

Rec2

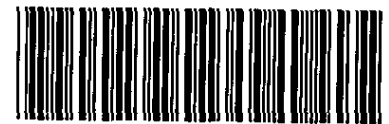
Company Number 3031923  
Charity Number 1046958

BOW ARTS TRUST  
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011

CROUCH CHAPMAN  
Chartered Accountants  
62 Wilson Street  
London EC2A 2BU

FRIDAY



\*L41HCY6N\*

LD7

07/10/2011

10

COMPANIES HOUSE

BOW ARTS TRUST  
(A Company Limited by Guarantee)

CONTENTS	Page
Trustees and Advisers	1
Report of the Trustees	2 - 9
Statement of Trustees' Responsibilities	10
Report of the Auditors	11 - 12
Statement of Financial Activities	13
Balance Sheet	14
Accounting Policies	15 - 16
Notes to the Accounts	16 - 21

**BOW ARTS TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES AND ADVISERS**

**Trustees and Directors**

E Hall  
J Hills  
J M Winskill  
M Coles  
R Madan  
M Blundell  
N Relph (resigned 14<sup>th</sup> October 2010)  
C R Johnson  
J A Middleton  
N Smales (appointed 14<sup>th</sup> October 2010)  
S Elson (appointed 31<sup>st</sup> January 2011)

**Secretary and Chief Executive**

M Baettig

**Principal and Registered Office**

183 Bow Road  
London E3 2SJ

**Auditors**

Crouch Chapman  
62 Wilson Street  
London EC2A 2BU

**Bankers**

National Westminster Bank Plc  
East London Customer Service Centre  
P O Box 3653  
54 Marsh Wall  
London E14 9XL

Investec Bank (UK) Limited  
2 Gresham Street  
London EC2V 7QP

Charity Bank Ltd  
194 High Street  
Tonbridge  
Kent TN9 1BE

**Company Number**

3031923

**Charity Number**

1046958

BOW ARTS TRUST  
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES

**Introduction**

The Trustees, who are also Directors of the charitable company, present their report for the year ended 31<sup>st</sup> March 2011. In presenting this report, the Trustees have complied with the Statement of Recommended Practice, Accounting and Reporting by Charities (2005), the Companies Act 2006 and applicable United Kingdom Accounting and Financial Reporting Standards.

**Reference and Administrative Information**

Bow Arts Trust ('Bow Arts') was founded by Marcel Baettig in 1995. The Trustees (listed on p 1) delegate the day to day management of Bow Arts to Marcel Baettig as Chief Executive and senior staff members. The Board is responsible for setting strategies and policies with the Chief Executive.

**STRUCTURE, GOVERNANCE & MANAGEMENT**

**Organisational Structure**

Bow Arts is registered with the Charity Commission and is also a company limited by guarantee. Bow Arts is established under a Deed of Trust dated 6<sup>th</sup> June 1995 and Memorandum & Articles dated 6<sup>th</sup> March 1995, as amended by a Deed of Amendment dated 13<sup>th</sup> January 2006.

During this accounting period (year ending 31<sup>st</sup> March 2011) the Directors were the sole members of the company. All members are granted one vote per company resolution including the election/re-election of Directors to the Board at the AGM. The Board devolves certain responsibilities to the Core Services Committee which meets quarterly, between four and six weeks before each board meeting.

**Governance**

The governing body of the company is the Board of Trustees, which has a maximum of ten members. The method of the recruitment and appointment of Trustees is through co-option during the year and then election at an AGM of the company by the members. New Trustees are recruited according to the skills needed for a balanced Board, by agreement with the existing members. All newly appointed Trustees must sign the Code of Conduct and Conflict of Interest Policy. The Trustees elect a Chair, Vice-Chair and Treasurer annually following the AGM.

The Trustees have considered the Charity Commission's general guidance on public benefit in relation to the objects of the charity. This report sets out those objectives and describes how they have been met in the current year.

