

acme

SUPPORTING ARTISTS SINCE 1972

Annual Report and Accounts

Year ended 31 March 2016

NATIONAL
HOUSING
FEDERATION

Contents

Company details	3
Charitable objectives	5
Main activities	6
Summary of year – achievements and performance	7
Finance	11
Appendices	15

Company details

Acme Artists Studios Limited

IP30662 R

A registered society under the Co-operative and Community Benefit Societies Act 2014

Governing document: Model Rules 1995

Exempt charity: Charities Act 1960 2(g)

Established 9 November 1972

Registered office and business address

44 Copperfield Road, London E3 4RR

Board

Robert Barnes

Naomi Dines

Sarah Kudirka

Henry Lydiate

David Panton

Trevor Sutton

Holly Tebbutt

Chair

Richard Millward

Company Secretary

Richard Kingsnorth (from 29/06/2015)

Jonathan Harvey (until 29/06/2015)

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

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

Organisational structure, functions and obligations of the board

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

Day-to-day management of the company is delegated by the board to its executive officers, Jonathan Harvey -until 1 March 2016 / Hannah Corbett - after 1 March 2016 (Chief Executive) and David Panton (Director Property), who are responsible for delivering the company's long-term objectives. The board is responsible for appointing the executive officers.

The board makes decisions on all matters that create significant financial risk or which affect material issues of principle. The board normally meets quarterly and at least three times in each calendar year.

The board is responsible for approving each year's accounts and report prior to publication and for approving each year's budget before the close of the previous year.

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

Executive Officers

Hannah Corbett OBE (*Chief Executive*)
from 01/03/2016

Jonathan Harvey OBE (*Chief Executive*)
until 01/03/2016

David Panton OBE (*Director Property*)

Bankers

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

Auditors

Kingston Smith
Devonshire House
60 Goswell Road
London EC1M 7AD

Solicitors

Trowers & Hamblins
3 Bunhill Row
London EC1Y 8YZ

Summary of charitable objectives and statement of values

SUMMARY OF OBJECTIVES

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

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

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

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

STATEMENT OF VALUES

Visual Culture

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

Inclusivity

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

Integrity

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

Excellence

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

Security

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

Sustainability

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

Unity

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

MAIN ACTIVITIES 2015/16

For artists on low incomes the provision of:

- affordable, high-quality, accessible and secure studio space
- affordable combined working and living space
- affordable housing
- residencies, bursaries and awards to support creative development
- a fund to support tenant artists who are suffering financial or other personal hardship
- strategic advocacy work, in liaison with other agencies, to help increase the supply, and standard, of affordable space
- research into the sector and the needs of artists
- part-time employment consistent with maintaining a practice



Rita Evans, Stephen Cripps' Studio Award (2014-15) in her studio preparing for 'Brain Drain & Trance Party'. Photo: Acme (2015)

Summary of the year - achievements and performance

HIGHLIGHTS

- Acme continued to deliver **affordable studios to fine artists**. 693 artists (676 in 2014/15) were supported in 586 studios (573 in 2014/15) at an average rent of £11.06 per square foot per annum during 2014/15 (£11.01 in 2014/15).
- Studio space was provided to 90 new artists (170 in 2014/15); 78 through turnover of existing studio units (141 in 2014/15) and 12 (29 in 2014/15) through the allocation of space in new developments (Highline Building).
- Our annual Studio Waiting List grew and, at the year end, had 1,834 artists actively registered (1,779 in 2014/15) of whom 335 were tenants seeking to transfer to other studios (296 in 2014/15).
- High levels of studio occupancy and low levels of rent arrears were maintained. The occupancy rate was 99.13% (99.30% in 2014/15). Rent arrears as at 31 March 2016 were £8,512 (£22,221 as at 31 March 2015) of a total monthly rent receivable of £217,005 (£208,270 in 2014/15). There were bad debts of £2,053.95.
- A further 30 artists (30 in 2014/15) occupied Acme's **work/live and residential accommodation**.
- Across the estate, Acme worked to continue to improve the quality of service delivery in studios, maintain affordability, improve accessibility and implement environmental performance improvements.
- Over the year, Acme's **Hardship Fund** distributed £16,106 to 11 Acme artist-tenants facing severe and exceptional financial hardship.
- Following the completion of an intensive Capital Development Programme, Acme's Executive and Board agreed a temporary **moratorium** on new developments. This decision was made to ensure that staffing levels were appropriate to manage our current portfolio of buildings and to allow new staff members to become established within the organisation.



