018 – Dec 2019)

A project with local people, professional artists and a graphic designer to co-create a series of 'How to' guides. Eight guides were created explaining mosaic, ink drawing, painting from sculpture, paper sculpture, experimental casting, lino printing, comic book making and basket weaving.

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Creativity Clinic

A support programme developed from the Art for Wellbeing Everyday programme that provides a supportive social and creative space every month for AWE alumni to continue to develop their creative practice.

Maxilla Men's Shed

Connected with the international Men's Shed movement, Maxilla Men's Shed is a fully-equipped workshop where local adults can learn, teach, make, share and socialise. The Shed enables social interaction and community cohesion for socially isolated older men. ACAVA delivers courses and workshops focused on skills development. Participants work on practical projects, pursue hobbies, enjoy the benefits of meeting new people and gain access to a computer.

Essex

ACAVA operates three sites in Essex.

Hadleigh Old Fire Station

Community Cinema screenings presented five titles and a community screening of an NHS documentary. Other events included a Christmas Fair supporting local charities and a local community Craft Day.

Gatehouse Studios, Eastgate Gallery, Harlow

Regular exhibitions programme included Harlow College Showcase, International Women's Day Exhibition and Heads on Paper by Jonathan Farningham.

Stoke-on-Trent

In 2016, in collaboration with Stoke-on-Trent City Council and Arts Council England, we built 43 new studios, gallery and CPD programmes in an ambitious regeneration of the post-industrial Spode ceramics factory an important 250 year old heritage site.

Spode Works Gallery

Exhibitions included Dan Southward, Logically Unacceptable Conclusions.

Factory

A monthly skills development programme that supports Staffordshire based artists, designers, makers and small creative enterprises to develop their practice and business skills in partnership with Staffordshire Chambers of Commerce, Staffordshire University and the British Ceramics Biennial. Sessions have covered Pricing, Imposter Syndrome, Networking, Prepare to Sell/Selling online, Photographing your work, From Physical to Digital During COVID-19, Funding and Finance.

Artist studio events

Open studios welcome the public into our studio buildings to meet artists and learn about the creative process in the context of a creative production workspace. Events have been severely reduced by COVID-19 restrictions during the reporting period.

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In November 2019 ACAVA Ardleigh Studios, Colchester held an open Festive Studios event.

In July 2020 the Riverside Artists Group London launched Lockdown Exhibition an online exhibition of artworks created during lockdown by 16 of its members.

Financial review

Overview

During the 12 month period income was £1,879,736 (2019: £2,200,423 – 18 months) with expenditure of £1,909,166 (2019: £2,683,400 – 18 months).

For the 12 month period ended 30 September 2020, the charity incurred a deficit of £29,430. In the previous 18 month period, a deficit of £482,977 was incurred.

Updated cloud based finance and property management systems have created more transparent and efficient management and enabled a seamless transition from office based to remote working. External management accountants appointed in March 2020 significantly strengthened financial management, finance communications and reporting. This has been key to handling the unprecedented levels of negotiations with studio holders, stakeholders, funders, bank and landlords through the pandemic.

Financial management

An experienced interim part time Financial Director was contracted from specialist cultural and third sector firm Counterculture Partnership LLP. The appointment was supported by a full time agency bookkeeper employed at the same time. ACAVA's existing part time Finance Officer remained in post.

In recent years, the charity has been navigating a challenging financial period caused by increasing operational costs, reduced development opportunities, inflation in the London property market and the impact of Covid 19.

This has been partially mitigated by the sale of shared ownership live/work properties in ACAVA's Honeypot Lane portfolio in previous years which generated £899,000. The sale of the last of the five properties at Honeypot Lane was expected to complete during the 2018/19 period with a projected income of £262,500. The property was sold in February 2020, generating £247,500 (75% of £330,000), £15,000 below projections.

Consequently, it was necessary to renew the charity's overdraft to manage cash flow. The agreement had two conditions: the sale of the final unit at Honeypot Lane and achieving a high rate of increased income from studio licence fees.

In April 2019, the charity increased licence fees by an average 16%, which met the bank's lending requirements. This helped to achieve a subsequent overdraft renewal, a further temporary increase

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and gave the bank confidence that progress was being made on financial recovery other than solely by the unsustainable sale of property assets. Due to the Covid 19 pandemic, no further increase to licence fees have been made. However, budgets are being set to ensure future profitability and viability of the property portfolio.

Throughout this period, changes have continued to be made that recalibrate the business model, improve financial performance, manage cash flow, reduce debt and stabilise the financial position.

Finance staff capacity was augmented by contracting external management accountants in March 2020 increasing capability at a reduced cost.

The complex migration of data from old finance systems to new and the resetting of accounting and business processes has taken time to complete. The outcome is a positive step change in the management of the charity's finances critical to its financial recovery.