**OBJECTIVES & ACTIVITIES**

**Objectives**

The Trust's Charitable Objectives are

- 1 The provision and maintenance of an art gallery for exhibition to the public of modern fine art, design and applied art and of work done by students and emerging artists,*
- 2 The promotion and encouragement of the education of the public in the arts, both in the art gallery and elsewhere, and*

BOW ARTS TRUST  
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES  
- continued

- 3 *The relief of poverty amongst emerging artists by the provision of studio space in which they may create art*

#### **Mission Statement**

The purpose of Bow Arts is to provide a sustainable working environment for emerging and established artists, while promoting the value of art to the public through

- Contributing to Community Regeneration
- Artists' work in schools
- Gallery exhibitions and events

#### **PROPERTY DEPARTMENT**

**Staffing:** Changes to the department's staffing structure took place between July and September 2010. The two part-time Property Coordinator posts were made redundant and replaced with a full time post of Property Assistant, initially as a 6 month training post. Tilly Hogrebe was appointed to this role in October 2010, and was joined by Francis Ives just after the start of the new financial year.

**Marketing:** With the planned move to the new SE1 site, and recognition of Bow Arts main client group being 'emerging artists', two free Residency Studio Awards were made to recent graduates, in a marketing campaign rolled out to all the main London Art Colleges.

In addition a new website 'Artist Studio Finder' was launched alongside the existing London's Artist Quarter website. This is a simple studio search site for artists and artist studio providers to use, and was promoted along with the Residency Award through art colleges and college career fairs.

#### **Bow Road Studios, 181 – 183 Bow Road, E3 2SJ**

Bow Arts' first and largest studio site provides studios, a public gallery showcase, and base of operations for Bow Arts education activities. The site is spread across **two buildings**, with a total of **30,430 gross sq ft** (24,600 sq ft net). There are currently **115 artists** benefitting from the affordable studio provision in the building. The **dedicated gallery space** provides 2,000 sq ft of space for showcasing quality art exhibitions and events.

**Occupancy:** maintained at an average of just over 98% throughout the year.

#### **P1 Studios, Mocha Court, 15 Taylor Place, E3 2FX**

This **5,000 gross sq ft** (4,300 sq ft net) site which was internally refurbished the previous year provides **11 studios for 16 artists** in the ground floor of a large new residential development. Our partnership with East Thames provides a **minimum of £15,000 inward investment** into community focused arts activity annually. This sustainable investment is in lieu of rent, over the **20-year lease** on the building.

**Occupancy:** Initially phased at the start of the year and stabilised into 98% occupancy over the last 5 months of 2010/11.

#### **SE1 Studios, Willow Walk, SE1 5SF**

In a new partnership with Crisis, Bow Arts has created **50 studios for emerging artists**, minutes from the thriving London Bridge Quarter. On this site, **20,000 gross sq ft** (13,300 sq ft net) over 2 floors of a warehouse has provided **studios for 85 artists**. The focus on supporting emerging artists is seen through the awarding of 4 Residency Studios, provided at nil cost to the recipients.

BOW ARTS TRUST  
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES  
- continued

An initial two-year lease in partnership with Crisis at very low rent is likely to be extended to June 2014

**Occupancy:** Initial phased occupancy from August 2010 has stabilised into 92% occupancy for the final 5 months of the year

**Live/Work Flats in Poplar HARCA Estates, E3 and E14**

The ongoing partnership has continued to create homes and studio spaces for artists in void properties that would have otherwise been decommissioned by Poplar HARCA. Changes in Poplar HARCA's internal development timetable have resulted in reduced growth in the number of flats taken on this year

The scheme currently provides homes to over **100 artists, in 65 flats spread over 9 buildings in 6 estates**. The 65 flats equates to approximately **50,000 square feet** of property. The groundbreaking scheme has proved hugely popular, encouraging young professional artists to relocate and contribute to one of the **most deprived wards in the UK**.

**Occupancy rates for this scheme are 100%.**

**Property Summary:**

- Total affordable studio / workspace provided by Bow Arts **55,000 sq ft**
- Total affordable residential (Live/Work) / studio space provided by Bow Arts **50,000 sq ft**
- The 105,000 sq ft of space managed by Bow Arts creates income that is invested directly back into the arts each year. **In 2010/11 this represented around £257,000 of inward investment** to the areas in which we work

**EDUCATION & LEARNING DEPARTMENT**

**Staffing:** Rob Smith came into post as Head of Education and Learning in August 2010. Education Assistant Rob Crosse left in September 2010 to take up full time studies, and was replaced in October 2010 with Becky Lees. Anna Sexton's role has shifted away from Education Development and towards a more Community-focused programme of work, line managed by Chief Executive Marcel Baettig but operating within the systems of Education & Learning.

The team is now working well together with clearly defined roles, a strong sense of shared direction and are committed and hard working individuals.

