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Company Number: 3031923
Charity Number: 1046958

BOW ARTS TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2009

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COMPANIES HOUSE

CROUCH CHAPMAN
Chartered Accountants
62 Wilson Street
London EC2A 2BU

BOW ARTS TRUST
(A Company Limited by Guarantee)

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BOW ARTS TRUST
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TRUSTEES AND ADVISERS

Trustees and Directors

E. Hall
J. Hills
S. Wolfe (resigned 9th March 2009)
M. Cubey (resigned 7th May 2009)
J.M. Winskill
M. Coles
R. Maden (appointed April 2008)
J. Pauling (appointed 22nd October 2008,
resigned 13th May 2009)
M. Blundell (appointed 22nd October 2008)
N. Relph (appointed 9th March 2009)

Secretary

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

Company Number

3031923

Charity Number

1046958

REPORT OF THE TRUSTEES

Introduction

The Trustees, who are also Directors of the charitable company, present their report for the year ended 31st March 2009. In presenting this report, the Trustees have complied with the Statement of Recommended Practice, Accounting and Reporting by Charities (2005) (the Charities' SORP), the Companies Act 1985, and applicable United Kingdom Accounting and Financial Reporting Standards.

Reference and Administrative Information

Bow Arts Trust ("the Trust"), founded by Marcel Baettig, began operating in 1995. The Trustees are listed on page 1. Marcel Baettig, Chief Executive, is the senior staff member to whom the Trustees delegate the day-to-day management of the Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

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

During this accounting period (the year ended 31st March 2009) 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 has now set up a 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. During this accounting period, the Board consisted of between seven and ten Trustees. The method for the recruitment and appointment of Trustees is through co-option during the financial year and then election at an AGM of the company by the Members. New Trustees are recruited according to the skills needed for, and the balance of, the Board, by agreement with existing members.

Recruitment to the Board has been through the support of local business support agencies including ELBA and Leaside Regeneration. All newly appointed Trustees must sign the Code of Conduct and Conflict of Interest Policy. The Trustees elect a Chair, Vice Chair and Treasurer (in the role of Chair of the Core Services Committee) annually following the AGM.

This year, as a consequence of the Charities Act 2006, the Trustees have considered the Charity Commission's general guidance on public benefit in relation to the objectives of the charity. This report sets out those objectives and describes how they have been met in the current year.

Management

The Board is responsible for setting strategies and policies with the Chief Executive, while the day to day running of the Trust is delegated to the Chief Executive and his staff.

BOW ARTS TRUST
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REPORT OF THE TRUSTEES
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OBJECTIVES AND ACTIVITIES

Objectives

The Trust's charitable objects 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 young artists;*
- 2) the promotion and encouragement of the education of the public in the arts, both in the art gallery and elsewhere; and*
- 3) the relief of poverty amongst young artists by the provision of studio space in which they may create art.*

The Trust is committed to equal opportunities and the Trustees therefore plan to obtain permission to amend the charitable objects to relief of poverty among 'emerging' rather than 'young' artists, thus better reflecting the Trust's practices.

To enable us to deliver our objects, the strategy of the Board is to seek to ensure that the Trust delivers services of the highest quality and, where our resources permit, to expand in the following areas:

- Through the continued provision of affordable workspace and live/work space for artists.
- Through the continued management of a gallery for the display and promotion of the contemporary arts and events.
- Through the provision, promotion and growth of our education and events work.

ACTIVITIES DURING THE YEAR

Property and partnerships

The Trust has continued to develop its partnership models with Leaside Regeneration, Poplar HARCA and East Thames Housing.

Leaside Regeneration

Through the generous support of Leaside Regeneration a grant of £45,000 for exterior works and refurbishments was made available to the Trust during this period. The works have considerably improved the physical look of the adjoining property and public areas. They have also provided for a new wooden gallery floor and repair works to the underground drains for the buildings.

The Board and staff appreciate the generous help we have received over this past year and would like to pass on our sincere thanks to Paul Brickell, Chief Executive, and all the staff of Leaside Regeneration.