There are several short and longer term objectives planned that will continue financial recovery, albeit their implementation has been slowed by the impact of COVID-19. Proposals include the delivery of a fundraising strategy (implemented in May 2021), diversification of income through commercial activities, increased margins from studio buildings, comprehensive changes to utilities recharging (progressing in 2021), debt recovery, reduction of business rates, refinancing, negotiations to reduce rents, exiting unprofitable buildings, generating value from long leasehold properties and income generating development of freehold properties.

Property assets

The charity's shares in five live/work properties at Honeypot Lane are restricted under a section 106 agreement but could be sold on when this expires in approximately four years.

The balance sheet shows two freehold property assets historically valued at £110k. It should be noted that surveys carried out on behalf of our bank in July 2019 value them at £783,000 and £660,000 a potential market value of £1,443,000. The charity does not intend to dispose of these assets but is considering the potential to redevelop them.

The two freehold properties have the potential to generate considerable funds that would be used to refurbish studios in the London Borough of Hammersmith and Fulham. Plans have been drawn up and discussions with the local authority have been positive. A pre-planning application was submitted in August 2020.

Principal risks and uncertainties

The charity maintains a detailed risk register that is reviewed and discussed at board and management team meetings. The highest priority risks and mitigating actions are listed below.

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Economic downturn

Unprecedented economic and political uncertainty caused by the UK leaving the EU and the global impacts of the COVID-19 pandemic are of concern to the immediate and long term future of the charity.

ACAVA has successfully navigated the challenges of the COVID-19 pandemic until now, however, the arts and the charity sectors face a difficult future in the short term.

Many studio holders are freelancers who work in the creative sector and have experienced lost, or much reduced, incomes. International working is an important part of cultural production and presentation, and international cultural exchange has been radically curtailed.

In mitigation, we introduced a light touch hardship fund in May 2020 that supports studio holders to maintain their studios by offering discounts to studio licence fees and utilities based on need. The organisation has focused on minimising void periods, increased marketing and communications about vacant studios, extended newsletter circulation and information about income making opportunities, successfully applied for C-19 recovery funding to underpin the hardship fund, strengthen capacity and resilience, and support a step change in fundraising, communications and administration.

Profitability

Several buildings are loss making, where income received does not cover that building's expenditure. These losses are unsustainable. The historical model of cross-subsidy between buildings needs long term planning and revised pricing policies to correct.

In mitigation, the charity continues to focus on increasing its profitability and reducing historical debt. Excellent progress in finance and administration efficiencies that improve yield, minimise costs and streamline cash flow have been achieved and are under constant review and modification. Refinancing has temporarily strengthened the cash position and created some working capital. Property development projects are progressing at three sites and seek to increase the number and quality of workspaces and exterior landscapes to generate higher levels of income from studios and hires. Recent grant awards include provision for legal and professional fees towards negotiating either improved rental terms or exits from leases especially those that make a loss. Early lease exits are difficult to achieve and can be costly, however, a number of ACAA lease terms will expire in the next two years.

Health and safety noncompliance

Maintaining health and safety compliance has been challenging with a small team and geographically distributed portfolio. There is high degree of risk related to this. COVID-19 has brought increased need for cleaning, hygiene, logistics and general facilities management. In mitigation we appointed a temporary Health and Safety Manager on a fixed term contract who made excellent progress with policies and procedures bringing the organisation in line with legal requirements. They have now moved on but this post remains a key area for capacity building. Financial planning account for the need to appoint several roles including a senior property team leader with the appropriate health and safety experience. ACAA's public spaces closed and re-

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opened during COVID-19 lockdowns in 2020 and in 2021. H&S and C-19 policies have been developed and regularly updated.

Capacity

The organisation is managed by a comparatively small core team augmented by a full time external management accountant and specialists in HR, fundraising, property development and regeneration on a project basis as required. This causes several risks to property management with persistently heavy workloads in all teams and the potential loss of valued employees.

In mitigation, where feasible, employees' terms and conditions have been modestly improved and a supportive culture of collaboration is nurtured. The charity identified new roles that have been temporary funded through grants, specifically – Administrator, Head of Fundraising, Fundraising Consultant (p/t), Head of Communications. Grants contributed towards increasing the Communications Manager from one to four days p/w and to the permanent appointment of a Head of Finance and Administration by covering the first year's salary (in recruitment).

When compared to similar organisations, ACAVA's leadership and senior management teams are significantly under resourced and the property team is also stretched beyond capacity.

Strengthening these teams is a long term objective – financial planning, fundraising, organisational development and new business development prioritise both capacity and increased/diversified income.