**Education Clients**

The number of education clients went up 22% from 2009/10, totalling 28 for the year. **80% of clients are repeat bookings**, with the remaining 20% being new clients. A declining proportion of education income from Tower Hamlets clients continues (from 75% - 65%), while **rises in both Southwark and Islington** should be noted (from 6% to 11% and 20% respectively). Two thirds of schools income (66%) comes from primary school clients, with the remainder from secondary clients (34%). The highest spending clients were **St Pauls Way Trust School at Secondary level** (total income for year £20,080), and **Hugh Myddelton at Primary level** (total income for year £15,603).

BOW ARTS TRUST  
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES  
- continued

The total **average spend per client for the year sits at £4,296** (a vast 60% reduction on the previous year) This is reflective of significant changes within education within the last 18 months

A number of government funded programmes that schools have previously used to buy in the services of external providers (Creative Partnerships, Find Your Talent, Extended Services, Specialism Funding for the arts) have now ceased or are no longer ring-fenced for this type of activity

**Opportunities for Participation**

Bow Arts delivered **692 artist-led sessions** over the year and created over **11,400 opportunities** for children and young people to participate (comparative data from previous years is not available) **54% of activity took place within school time**, with the remainder as after-school programmes (30%) and Professional Development opportunities for teachers, support staff and artists (16%)

**Activity has included:**

- Teacher INSET
- Large-scale collaborative projects (primary and secondary)
- Development of an in-school artist studio space and creative writing room, managed by the pupils
- Gallery visits
- Careers sessions
- Accredited programmes
- Ongoing delivery of an arts programme with a Pupil Referral Unit (for students excluded from mainstream schools)
- A variety of master classes, topic-based and cross-curricular projects and after school clubs

**Artists**

**41 artists delivered work** for Bow Arts across the year **34 new artists and 17 new volunteers** were registered, widening the pool of artists available to deliver education activity

**Education Finance**

In addition to the income generated through schools projects, grant funding was secured from Find Your Talent, Futureversity, Tower Hamlets Arts and Music Education Service (THAMES)

**Systems**

Following a thorough internal audit, effective systems and processes are now in place for Project Planning, Artist Registration, Image Permission, Contracting, Financial Management, Child Protection and Evaluation & Monitoring

The department has a new 3-tier, banded pricing structure for artists (£180 per day, £140 per day, and volunteer) and has reduced the amount of additional paid planning and preparation time

**Other Developments**

There have been positive developments in the formation of relationships with consortium models in Manor Park, Newham and Poplar, Bow Early work has also begun on the development of educational packages, which will be rolled out to schools in 2011/12 Rob Smith has joined the governing body at Manorfield Primary School, Tower Hamlets

BOW ARTS TRUST  
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES  
- continued

### Teacher, Artist and Student Testimonies

#### **Teacher:**

*"The brief was fulfilled amazingly and was exactly what we were hoping for and more!"*  
Art Coordinator, Stewart Headlam Primary School

*"The level of attainment was WELL above and beyond Key Stage 1"*  
Year 1 Teacher, Clara Grant Primary School

*"It was really impressive how the students took on new ways of working, each exploring their own ideas, and helping one another out. The students worked much more independently than I have seen and were really engaged. It has opened up more possibilities."*  
Art Teacher, Brampton Manor Secondary School

#### **Artist:**

*"This was a delightful project. The children's positive attitude and the teachers' enthusiasm for the project were the major impetus to its success. It was a natural, unforced and very satisfying collaboration between visiting artist and confident, creative children."*  
Artist, Year 2 Sculpture Project

#### **Students:**

*"I've really learnt that art can be anything I want it to be and that makes me very excited."*  
Year 10 Student, Greenfields Pupil Referral Unit

*"I learnt that art is not just getting messy, it's part of having fun and it's part of how you are and what you love to do."*  
Year 3 Pupil, St John's Primary School

*"Lise, I enjoyed making 3D shapes with you."*  
Year 2 Pupil, Stebon Primary School

### **THE NUNNERY**

The Nunnery has seen a full programme of activity this year, not only in the recognised exhibition space but also through a new series of **high profile public art commissions** delivered with local regeneration partners. This has built on last year's successful hoardings project with St Paul's Way Foundation School. Chief Executive Marcel Baettig has led this programme and built solid relationships with **British Waterways, Poplar HARCA and London Borough of Tower Hamlets**, establishing Bow Arts as a commissioning agent for new public art in each case.