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REPORT OF THE TRUSTEES
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Poplar HARCA

Poplar HARCA manages over 10,000 homes in the Poplar area and over the next 10 years is committed to the refurbishment or rebuilding of a significant percentage of existing housing stock. During the decanting process homes are left empty or void and communities become increasingly vulnerable. Decanting has created a range of empty 1 – 4 bedroom flats, which is uneconomic, and therefore Poplar HARCA has passed these flats on to the Trust at no charge. The Trust rents them to artists as low cost, short term live/work spaces. One third of the total rental income is in the form of a community donation which is allocated directly into community arts activity managed by the Trust in agreement with HARCA. The first year of the project proved both challenging and rewarding. In total 31 properties were transferred to the Trust's management; they now house nearly 40 artists. One flat in the Balfour Tower has been retained as a project space and hosts an international residency programme which started this year.

East Thames

East Thames manages over 13,200 homes and runs the nationally recognised Foyer service, which helps to transform the lives of vulnerable young people. ET have recently completed their Payne Road development, a 17 storey, 177 mixed tenure apartment block which also caters for business use. A ground floor unit of approximately 3000 sq ft has been allocated for community use by planning obligation. The Trust is in the course of agreeing a 20 year lease (at zero rent and a small service charge) and will convert and manage this space as artists' studios. A £50K loan has been agreed with Charity Bank to finance the build which should start by July 2009. The conversion will provide up to 20 artists' purpose built, affordable work spaces. Half of the income received from the space will be in the form of donations made by the artists, which will be used to support arts educational work in local schools.

Education

In addition to the core schools programme in 2008-2009, key partnerships and projects included:

Find Your Talent

The London Borough of Tower Hamlets secured three year pilot funding from the national *Find your Talent* initiative. The aim of this initiative is to create a consistent and strategic approach to developing a cultural offer, maximising take up, and ensuring that all children and young people access five hours of cultural and arts activity every week or the equivalent over time.

The Trust is one of the key local deliverers. Annie Bicknell, head of the Trust's Education team, has been chairing the visual arts working party for the borough and building strategic links with the council and other cultural partners. In 2008-9 the Trust was awarded a grant of £15,000 to support the Summer holiday programme *Move on Up* in partnership with IntoUniversity, the Courtauld Institute and Somerset house in 2009-10.

For more information visit: <http://www.findyourtalent.org/>

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REPORT OF THE TRUSTEES
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Drawing on Life

The Trust worked in partnership with the *Campaign for Drawing* and University College London to co-curate 40 interactive events as part of a three-day festival extravaganza: *Drawing on Life*, hosted by the Wellcome Collection and UCL and funded by the Wellcome Trust. The festival attracted over 7000 visitors and focussed on science, medicine and art to launch *The Big Draw 2008*, a national month-long celebration of all aspects of drawing.

For more information visit: <http://www.wellcomecollection.org/drawingonlife/>

Enquire

The Trust worked in partnership with Whitechapel & Chisenhale Galleries and Space Studios to support the Scene section of the Creative and Media diploma through artist led, behind the scenes tours and the production of a resource linking all four spaces. *Enquire* is a national research programme funded by the Department for Culture, Media and Sport, the Department for Children, Schools and Families, and the Foyle Foundation. It is managed by Engage in association with Arts Council England and informs strategic commissioning for museum & gallery education.

For more information visit: <http://www.en-quire.org/>

Spaces and Places

Through its long standing partnership with Chisenhale Primary School, the Trust received funding from Unilever to support seven Tower Hamlets schools in entering the *International Children's Art Competition*. The exhibition was hosted first at the Nunnery Gallery, then Tate St Ives and Tate Modern, where this Trust supported project picked up both first and second prizes for the UK.

Shaping Up

The Trust was commissioned by A New Direction (formerly Creative Partnerships) to deliver a series of projects using the arts to access maths and make it more fun, relevant and easier to retain. These programmes took place at Crown Lane Primary School and Colegrave Primary School with positive results.