Safeguarding vulnerable people

The charity maintains comprehensive up to date policies and procedures that ensure the safety and wellbeing of vulnerable people of all ages. We follow NSPCC best practice in policies relating to children and young people, and access relevant local Safeguarding Children Board training for staff and freelancers.

Children and Young People (CYP) policies

Safeguarding CYP Policy Statement (Jan 2020), Safeguarding CYP in School Settings (Jan 2020), Safeguarding CYP in Community Settings (Jan 2020), Local Authority Designated Officer (LADO) Procedure for Allegations against Professionals (Jan 2020), CYP Anti-bullying Statement (Aug 2020).

Adults at Risk policies

Safeguarding Adults at Risk Policy (Dec 2019), Mental Capacity Act Policy (May 2019), ACAVA Data Protection Policy (Jul 2018).

Reserves policy and going concern

Reserves

Reserves have been depleted in recent years. Total reserves on 30 September 2020 were £830,265 (2019: £859,695).

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Of this £154,296 (2019: £52,925) were held as restricted funds.

Excluding property assets, bank loans and restricted funds, unrestricted general funds were negative £377,222 (2019: £375,057). It should be noted that this includes deposits from tenants of £195,640.

Our reserves policy sets a minimum target of £24,000 p/a for unrestricted reserves over the next five years with a target of £120,000.

It is our policy that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Bank loans

In February 2020, our overdraft limit was reduced to £50,000 and has not been needed since.

The charity continued to meet its monthly loan repayments. No new loans were applied for.

Going concern

Trustees believe the charity is a going concern having made excellent progress over the past year on restructuring which has led to a stabilised financial position. This work is ongoing and will require more time to complete.

At the time of reporting cash flow is under control, the overdraft limit has been reduced to £50,000 and has not been needed. Discussions with our bank suggest that we will remove the overdraft in the near future but no date has been set.

The reduction of historical debt is being addressed through measures that have already been implemented, are in progress or are planned as detailed elsewhere in this report.

Grant funding of £554,881 raised from statutory bodies in the six months between May and October 2020 is evidence of broad support for ACAVA's progress. The charity has clearly been acknowledged as a critical part of the UK's creative and cultural infrastructure.

In March 2021, we were awarded a further £208,477 from the DCMS/Arts Council England Culture Recovery Fund Round 2, the maximum amount available to us. Since May 2020, we have been awarded over £750,000 in emergency grant income which has enabled the continuation of the hardship fund, partially covers lost income, enables temporary capacity building in fundraising and communications and enables a property development feasibility study led by an experienced architecture and urban planning practice.

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We are actively targeting statutory funders, trusts and foundation, major donations, legacies, corporate foundations, in-kind partnerships and capital funds. A revised Case for Support was completed in June 2021 and ambitious fundraising targets have been set.

Property redevelopment of two sites is in planning and an extensive feasibility study and community consultation at another site, funded by DCMS/Arts Council England Culture Recovery Fund Round 2, begins in June 2021. Public fundraising campaigns are planned for two sites. New workspace and placemaking opportunities are actively being sought and if successful will generate new income streams.

Grant funding

£253,719 in restricted grant funding has been raised during the reporting period.

ACAVA has received endorsements from several funders who have generously supported our recovery strategy and plans. During 2020/21, we received grants from the Arts Council England Emergency Response Fund, Creative Land Trust and the Mayor of London Creative Workspace Resilience Fund and Arts Council England/DCMS Culture Recovery Fund rounds 1 and 2 (R2 in March 2021).

ACAVA's fundraising is compliant with fundraising regulation and codes. We are not aware of any non-compliance with any code and no complaints about the organisation's fundraising activities have been received. Until now, the organisation has not used professional fundraisers or commercial participators. No third parties have carried out fundraising activity on behalf of the charity.

COVID-19

The impact of the COVID-19 pandemic on the charity has been severe. There have been three main issues: an immediate shortfall in income from studios and licence fee increases not applied as planned, the closure of public facilities and the need to invest in staff capacity in communications and health and safety as workloads increased dramatically.

ACAVA's studio holders are predominantly freelance education and cultural sector workers, sole traders or not for profit organisations. The sudden closure of education and cultural institutions caused by COVID-19 and lockdown decimated the livelihoods of thousands and caused a national crisis for workspace providers. Many studio holders were unable to pay their licence fees leading to unprecedented cash flow difficulties for the charity.

The latest figures indicate a shortfall in income from unpaid licence fees and utilities of between 15% – 20%. Additionally, plans to increase income by 7% during 2020 have not been possible to implement and consequently represents a loss of income. It is unclear at this time what the equivalent loss will be during the 2021 calendar year with ongoing uncertainty regarding future

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lockdowns, funding support, the furlough scheme, loan deferrals, bank support and the opening up of the cultural, entertainment and hospitality sectors, and travel related restrictions.