Other work delivered under the Arts & Events banner includes the Balfon Project. Australian Artist Simon Terrill (International Artist in Residence, 123 Balfon Tower, March-Nov 2010) created a large scale photographic event at the iconic Balfon Tower, involving all the tower's residents and capturing images of this community in and around their homes. The resulting image was exhibited in the Nunnery in January 2011. **This project was supported by Arts Council England through Grants for the Arts.**



REPORT OF THE TRUSTEES  
- continued

**The 2010-11 Nunnery Programme:**

<b>Moments of Repetition</b> (Jill Townsley)	(19 <sup>th</sup> Mar – 3 <sup>rd</sup> Apr)
<b>Incidentally</b> (Joan Key & Yvonne Lammerich)	(9 <sup>th</sup> Apr – 9 <sup>th</sup> May)
<b>Schools in View</b> (Bow Arts Education & Learning)	(3 <sup>rd</sup> Jun)
<b>Can you hear it?</b> (Bow Arts Open 2010 curated by Franko B)	(25 <sup>th</sup> Jun – 25 <sup>th</sup> Jul)
<b>Coming Out of the Woodwork</b> (group show)	(2 <sup>nd</sup> Sept – 19 <sup>th</sup> Sept)
<b>Weekly Painting Classes</b> (Mediha Ting)	(Sept onwards)
<b>Visions in the Nunnery</b> (group show)	(1 <sup>st</sup> Oct – 17 <sup>th</sup> Oct)
<b>American Mountains</b> (group show)	(2 <sup>nd</sup> Dec – 19 <sup>th</sup> Dec)
<b>The Balfroon Project</b> (Simon Terrill)	(7 <sup>th</sup> Jan – 23 <sup>rd</sup> Jan)
<b>Apocalypstick</b> (group show)	(3 <sup>rd</sup> Feb – 27 <sup>th</sup> Feb)
<b>Wimbledon College of Art Interim MA Exhibition</b> (group show)	(4 <sup>th</sup> Mar – 13 <sup>th</sup> Mar)

The gallery has developed a good regular audience for private views, and the **partnership with Time Out's First Thursdays** has brought significant marketing resource to this. The Nunnery's reputation as a venue for hire has also developed this year, with an increase in the number of space hire enquiries and leads, and a greater variety of events being hosted there. This is a new area of income generation for Bow Arts, and one that will be developed further over the coming months, specifically with a view to exploring the opportunities for this in 2012.

Jeremy Clarke, Assistant Director and Head of Arts & Events, made the decision to return to teaching in autumn 2010, and following his departure at Christmas, the first part of the 2011 gallery programme was administered admirably by Gallery Assistant Alex Anthony (who began as an intern with Bow Arts) and overseen by the Senior Management Team. Through the ongoing restructure of the department, and a refocusing of the gallery's position within the organisation, it is anticipated that a Gallery Director will be recruited in the autumn of 2011 to deliver the next phase of activity.

**ACHIEVEMENTS & PERFORMANCE**

At the start of the year the Board approved a clear set of objectives for Bow Arts to deliver on, in line with existing strategic developmental targets. The appointment of Rob Smith as Head of Education & Learning was a significant step forward in the refocusing of this department. The impact of this has already been seen in the strength of the new partnerships being brokered, and supported by improvements to internal procedures, especially in the evaluation of projects.

On a pan-organisational level, the agenda for growth was given a significant boost in January 2011, when Bow Arts was announced as **one of Arts Council England's new National Portfolio Organisations**, with a three year funding agreement starting from April 2012. This funding, totalling just over £150,000, will act as a catalyst to support Bow Arts **realisation of its ambitions** in terms of growth into new sites and other boroughs, by supporting a part-time post in Education and the development of the London's Artist Quarter website.

Bow Arts has completed internal assessments for the **PQASSO** Level 1 award, and is working towards Level 2, with the intention to apply for external assessment for the Level 2 kite mark at the end of the summer 2011. PQASSO is the leading quality assurance package for the Third Sector, and through completion of a rigorous self-assessment programme, Bow Arts has been working to bring all internal systems and processes, as well as all externally facing operations up to standard.

BOW ARTS TRUST  
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES  
- continued

The process has been exceptionally valuable to the organisation as a whole, bringing all areas of activity to an acceptable standard. This work has developed further, with a **new business model and accompanying business plan being prepared**. This will present clearly the ambitions of the organisation in the short and longer term, and identify how best to reach these aims.