London Councils

The Trust began the first term of a four year programme in partnership with East Potential, Time for Youth, Theatre Venture and East London Dance. The aim of the programme is to reduce youth offending and anti-social behaviour among young people aged 11-24 through diversionary activities on 6 East London Estates. The programme is funded by London Councils, East Homes and the East Foundation. Funding is from 1st October 2008 to 30th September 2012.

Alternative Arts

The Trust ran a successful event for women as part of International Women's Week. This enabled the team to build links with schools parental engagement officers and the parental engagement team at the council. This event was funded by LBTH International Women's Week Small Grants programme.

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REPORT OF THE TRUSTEES

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Arts and Events

Bow Arts Trust Open weekend and Studios

Friday 19th June 2008 saw the Trust's 12th Annual Open Studios, where the work of some 110 artists was on show. This is one of the main art events in East London with over 1800 people attending annually. The studios were also open to the public during the weekend of June 23-24.

The Nunnery Gallery

The Nunnery had a successful year hosting eight, free to the public, high profile exhibitions.

Reclaim! – 12th – 17th February 2008

This exhibition featured the work of teenagers mostly excluded from mainstream education and attending the Young College at Southgate College. Funded by Connexions North London, the project came about in response to poet Evelyn Sharp's work with prisoners at HMP Belmarsh. Through their writing, the men hoped to deter young people from the path of offending.

Wimbledon College of Art MA Interim Show 2008

Over 70 contemporary artists from the Wimbledon MA course came together to provide a snapshot of the next generation of emerging artists.

Schools in View - An Exhibition Celebrating Art in Schools – 16th – 30th May 2008

This exciting annual exhibition provides a rare opportunity to share some of the exceptional artwork being produced by local young people working with 23 professional artists and performers. This exhibition is dedicated to the work of 20 local schools and is supported through the long standing partnership between the Trust and St Paul's Way Community School in Poplar.

Visions in the Nunnery – 6th – 15th June 2008

This has become an unmissable event for artists working with the moving image. This year, it included recent work by established and emerging artists worldwide as well as special screenings, performances and talks. The variety of conceptual approaches and aesthetic choices showed a medium alive with enthusiasm and questions.

Unnatural Histories - 21st June – 19th July 2008 - curated by Myriam Blundell

This year's annual Trust exhibition, which opened to the public at the Trust's east London Nunnery Gallery on Friday 20th June 2008, was selected by curator Myriam Blundell. The show, entitled 'Unnatural Histories', featured the work of eighteen artists picked from the over one hundred artists using the Trust's studio space, and ran for one month, closing on July 19th 2008.

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REPORT OF THE TRUSTEES
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***Transplant* – 5th – 28th September 2008**

Photographer Tim Wainwright and sound artist John Wynne were artists-in-residence together for one year at Harefield Hospital, one of the world's leading centres for heart and lung transplants. Working closely together, they photographed and recorded patients, the devices they are attached to or have implanted in them, and the hospital itself. *Transplant* is a large-scale photographic sound installation which explores the experiences of transplant patients and the extraordinary issues raised by this invasive, last-option medical procedure. It creates an immersive environment, weaving subtly revealing portraits and striking photographs of the hospital with intensely personal narratives, often recorded at the bedside, and sounds derived from the patients' surroundings.

***Between Time and Space* - 11th October – 15th November 2008**

Rowena Dring, Ute Lindner, and Kei Takemura, curated by Oliver Zybok. Their works deal with the longing for pictures in which the familiar and everyday are transformed into the unseen, the extra-ordinary and the unforeseeable. In the real sense of the term, the three artists are pictorial romantics, seeking for the moments when rational control of the picture is extinguished. Rowena Dring, Ute Lindner and Kei Takemura succeed in this frankness of pictorial language above all because each of their pictorial arrangements is balanced in a carefully considered manner.

***PHoto 10 Poplar People and Places 2008* - 12th — 17th December**

An exhibition of photography by residents of Poplar to celebrate Poplar HARCA's 10th anniversary. This exhibition of photographs by local residents celebrated the people and places of Poplar. Following a call for entries in October and November, in conjunction with the delivery of digital photography workshops across the community, submissions were received in three age categories under 16's, 16-25 years and 25+ and two themes: Poplar People and Poplar Places.