The charity has been energetically proactive in response to these challenges and taken the following mitigating actions, which have been effective:

- Studio buildings remained open helping to maintain core income and stabilise cash flow.
- Negotiated loan repayment holidays for 10–12 month periods effective from May 2020 saving £7,000 p/m.
- Six staff (40%) were furloughed saving approximately £7,000 p/m. They returned to work in September 2020.
- Established the ACAVA COVID-19 Artists Hardship Fund with a modest sum of £5,645, increasing to £126,345 (June 2020) through successful fundraising activity. The fund supports artists in the most need to pay their licence fees and utilities bills, enables the charity to support individual artists and protect its primary source of income.
- Programme activity was suspended in March 2020; some venues re-opened in July 2020.
- Programme activities successful transitioned to online delivery, enabling continuity.
- Our head office has been closed since March 2020 and rented as a workspace generating new income. Office staff continue to work remotely.

Plans for the future

The charity aims to generate sufficient income to continue to deliver its two main activities:

Creative workspace and facilities

The provision of workspace and facilities that support artists of all disciplines, but primarily in the visual arts, and enable the production of art and culture.

To maintain the necessary number of buildings and studio holders, the charity continually seeks new opportunities to establish studio buildings in London and the UK regions.

Increasingly, this requires dialogue with potential stakeholders working in placemaking and regeneration contexts where art, culture and the creative industries are recognised drivers key to community participation and cultural engagement.

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It is essential to position ACAVA visibly with regeneration agencies, third sector organisations, cultural sector partners, businesses, architects, property developers, local and regional authorities, national government bodies and statutory funders.

Our future strategy includes increased communications, targeted marketing, and relationship building.

In recent years, the charity has established new buildings in three UK regions and will continue to explore similar opportunities in different parts of the country to reach a wider range of communities and beneficiaries with studio and workspace provision allied to ambitious community engagement programmes.

Programmes

ACAVA has accumulated unique knowledge and experience in community and wellbeing settings and we aim to build on and expand our delivery of this work.

To support this, we plan to carry out external evaluation and impact studies that capture our achievements. Robust research based evidence will strengthen advocacy, celebrate our work, and increase the organisation's profile with potential collaborators.

An enhanced digital footprint including a refreshed identity, new website and enhanced digital content across all platforms will launch in Winter 2020.

We will seek to maximise income generating potential of properties across the portfolio including developing sites, increasing the number of studios.

Other initiatives will be introduced to diversify income streams beyond our traditional approach to fundraising to include commercial income generation, for example, from hires.

Structure, governance and management

Association for Cultural Advancement through Visual Art (ACAVA) is a charitable company limited by guarantee, incorporated on 2 September 1983, and registered as a charity on 29 March 1984. The company is governed by Articles of Association revised, updated, and adopted on 29 January 2020.

Objects

The Charity's Object is:

For the public benefit in the UK, to advance education in the arts and culture, in particular but not exclusively by providing opportunities for the creation and display of art and access to courses, events and workshops.

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The main activities undertaken to achieve those purposes are:

- 1 To establish and maintain studios, workshops, and other facilities that support the production of the arts and culture.
- 2 To produce, curate, and promote participatory public arts programmes and educational activities for the public benefit.

The board of trustees administers the charity and meets a minimum of four times a year. Two sub-committees that meet regularly between board meetings have oversight of specific areas of business: Finance and General Purposes Sub-Committee and Property Sub-Committee report and make recommendations to the board.

The CEO reports to the trustees and has authority over all operational matters including business development, strategy, finance, fundraising, HR, studio operations, policies, communications, and programmes.

The trustees review the aims, objectives, and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period.

The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

Trustees give their time voluntarily and receive no benefits from the charity.

Management

Internal systems and processes have been updated with integrated cloud computing systems deployed in finance, property management, studio allocations, general administration, and internal communications. This has delivered significant improvements in efficiency and enabled collaborative working and knowledge sharing essential during the pandemic. Our office was closed in March 2020 and staff continue to work remotely.

Appointment of trustees

Prospective trustees are identified through a formal recruitment process. A trustee recruitment pack is circulated via the charity's website, social media, public mailing lists and personal networks.

The charity retains the services of a HR consultant who acts as an independent adviser, responds to enquiries, reviews applications, and carries out an initial conversation with applicants. Shortlisted candidates are invited to meet trustees and, at a separate meeting, the CEO, prior to attending a board meeting as an observer where they are briefed on trustees' obligations, the organisation's business plan, financial performance, and risk management.

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New trustees may only be appointed by a formally convened meeting of the board of trustees. Once appointed, trustees undertake a thorough induction to the organisation by the Chief Executive Officer.

Remuneration policy for key management personnel

When recruiting for the post of Chief Executive Officer in 2018 trustees employed a specialist recruitment consultant. The salary for the role was aligned with that of the outgoing post holder.