During this year **Bow Arts has been a member of the *National Federation of Artist Studio Providers (NFASP)***, and Bow Arts Chief Executive is an invited Director on the Federation's Board. NFASP is the governance and support agency for the artist studio sector, and it is able to elicit independent, expert advice for its members, as well as monitor performance of the sector as a whole. The Trustees are pleased that this connection continues, especially as Bow Arts develops more strategic ways of working.

**FINANCIAL REVIEW**

Bow Arts achieved a surplus of £66,815 in 2009/10 and has continued this trend into 2010/11 in line with its commitment to secure a reserves base. A surplus of £66,488 was achieved this year, in line with expectations.

The main income stream in the year continued to be licence fees and rents receivable from artists for the provision of studios and LiveWork spaces. The Trustees have adopted a policy of increasing studio licence fees annually in April, and LiveWork rents in October, based on the previous September's RPI.

**Reserves Policy**

Bow Arts policy is to aim to maintain three months' core expenditure as 'free' reserves at any point in time in order to provide a cushion against unanticipated reductions in income or increases in expenditure.

At the year end the total reserves stood at £294,528, an increase of 29% on the previous year. Of this amount, free reserves were £241,027, approximately £91,000 in excess of the target figure of three months' anticipated core expenditure.

Designated reserves were £33,181, of which 100% will be spent during the coming year.

Restricted funds were £20,320. This comprises London Thames Gateway Development Corporation funds to support an Education development post (final year £6,500), Payne Road Studios SLA funds brought forward for projects delivery in 2011/12 (£5,450), Project funding from Manorfield Primary School (£2,850), Project funding from THAMES (£5,520).

**Risk Management**

The Trustees confirm that they have identified and assessed the major risks to which the organisation is exposed, and have established systems of support to mitigate these risks.

BOW ARTS TRUST  
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES  
- continued

Measures put in place by the Trustees to strengthen systems and mitigate risk include

- Kinney Green act as Bow Arts surveyors and advise on rent reviews, lease renewal etc
- Stone King Solicitors act and advise on Charity Law and governance
- Pinsent Masons Solicitors act and advise on Property Law
- TF Consultancy were engaged to support the submission of the Arts Council England NPO funding bid, and continue to inform discussions with London Borough of Newham
- Andrew Broadley was engaged to direct the restructuring of Education & Learning, culminating in the appointment of a new Head of Department
- Trustee meetings are held at least quarterly
- Core Services Committee meetings are held at least quarterly
- Department sub-committees have been established to offer specific Trustee support to individual areas of strategic development

**Disclosure of Information to Auditors**

The Trustees who held office at the date of approval of this report confirm that, so far as they are individually aware, there is no relevant audit information of which the Charity's auditors are unaware, and each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information

**Auditors**

The auditors, Messrs Crouch Chapman, have signified their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting

**Small Companies Exemption**

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

BY ORDER OF THE TRUSTEES

*Elizabeth Hall*

Elizabeth Hall  
CHAIR

28 SEP 2011

BOW ARTS TRUST  
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES  
YEAR ENDED 31<sup>ST</sup> MARCH 2011

Company and Charity Law require the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year. In preparing those Financial Statements the Directors are required to

- select suitable Accounting Policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BOW ARTS TRUST**  
(A Company Limited by Guarantee)

**REPORT OF THE AUDITORS**  
**YEAR ENDED 31<sup>ST</sup> MARCH 2011**

**Independent Auditors' Report to the members of Bow Arts Trust**

We have audited the financial statements of Bow Arts Trust for the year ended 31<sup>st</sup> March 2011 on pages 13 to 21. These financial statements have been prepared under the accounting policies set out on page 15 and 16.

This report is made solely to the company's members, as a body, in accordance with S 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

**Respective Responsibilities of Directors' and Auditor**

The responsibilities of the trustees, who are also the directors of Bow Arts Trust for the preparation of the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and statutory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

BOW ARTS TRUST  
(A Company Limited by Guarantee)

REPORT OF THE AUDITORS  
- continued

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

*N. F. Heath*

Nicholas Heath MA ACA  
(Senior Statutory Auditor)

62 Wilson Street  
London EC2A 2BU

*for and on behalf of*  
CROUCH CHAPMAN  
Chartered Accountants  
Statutory Auditors

**28 SEP 2011**

BOW ARTS TRUST  
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 31<sup>ST</sup> MARCH 2011

INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds General Designated Fund £	Restricted Fund £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>Incoming Resources</b>						
<b>Incoming Resources from Generated Funds</b>						
Voluntary income		203,116	53,910	-	257,026	139,261
Investment income		1,406	-	-	1,406	804
		<u>204,522</u>	<u>53,910</u>	<u>-</u>	<u>258,432</u>	<u>140,065</u>
<b>Incoming Resources from Charitable Activities</b>						
Provision of Artist Workspace		592,852	-	-	592,852	399,327
Education		143,312	-	29,320	172,632	260,539
Arts and Events		6,833	4,300	16,810	27,943	17,760
<b>Other incoming resources</b>		<u>24,952</u>	<u>-</u>	<u>-</u>	<u>24,952</u>	<u>11,599</u>
<b>Total Incoming Resources</b>		<u>972,471</u>	<u>58,210</u>	<u>46,130</u>	<u>1,076,811</u>	<u>829,290</u>
<b>Resources Expended</b>						
Charitable activities	2	904,283	50,107	38,396	992,786	745,952
Governance costs	4	17,537	-	-	17,537	16,523
<b>Total Resources Expended</b>	5	<u>921,820</u>	<u>50,107</u>	<u>38,396</u>	<u>1,010,323</u>	<u>762,475</u>
<b>Net Incoming/(Outgoing) Resources before Transfer</b>						
		50,651	8,103	7,734	66,488	66,815
Transfer between funds	10	3,914	-	(3,914)	-	-
<b>Net movement in funds being net income/expenditure for the year</b>		<u>54,565</u>	<u>8,103</u>	<u>3,820</u>	<u>66,488</u>	<u>66,815</u>
Funds at beginning of year		<u>186,462</u>	<u>25,078</u>	<u>16,500</u>	<u>228,040</u>	<u>161,225</u>
<b>Funds carried forward at end of year</b>		<u>241,027</u>	<u>33,181</u>	<u>20,320</u>	<u>294,528</u>	<u>228,040</u>

The Charitable Company has no recognised gains or losses other than as stated above

All of the activities represent continuing activities of the Charitable Company

The notes on pages 15 to 21 form part of these Financial Statements

BOW ARTS TRUST  
(A Company Limited by Guarantee)

BALANCE SHEET  
31<sup>ST</sup> MARCH 2011

	Notes	£	2011 £	£	2010 £
<b>Fixed Assets</b>					
Tangible fixed assets	7		78,665		77,573
<b>Current Assets</b>					
Debtors	8	95,776		96,127	
Cash at bank and in hand		373,961		222,493	
			<u>469,737</u>	<u>318,620</u>	
<b>Creditors</b>					
Amounts due within one year	9	(216,529)		(121,980)	
<b>Net Current Assets</b>			253,208		196,640
<b>Provisions for Liabilities and Charges</b>	15		(5,000)		(5,000)
<b>Creditors amounts due after one year</b>	9		(32,345)		(41,173)
<b>Net assets</b>			<u>294,528</u>		<u>228,040</u>
<b>Funds</b>					
Restricted funds	10		20,320		16,500
Unrestricted funds					
- General			241,027		186,462
- Designated	11		33,181		25,078
<b>Total Funds</b>	12		<u>294,528</u>		<u>228,040</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

Approved by the Board on **28 SEP 2011**  
and signed on its behalf by

*Elizabeth Hall* ) DIRECTOR

The notes on pages 15 to 21 form part of these Financial Statements



NOTES TO THE ACCOUNTS  
YEAR ENDED 31<sup>ST</sup> MARCH 2011

1 ACCOUNTING POLICIES

**Basis of Preparation of Accounts**

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities issued in March 2005, applicable United Kingdom Accounting and Financial Reporting Standards and the Companies Act 2006

**Incoming Resources**

Incoming Resources are included in the Statement of Financial Activities when receivable

**Investment Income**

Investment income represents interest received on monies held on deposit

**Resources Expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of those resources

Governance costs are those costs associated with constitutional and statutory requirements, and the governance arrangements of the Charity. They include audit, legal and other professional fees

**Operating Leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities as incurred

**Depreciation**

Tangible fixed assets are depreciated to write off their cost less residual value over their estimated useful lives at the following rates per annum

Leasehold property improvements	- over the length of the lease
Leasehold property	- over the length of the lease
Office and computer equipment	- 25% per annum
Live/Work improvements	- over three years
New Studios	- over the length of the lease, or period to first break clause

Live/work flats have been made available by Poplar HARCA, a local social landlord without fixed lease terms. It is anticipated that each unit will remain available for an average of 3 years and depreciation of improvements is therefore written off over this period