Fire Station Programme 4 (2010-2015) artists outside their flats. Photo: Hugo Glendinning (2015)

- As part of Acme's **Residencies and Awards Programme**, the 5th Fire Station Work/Live Programme commenced in April 2015 with the new cohort of artists taking up residence following a national open call and selection process.
- Three new-build, accessible, secure and self-contained ground floor studio spaces measuring 2,357 sq ft,(total) were developed at the **Highline** in Elephant and Castle and delivered in October 2015. This forms the ground floor of a University of the Arts Accommodation block and provides half-price studios for a group of twelve recent graduates from BA Fine Art at Central Saint Martin's College.
- Acme's relationship with **PEER UK**, an internationally renowned Arts Council England National Portfolio Organisation gallery based in Hoxton, was consolidated with the first 'pilot' exhibition of the Jessica Wilkes Studio Award recipient, Barry Thompson, being held later in the year following the re-opening of their refurbished gallery.
- '**Studios for artists: concepts and concrete**', a collaboration between Acme Studios and Central Saint Martins, was published by Black Dog Publishing. This presents the preoccupations, activities and achievements emerging from the ongoing dialogue between two of the UK's leading art institutions.
- '**72-82**', a film by William Raban drawing largely on a range of archive material from Acme Studios' first decade, was released on DVD revealing the organisation's early years. It was made available for hire for screenings and exhibitions in the UK and internationally via LUX.
- '**Cold Storage Memories**', commissioned by Acme and made by tenant and former Southwark Studio Residency artist Isa Suarez, was released. This is a unique audio-documentary about Cold Storage, a sound studio located in Acme's Acre Lane studios in Brixton between 1976 and 1996. The work is a series of short audio pieces which include testimonies by Charles Hayward and David Cunningham who were using Cold Storage at the time, as well as musical extracts and full tracks which were recorded and produced there by the two notable composers. The work is available on the Acme website.
- A final exhibition, under Acme's programming, was held at the **Acme Project Space** in December 2015. The space was then handed onto Auto Italia, an artist-run organisation that commissions and produces new work collaborating directly with emerging artists, with a five-year lease commencing 1 February 2016.
- In the year Acme continued to work with Arts Council England, the London Mayor's Office and other studio and similar organisations to advise on and advocate for the expansion of affordable studio provision for non-commercial fine artists throughout the UK.

- In March 2016, **Jonathan Harvey** stepped down as Chief Executive of Acme. Working with his co-founder David Panton, staff and board, Jonathan had, since 1972, established a permanent organisation which supports art and artists at the most fundamental level by investing in creative risk taking through the provision of affordable space, residencies and awards. Through Jonathan's efforts, Acme has also played an important strategic advocacy and advice role, supporting the affordable studios sector nationally.
- In January 2016, **Hannah Corbett** was appointed as the new Acme Chief Executive from the Foreign and Commonwealth Office, where she previously served as Commissioner General and Director for the UK at the Milan Expo 2015 commissioning an artist-led, award-winning UK Pavilion and promoting UK creative strengths internationally. Prior to this, Hannah held a wide range of policy and diplomatic roles as well as advising on work-live housing projects in Hackney Wick and working for a local authority on housing allocation.
- This marked the year when Acme operations moved to a fully financially self-sustaining basis. After 40 years, Arts Council England revenue funding and additional grant finance was not a source of income for Acme in 2015/16.



Aaron Wells (Chelsea Studio Award) and Cythia Cruz (Goldsmiths MFA Studio Award) in the graduate award studio at Warton House, E15. Photo: Hugo Glendinning (2015)

Finance

Principal funding sources

Our main source of funding in the year continued to be generated from rent income totalling **£2,569,869** (£2,465,975 in 2014/15) received from the letting of affordable studio and living space to artists in economic need. Net of direct property expenses associated with operating and maintaining this property our income totalled **£1,138,731** (£919,584 in 2014/15).

Associated management and studio registration fees received from artists totalled **£7,271** (£12,355 in 2014/15).

We received a total of **£32,906** (£54,573 in 2014/15) from grants and memorial funds towards the cost of our Residency & Awards Programme.

Income, in the form of fees, derived from managing our International Residencies Programme, totalled **£82,938** (£110,570 in 2014/15). The costs involved in managing this programme were **£82,612** (£75,166 in 2014/15), resulting in a surplus for the year of **£326** (£35,404 in 2014/15).