In August 2019, the charity's HR adviser was briefed to undertake a benchmarking survey to ascertain whether its salary levels were competitive.

The method included obtaining salary ranges of similar roles, using knowledge of the sector, sector surveys, advertised salaries and contacts in the arts. Salaries were compared with the general not for profit sector as well as the arts. Where possible, similar sized organisations were used as comparators.

Statement of responsibilities of the trustees

The trustees (who are also directors of Association for Cultural Advancement Through Visual Art for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Association for Cultural Advancement Through Visual Art

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In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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 financial statements may differ from legislation in other jurisdictions.

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

The trustees' annual report has been approved by the trustees on 24 June 2021 and signed on their behalf by

Name: Michelle Kershaw

Title: Chair of the Board of Trustees

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

Opinion

We have audited the financial statements of Association for Cultural Advancement Through Visual Art (the 'charitable company') for the period ended 30 September 2020 which comprise the statement of financial activities, balance sheet, 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 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The 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' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

Independent auditor's report

To the members of

Association for Cultural Advancement Through Visual Art

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Judith Miller (Senior statutory auditor)

28 June 2021

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

Association For Cultural Advancement Through Visual Art

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

For the year ended 30 September 2020

	Note	Unrestricted £	Restricted £	12 months ended 30 September 2020 Total £	Unrestricted £	Restricted £	18 months ended 30 September 2019 Total £
Income from:							
Donations and legacies	2	24,132	-	24,132	4,170	3,531	7,701
Charitable activities							
Community programme	3	-	250,344	250,344	13,719	111,520	125,239
Studio provision	3	1,305,078	3,375	1,308,453	2,026,313	-	2,026,313
Other trading activities	4	124,336	-	124,336	40,250	-	40,250
Other	5	172,471	-	172,471	920	-	920
Total income		1,626,017	253,719	1,879,736	2,085,372	115,051	2,200,423
Expenditure on:							
Charitable activities							
Community programme	6	9,588	152,348	161,936	69,680	125,990	195,670
Studio provision	6	1,747,230	-	1,747,230	2,487,730	-	2,487,730
Total expenditure		1,756,818	152,348	1,909,166	2,557,410	125,990	2,683,400
Net income / (expenditure) for the period	7						
		(130,801)	101,371	(29,430)	(472,038)	(10,939)	(482,977)
Transfers between funds		-	-	-	855,208	(855,208)	-
Net movement in funds		(130,801)	101,371	(29,430)	383,170	(866,147)	(482,977)
Reconciliation of funds:							
Total funds brought forward		806,770	52,925	859,695	423,600	919,072	1,342,672
Total funds carried forward		675,969	154,296	830,265	806,770	52,925	859,695

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

Association For Cultural Advancement Through Visual Art

Balance sheet

Company no. 01749730

As at 30 September 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	12		<u>1,417,207</u>		<u>1,593,971</u>
			1,417,207		1,593,971
Current assets:					
Debtors	13	366,663		302,935	
Cash at bank and in hand		<u>201,387</u>		<u>3,269</u>	
		568,050		306,204	
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(793,639)</u>		<u>(651,672)</u>	
Net current liabilities			(225,589)		(345,468)
Total assets less current liabilities			1,191,618		1,248,503
Creditors: amounts falling due after one year	15		<u>(351,353)</u>		<u>(377,732)</u>
Provisions for liabilities	16		<u>(10,000)</u>		<u>(11,076)</u>
Total net assets	18		<u>830,265</u>		<u>859,695</u>
The funds of the charity:	19				
Restricted income funds			154,296		52,925
Unrestricted income funds:					
Designated funds		1,053,191		1,181,827	
General funds		<u>(377,222)</u>		<u>(375,057)</u>	
Total unrestricted funds			<u>675,969</u>		<u>806,770</u>
Total charity funds			<u>830,265</u>		<u>859,695</u>