BOW ARTS TRUST  
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS

- continued

1 ACCOUNTING POLICIES - continued

**Designated Funds**

Designated Funds comprise amounts set aside representing the depreciated cost of assets funded by capital grants and rent increases foregone and for supporting community and education projects

**Restricted Funds**

Restricted funds are subject to specific conditions by donors as to how they may be used

**Taxation**

As a registered charity the company is generally exempt from Corporation Tax but not from Value Added Tax (VAT) Irrecoverable VAT is included with the cost of those items to which it relates

**Cash Flow**

The financial statements do not include a cash flow statement because the Charity, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'

2 CHARITABLE ACTIVITIES

	Direct Costs £	Support Costs £	Total 2011 £	Total 2010 £
Provision of Artist Workspace	465,341	78,699	544,040	398,434
Education	300,680	46,791	347,471	288,154
Arts and Events	68,312	22,963	91,275	64,449
	<u>844,332</u>	<u>148,453</u>	<u>992,786</u>	<u>751,037</u>

3 SUPPORT COSTS

	Provision of artists' space £	Education £	Arts and events £	Governance £	Total 2011 £	Total 2010 £
Salaries	22,644	19,814	11,322	2,830	56,610	55,431
Depreciation	36,461	9,833	1,844	614	48,752	24,415
Office costs	19,594	17,144	9,797	2,449	48,984	21,875
	<u>78,699</u>	<u>46,791</u>	<u>22,963</u>	<u>5,893</u>	<u>154,346</u>	<u>101,721</u>

Salaries and office costs have been apportioned between charitable activities and governance costs on the basis of time spent. Depreciation has been apportioned according to space utilised

BOW ARTS TRUST  
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS  
- continued

4 GOVERNANCE COSTS	2011	2010
	£	£
Legal and professional fees	130	2,667
Accountancy	2,575	3,025
Audit	4,400	4,150
Bank charges	3,007	597
Trustee costs	1,632	999
Support costs	5,893	5,085
	<u>17,537</u>	<u>16,523</u>
5 NET OUTGOING RESOURCES	2011	2010
	£	£
This is stated after charging		
Operating lease rentals – premises	128,532	122,129
Depreciation of tangible fixed assets	48,776	24,415
Auditors' remuneration		
- audit	4200	4,200
- (over)/under accrual in previous year	200	(50)
- non-audit	1,175	-
	<u>17,537</u>	<u>16,523</u>
6 TRUSTEES AND EMPLOYEES	2011	2010
	£	£
Staff costs.		
Wages, salaries etc	266,545	213,067
Social security costs	23,197	20,703
Compromise agreement	-	13,192
	<u>289,742</u>	<u>246,962</u>
The average number of employees, analysed by function, was	Number	Number
Direct charitable activities	8	8
Administration	2	1
	<u>10</u>	<u>9</u>

No employees received more than £60,000 remuneration during the year (2010 Nil) Trustees expenses amounting to £333 were re-imbursed during the year (2010 Nil)

BOW ARTS TRUST  
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS  
- continued

7 TANGIBLE FIXED ASSETS

	Live/Work improve- ments £	Leasehold property improve- ments £	Leasehold property £	Fixtures fittings & equipment £	Total £
<b>COST</b>					
At 1 <sup>st</sup> April 2010	17,649	72,934	94,101	54,734	239,418
Additions	-	49,272	-	185	49,457
At 31 <sup>st</sup> March 2011	<u>17,649</u>	<u>122,206</u>	<u>94,101</u>	<u>54,919</u>	<u>288,875</u>
<b>DEPRECIATION</b>					
At 1 <sup>st</sup> April 2010	11,766	17,367	81,737	50,588	161,458
Charge for year	5,883	30,578	9,891	2,400	48,752
At 31 <sup>st</sup> March 2011	<u>17,649</u>	<u>47,945</u>	<u>91,628</u>	<u>52,988</u>	<u>210,210</u>
<b>NET BOOK VALUE</b>					
At 31 <sup>st</sup> March 2011	<u>-</u>	<u>74,261</u>	<u>2,473</u>	<u>1,931</u>	<u>78,665</u>
At 31 <sup>st</sup> March 2010	<u>5,883</u>	<u>55,567</u>	<u>12,364</u>	<u>3,759</u>	<u>77,573</u>