Expenditure to support key objectives

To deliver activities supporting our key objectives **£758,944** was expended on staffing costs (£703,666 in 2014/15), **£1,760** on establishment (£2,194 in 2014/15) and **£150,405** on administrative expenses (£134,953 in 2014/15).

Through our Residency & Awards Programme we provided grants and rent-free space to artists to the value of **£109,411** (£109,913 in 2014/15), which net of grants and memorial funds cost **£76,505** (£55,340 in 2014/15).

Revenue surplus

The net surplus for the year was **£89,633** (£242,579 in 2014/15).

Loan

From the surplus we repaid a further **£160,290** of our loans.

Our initial £2,500,000 loan facility is on a fixed rate of 6.45% and will be extinguished after a further 30 consecutive quarterly instalments. The current value of this loan is **£863,811** (2015 – £972,846).

The second loan is currently for a value of **£738,755** (2015 – £790,010). Quarterly repayments on the loan commenced in March 2013 and will extinguish the loan over 60 quarterly instalments. £620,010 of this loan is on a fixed rate of 4.08% for 5 years. The remainder of this loan is on a variable rate of 2.5% above LIBOR as modified by the bank's associated cost rate.

At the year end the total of outstanding loans was **£1,602,566**.

Capital Expenditure

The first of ten anniversary purchase premiums for Warton House (**£65,386**) was paid in the year. The remaining purchase premium (**£588,470**) will be paid in nine further equal annual instalments.

The professional fees for the proposed pavilion on the roof of 42 Copperfield Road (**£50,805**), carried forward from previous years, were shown as a cost in the year as the project will not be going ahead as proposed.

Reserves

At the end of the period Acme had revenue reserves of **£3,781,070** (£3,691,437 in 2014/15).

Over the years we have made significant investments in property, both in the conversion of leasehold stock and the acquisition of freehold and long-term leasehold buildings. This investment in our property portfolio has been financed by borrowing and from our reserves, supported by significant capital grants from the Arts Council. The investment in the conversion of short-term leasehold stock has been capitalised and depreciated over the lease terms. As a result our reserves are fully committed.

Balance Sheet - Consolidated

31 March 2016

	2016		2015	
Fixed assets				
Land and buildings	5,775,059		5,780,651	
Fixtures, fittings and equipment	<u>164,958</u>		<u>193,146</u>	
	5,940,017	5,940,017	5,973,797	5,973,797
Current assets				
Debtors	184,074		252,286	
Cash	<u>-</u>		<u>-</u>	
	184,074	184,074	252,286	252,286
Creditors				
Trade creditors and accruals	(633,115)		(646,618)	
Bank loan and overdraft (due within one year)	(246,504)		(257,637)	
Bank loan (due after one year)	<u>(1,463,394)</u>		<u>(1,630,382)</u>	
	(2,343,013)	(2,343,013)	(2,534,637)	(2,534,637)
Net assets		<u>3,781,078</u>		<u>3,691,446</u>
Capital and reserves				
Share capital		8		9
Revenue reserve		<u>3,781,070</u>		<u>3,691,437</u>
		<u>3,781,078</u>		<u>3,691,446</u>

Income and Expenditure Account

31 March 2016

	2016		2015	
Turnover				
Rent income	2,569,869		2,465,975	
Property expenses	<u>(1,431,138)</u>		<u>(1,546,391)</u>	
Net property income	1,138,731	1,138,731	919,584	919,584
Other income				
Management and studio registration fees	7,271		12,355	
Arts Council England				
Revenue grant	4,985		185,120	
Residency & Awards Programme	32,906		54,573	
International Residencies Programme fees	<u>82,938</u>		<u>110,570</u>	
Total other income	128,100	128,100	362,618	362,618
Gross surplus		<u>1,266,831</u>		<u>1,282,202</u>
Less: Administrative expenses				
Staff	758,944		703,665	
Establishment	1,760		2,094	
Administrative expenses	150,405		134,952	
Research and development	5,011		2,762	
International Residencies Programme	109,411		109,913	
Residency & Awards Programme	82,612		75,166	
Financial costs	7,364		4,339	
Depreciation	10,886		6,732	
Professional Fees - Pavilion	<u>50,805</u>		<u>-</u>	
Total administrative expenses	1,177,198	1,177,198	1,039,623	1,039,623
Net surplus for the year		<u>89,633</u>		<u>242,579</u>