Approved by the trustees on 24 June 2021 and signed on their behalf by

Michelle Kershaw
Chair of the Board of Trustees

Association For Cultural Advancement Through Visual Art

Statement of cash flows

For the year ended 30 September 2020

	Note	12 months ended 30 September 2020		18 months ended 30 September 2019	
		£	£	£	£
Cash flows from operating activities					
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(29,430)		(482,977)	
Depreciation charges		108,265		158,110	
(Profit)/loss on disposal of fixed assets		(172,471)		58,577	
(Increase)/decrease in debtors		(63,728)		47,579	
Increase in creditors		234,209		96,206	
Decrease in provisions		(1,076)		(44,827)	
Net cash provided by/(used in) operating activities			75,769		(167,332)
Cash flows from investing activities:					
Proceeds from the sale of fixed assets		245,515		-	
Purchase of fixed assets		(4,545)		(11,764)	
Net cash provided by/(used in) investing activities			240,970		(11,764)
Cash flows from financing activities:					
Repayments of borrowing		(48,128)		(102,088)	
Net cash (used in) financing activities			(48,128)		(102,088)
Change in cash and cash equivalents in the period			268,611		(281,184)
Cash and cash equivalents at the beginning of the period			(67,224)		213,960
Cash and cash equivalents at the end of the period a			201,387		(67,224)
Analysis of cash and cash equivalents and of net debt					
		At 30 September 2019 £	Cash flows £	Other non-cash changes £	At 30 September 2020 £
Cash at bank and in hand		3,269	198,118	-	201,387
Overdraft facility repayable on demand		(70,493)	70,493	-	-
a Total cash and cash equivalents		(67,224)	268,611	-	201,387
Loans falling due within one year		(42,012)	26,949	-	(15,063)
Loans falling due after more than one year		(370,132)	21,179	-	(348,953)
Total net debt		(479,368)	316,739	-	(162,629)

1 Accounting policies

a) Statutory information

Association for Cultural Advancement through Visual Art (ACAVA) is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 54 Blechynden Street, London W10 6RJ.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

As at 30 September 2020, the trustees are confident that ACAVA is a going concern and the financial statements have been prepared on that basis. In the period between the period end and May 2021, the financial position has continued to improve, with the receipt of grant income from The Arts Council Cultural Recovery Fund, Round 1 & 2, which has injected cash into the organisation and funded salaries and other costs. The organisation continues to receive a consistent and stable stream of licence fees. In addition, ACAVA has continued to apply for a number of grants to support its ongoing activities, and long term strategy. The cash position is good, and is anticipated to remain so for the foreseeable future. In addition, ACAVA is in the fortunate position of owning a number of property assets where the market value far exceeds the carrying value in the financial statements.

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

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Project fees are treated as income when the services have been met. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Licence fees and rental income are treated as income when the space has been utilised by the hiree.

Income is recognised on the sale of property assets when they have legally exchanged.

f) Interest receivable

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

1 Accounting policies (continued)

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services, exhibitions and projects and providing studio space to further the purposes of the charity, and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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

- | | |
|--------------------------|----------------------------|
| ● Freehold property | 50 years |
| ● Leasehold property | Over the term of the lease |
| ● Leasehold improvements | Over the term of the lease |
| ● Computer equipment | 3 – 10 years |

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

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

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2020

1 Accounting policies (continued)

p) Pensions

The charity makes contributions to a defined contribution scheme for eligible employees. The charity's obligation is limited to monthly contributions as they fall due.

2 Income from donations and legacies

	Unrestricted £	Restricted £	12 months ended 30 September 2020 Total £	Unrestricted £	Restricted £	18 months ended 30 September 2019 Total £
Donations	1,926	-	1,926	4,170	3,531	7,701
Government grants	22,206	-	22,206	-	-	-
	<u>24,132</u>	<u>-</u>	<u>24,132</u>	<u>4,170</u>	<u>3,531</u>	<u>7,701</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	12 months ended 30 September 2020 Total £	Unrestricted £	Restricted £	18 months ended 30 September 2019 Total £
Community programme						
Grants and donations	-	250,344	250,344	13,719	111,520	125,239
Sub-total for Community programme	-	250,344	250,344	13,719	111,520	125,239
Studio provision						
Licence fees	1,288,970	-	1,288,970	2,021,232	-	2,021,232
Membership fees	16,108	3,375	19,483	5,081	-	5,081
Sub-total for studio provision	<u>1,305,078</u>	<u>3,375</u>	<u>1,308,453</u>	<u>2,026,313</u>	<u>-</u>	<u>2,026,313</u>
Total income from charitable activities	<u>1,305,078</u>	<u>253,719</u>	<u>1,558,797</u>	<u>2,040,032</u>	<u>111,520</u>	<u>2,151,552</u>

4 Income from other trading activities

	12 months ended 30 September 2020 Total £	18 months ended 30 September 2019 Total £
Rental income	26,597	40,250
Utility recharges	97,739	-
	<u>124,336</u>	<u>40,250</u>

All income from trading activities is unrestricted.

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2020

5 Other income

	12 months ended 30 September 2020 Total £	18 months ended 30 September 2019 Total £
Miscellaneous income	-	920
Profit on the sale of tangible fixed assets	172,471	-
	<u>172,471</u>	<u>920</u>

All other income is unrestricted.