8 DEBTORS

	2011 £	2010 £
Licence fees receivable	3,133	5,794
Education income receivable	19,923	34,175
Other debtors	44,301	27,739
Prepayments	28,419	28,419
	<u>95,776</u>	<u>96,127</u>

9 CREDITORS

	2011 £	2010 £
Amounts falling due within one year		
Bank loan	8,827	8,827
Trade creditors	58,546	44,245
Members' deposits	41,889	25,102
Other creditors	-	300
Accruals and deferred income	107,267	43,506
	<u>216,529</u>	<u>121,980</u>

BOW ARTS TRUST  
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS  
- continued

9 CREDITORS	2011	2010
	£	£
Amounts falling due after more than one year		
Bank loan	32,345	41,173

The bank loan is secured by a fixed charge over the leasehold interest in studios operated by the charity and any monies deposited in an account with the lender

10 RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes

	Balance 1 April 2010 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Balance 31 March 2011 £
Prevista	-	500	(500)	-	-
Thames Gateway Development Corporation	16,500	-	(10,000)	-	6,500
East Thames SLA Projects	-	5,450	-	-	5,450
Manor field Primary School	-	2,850	-	-	2,850
Find Your Talent	-	15,000	(11,086)	(3,914)	-
Arts Council England, Grants for the Arts	-	13,920	(13,920)	-	-
IDCF Grant	-	1,830	(1,830)	-	-
Capital Growth Grant	-	1,060	(1,060)	-	-
Tower Hamlets Arts and Music Service Project Funding	-	5,520	-	-	5,520
	<u>16,500</u>	<u>46,130</u>	<u>(38,396)</u>	<u>(3,914)</u>	<u>20,320</u>

£3,914 of Find Your Talent funds were transferred to the General Funds to cover general overheads associated with the project

11 DESIGNATED FUNDS

	Balance 1 April 2010 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Balance 31 March 2011 £
Leasehold property improvements	15,191	-	(13,225)	-	1,966
Live/work units – Community Arts Chest	9,887	53,910	(36,882)	-	26,915
Poplar HARCA Public Art Commission	-	4,300	-	-	4,300
	<u>25,078</u>	<u>58,210</u>	<u>(50,107)</u>	<u>-</u>	<u>33,181</u>

BOW ARTS TRUST  
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS  
- continued

12 ANALYSIS OF TOTAL FUNDS

	Tangible Fixed Assets £	Other Assets £	Total £
Restricted funds			
- Education fund	-	20,320	20,320
Unrestricted funds			
- General	76,699	164,328	241,027
- Designated	1,966	31,215	33,181
	<u>78,665</u>	<u>215,863</u>	<u>294,528</u>

13 MOVEMENT OF FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Balance brought forward	211,540	16,500	228,040
Surplus/(Deficit) for the year	62,668	3,820	66,488
Balance carried forward	<u>274,208</u>	<u>20,320</u>	<u>294,528</u>

14 OPERATING LEASE OBLIGATIONS

The minimum lease payments to which the Charity is committed under non-cancellable operating leases for the coming year are

	2011 £	2010 £
Land and Buildings		
On leases expiring between two and five years	<u>150,150</u>	<u>113,675</u>

15 PROVISIONS FOR LIABILITIES AND CHARGES

	2011 £	2010 £
Provision brought forward	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

An amount of £5,000 has been provided in previous years in respect of legal fees arising for rent reviews on the two premises at £2,500 each. This work is ongoing and will be charged once completed.

**BOW ARTS TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE ACCOUNTS**  
- continued

**16 RELATED PARTY TRANSACTIONS**

Rajen Madan, who was a Trustee throughout the year, received £4,113 in fees for consultancy services with Vartma Global

J Winskill was a partner of Vizards Wyeth (until 31<sup>st</sup> March 2011) who have provided legal services to Bow Arts costing £4,028 during the year

C Johnson was Project Director with Poplar HARCA Poplar HARCA received a total of £138,410 from Bow Arts as property rent during the year

M Coles was Principal of City of London Academy from which Bow Arts received a total of £7,225 for Education services provided during the year

J Middleton was Head of Economic Development with London Thames Gateway Development Corporation from which Bow Arts received a portion of a three year grant of £60,000 to support the Education Development Officer's post

During the year, a total of £1,300 was paid out by the trust in respect of Trustees Indemnity cover No claims were made against this policy during the year

**17 LIABILITY OF MEMBERS**

The Bow Arts Trust is a company limited by guarantee and has no share capital In the event of the company being wound up, the liability of members is limited to £10