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2020

6a Analysis of expenditure (current year)

	Charitable activities				12 months ended 30 September 2020 £	18 months ended 30 September 2019 £
	Community programme £	Studio provision £	Governance costs £	Support costs £		
Staff costs (Note 8)	-	367,390	-	-	367,390	493,646
Direct project costs	118,273	-	-	-	118,273	189,567
Property expenses	-	271,857	-	-	271,857	385,583
Insurance	-	-	-	48,120	48,120	73,817
Publicity	5,704	-	-	-	5,704	6,103
Legal and professional	-	-	12,000	92,751	104,751	155,388
Travel expenses	-	-	-	3,040	3,040	6,363
Rent	-	697,653	-	-	697,653	1,005,266
Bad debts	-	61,987	-	-	61,987	-
Office expenses	-	-	-	40,378	40,378	111,025
Bank charges and interest	-	24,879	-	-	24,879	35,888
Other	-	-	-	18,910	18,910	4,067
Hardship fund income relief granted	37,959	-	-	-	37,959	-
Depreciation and loss on disposal of assets	-	-	-	108,265	108,265	216,687
	161,936	1,423,766	12,000	311,464	1,909,166	2,683,400
Support costs	-	311,464	-	(311,464)	-	-
Governance costs	-	12,000	(12,000)	-	-	-
Total expenditure 2020	161,936	1,747,230	-	-	1,909,166	
Total expenditure 2019	195,670	2,487,730	-	-		2,683,400

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2020

6b Analysis of expenditure (prior year)

	Charitable activities				18 months ended 30 September 2019 £
	Community programme £	Studio provision £	Governance costs £	Support costs £	
Staff costs (Note 8)	-	493,646	-	-	493,646
Direct project costs	189,567	-	-	-	189,567
Property expenses	-	385,583	-	-	385,583
Insurance	-	-	-	73,817	73,817
Publicity	6,103	-	-	-	6,103
Legal and professional	-	-	10,000	145,388	155,388
Travel expenses	-	-	-	6,363	6,363
Rent	-	1,005,266	-	-	1,005,266
Office expenses	-	-	-	111,025	111,025
Bank charges and interest	-	35,888	-	-	35,888
Other	-	-	-	4,067	4,067
Depreciation and loss on disposal of assets	-	-	-	216,687	216,687
	<u>195,670</u>	<u>1,920,383</u>	<u>10,000</u>	<u>557,347</u>	<u>2,683,400</u>
Support costs	-	557,347	-	(557,347)	-
Governance costs	-	10,000	(10,000)	-	-
Total expenditure 2019	<u><u>195,670</u></u>	<u><u>2,487,730</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,683,400</u></u>

Notes to the financial statements

For the year ended 30 September 2020

7 Net income / (expenditure) for the period

This is stated after charging / (crediting):

	12 months ended 30 September 2020 £	18 months ended 30 September 2019 £
Depreciation	108,265	158,110
(Profit)/loss on disposal of fixed assets	(172,471)	58,577
Operating lease rentals payable:		
Property	697,653	982,107
Auditor's remuneration (excluding VAT):		
Audit	12,000	10,000
Other services	8,400	3,000
	<u> </u>	<u> </u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	12 months ended 30 September 2020 £	18 months ended 30 September 2019 £
Salaries and wages	335,743	453,303
Social security costs	26,555	34,498
Employer's contribution to defined contribution pension schemes	5,092	5,845
Total	<u>367,390</u>	<u>493,646</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£60,000 – £69,999	<u>1</u>	<u>–</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £72,025 (2019: £83,523). The 2019 figure relates to an 18 month period, whereas the 2020 figure is for a 12 month period.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

No trustees claimed expenses in the year (2019: £Nil)

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the period was 26 (2019: 24).

10 Related party transactions

There are no related party transactions to disclose for 2020 (2019: none).

Aggregate donations from related parties were £nil (2019: £nil).

Notes to the financial statements

For the year ended 30 September 2020

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Freehold property £	Leasehold property and improvement £	Computer equipment £	Total £
Cost				
At the start of the period	157,033	2,459,337	174,298	2,790,668
Additions in period	-	4,545	-	4,545
Disposals in period	-	(79,449)	-	(79,449)
At the end of the period	157,033	2,384,433	174,298	2,715,764
Depreciation				
At the start of the period	47,349	990,128	159,220	1,196,697
Charge for the period	3,140	95,377	9,748	108,265
Eliminated on disposal	-	(6,405)	-	(6,405)
At the end of the period	50,489	1,079,100	168,968	1,298,557
Net book value				
At the end of the period	106,544	1,305,333	5,330	1,417,207
At the start of the period	109,684	1,469,209	15,078	1,593,971

The trustees have undertaken an impairment review during the period of all fixed assets and are satisfied that there is no indication of impairment for any assets. In addition, it should be noted that the two freehold properties carried at historic cost, less depreciation, of £106,544 were revalued in July 2019, where the market value was deemed to be £1.443 million. The trustees continue to recognise all tangible fixed assets at historic cost rather than adopt a revaluation model and so this valuation has not been reflected in the above figures.

All of the above assets are used for charitable purposes.

13 Debtors

	2020 £	2019 £
Trade debtors	68,843	78,662
Other debtors	275	-
Prepayments and accrued income	297,545	224,273
	366,663	302,935

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Overdraft	-	70,493
Bank loans	15,063	42,012
Trade creditors	444,346	297,925
Taxation and social security	86,700	25,077
Other creditors	219,810	190,560
Accruals	27,720	25,605
	793,639	651,672

Association For Cultural Advancement Through Visual Art

Notes to the financial statements

For the year ended 30 September 2020

15 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loans	348,953	370,132
Other creditors	2,400	7,600
	<u>351,353</u>	<u>377,732</u>

Bank loans totalling £364,016 (2019: £412,144) are secured by fixed charges over the Association's freehold properties at 62 Hetley Road and 23 to 20 Faroe Road and long leasehold property interests.

16 Provisions for liabilities

Provisions for liabilities comprises a dilapidation provision relating to operating leases on studios.

	2020 £	2019 £
Balance at the beginning of the period	11,076	55,903
Decrease in provision in the period	(1,076)	(44,827)
Balance at the end of the period	<u>10,000</u>	<u>11,076</u>

18a Analysis of net assets between funds (current period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	1,417,207	–	1,417,207
Net current assets/(liabilities)	(364,822)	(15,063)	154,296	(225,589)
Long term liabilities	(2,400)	(348,953)	–	(351,353)
Provisions for liabilities	(10,000)	–	–	(10,000)
Net assets at 30 September 2020	<u>(377,222)</u>	<u>1,053,191</u>	<u>154,296</u>	<u>830,265</u>

18b Analysis of net assets between funds (prior period)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	–	1,593,971	–	1,593,971
Net current assets/(liabilities)	(356,381)	(42,012)	52,925	(345,468)
Long term liabilities	(7,600)	(370,132)	–	(377,732)
Provisions for liabilities	(11,076)	–	–	(11,076)
Net assets at 30 September 2019	<u>(375,057)</u>	<u>1,181,827</u>	<u>52,925</u>	<u>859,695</u>

Notes to the financial statements

For the year ended 30 September 2020

19a Movements in funds (current year)

	At 30 September 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2020 £
Restricted funds:					
Project funds	52,925	113,624	(112,468)	-	54,081
Grants	-	140,095	(39,880)	-	100,215
Total restricted funds	52,925	253,719	(152,348)	-	154,296
Unrestricted funds:					
Designated funds:					
Property	1,181,827	-	-	(128,636)	1,053,191
Total designated funds	1,181,827	-	-	(128,636)	1,053,191
General funds	(375,057)	1,626,017	(1,756,818)	128,636	(377,222)
Total unrestricted funds	806,770	1,626,017	(1,756,818)	-	675,969
Total funds	859,695	1,879,736	(1,909,166)	-	830,265

The narrative to explain the purpose of each fund and the reason for the transfers are given at the foot of the note below.

19b Movements in funds (prior period)

	At 1 April 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2019 £
Restricted funds:					
Capital fund	855,208	-	-	(855,208)	-
Project funds	63,864	115,051	(125,990)	-	52,925
Total restricted funds	919,072	115,051	(125,990)	(855,208)	52,925
Unrestricted funds:					
Designated funds:					
Property	540,617	-	(216,687)	857,897	1,181,827
Project fund	11,188	-	(11,188)	-	-
Total designated funds	551,805	-	(227,875)	857,897	1,181,827
General funds	(128,205)	2,085,372	(2,329,535)	(2,689)	(375,057)
Total unrestricted funds	423,600	2,085,372	(2,557,410)	855,208	806,770
Total funds	1,342,672	2,200,423	(2,683,400)	-	859,695

Purposes of restricted funds

Capital fund

The capital fund was for the refurbishment of Blechynden Studios and other capital purchases where expenditure was specified by the donor, Arts Council England. A charge was held over this asset for an initial period following the refurbishment, however this charge has now been satisfied. As such, the assets have been reclassified as unrestricted funds as there is no expectation that any funds require repayment to the donor.

Project fund

This relates to charitable activity projects funded by specific grants by donors.

19 Purposes of designated funds

Property

This represents the net book value of all tangible fixed assets as these do not form part of the free reserves of the charity less the value of bank loans secured on these properties.

Project fund

This relates to resources allocated to earmarked projects identified by the trustees.

20 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2020 £	2019 £
Less than one year	665,399	665,787
One to five years	2,031,423	2,099,786
Over five years	3,031,215	3,217,686
Total	5,728,037	5,983,259

The future commitments includes the liability for a rent review of a property, that took place after the year end. However, the increased liability has been included above, as the review created a genuine future commitment for that lease.

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.