ACHIEVEMENTS AND PERFORMANCE

The Board has a clear strategy and has made significant progress towards achieving its aims since the appointment of the current Trustees. The Trust has reviewed its management reporting procedures and will implement a transparent reporting and promotional strategy covering the Trust's achievements and goals across all areas of public benefit and finance.

The Trust is a member of the *National Federation of Artist Studio Providers* (NFASP) and the Trust's Chief Executive is an invited Director on the Federation's Board of Directors. The NFASP is the governance and support agency for the artist studio sector; it is able to elicit independent and expert advice for the sector on behalf of its members. The Trustees feel that through the work of the Federation and the creation of a national and regional database of statistical information, it will provide us with sensible and realistic performance indicators.

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REPORT OF THE TRUSTEES
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FINANCIAL REVIEW

Review of the Year

Following a deficit of £33,864 in the year ended 31st March 2008, the Trust achieved a surplus of £39,781 in 2008/09. Income increased by 38% in the period against a target of 25%, whereas expenditure increases were held at 22%.

The main income stream in the year continued to be licence fees receivable from artists for the provision of studios and other accommodation. The Trustees have now adopted a policy of increasing studio license fees annually in April, the uplift being based on the September RPI. The first annual increase was applied in April 2009.

Reserves policy

The Trust's policy is 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 £161,225, an increase of 33% over the previous year. Of this amount, free reserves were £121,470, approximately £20,000 in excess of the target figure of three months' anticipated core expenditure.

Designated reserves were £33,745 of which £25,082 is in respect of leasehold property improvements. The depreciation of the leasehold property is allocated to this fund over the life of the lease (to June 2011). £8663 is in respect of Live/Work units from Poplar HARCA and represents the third of the licence fee receivable less the amount already used for community arts activities as shown in note 11. Restricted reserves were £6010 - a grant which will be spent in the coming year on specific educational projects.

Risk management

The Trustees confirm that they have identified and reviewed the major risks to which the Trust is exposed and have established systems to mitigate those risks.

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

- King Sturge LLP act as the Trust's Surveyors and advise on rent reviews, ends of leases etc.
- Stone King Solicitors act and advise on Charity Law and governance
- Vizards Wyeth act and advise on property law
- Trustee meetings are held at least quarterly
- The newly appointed Core Services Committee also meets at least quarterly
- Newly created sub-committees provide targeted Trustee support

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REPORT OF THE TRUSTEES
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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 Trust'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 Trust'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.

BY ORDER OF THE TRUSTEES


Elizabeth Hall, Chair

22 JUL 2009

BOW ARTS TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31ST MARCH 2009

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 1985. 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
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REPORT OF THE AUDITORS
YEAR ENDED 31ST MARCH 2009

Independent Auditors' Report to the members of Bow Arts Trust

We have audited the Financial Statements of Bow Arts Trust for the year ended 31st March 2009 which comprise the Statement of Financial Activities (including an Income and Expenditure Account), the Balance Sheet and related notes 1 to 15. These Financial Statements have been prepared under the historical cost convention.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have found.

Respective Responsibilities of Trustees and Auditors

The Trustees' responsibilities for preparing 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 Trustees' Responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is consistent with the Financial Statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the Company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the Accounting Policies are appropriate to the Company's circumstances, are consistently applied and adequately disclosed.

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REPORT OF THE AUDITORS
- continued

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion:

- the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company as at 31st March 2009 and of the Company's incoming and outgoing resources and income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

62 Wilson Street
London EC2A 2BU

Crouch CC

CROUCH CHAPMAN
Chartered Accountants
Registered Auditors

22 JUL 2009

BOW ARTS TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST MARCH 2009

INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds General Fund £	Designated Fund £	Restricted Funds £	Total Funds 2009 £	Total Funds 2008 £
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary income		48,906	24,475	-	73,381	32,755
Investment Income		1,877	-	-	1,877	2,942
		<u>50,783</u>	<u>24,475</u>	<u>-</u>	<u>75,258</u>	<u>35,697</u>
Incoming Resources from Charitable Activities						
Provision of studios		267,411	-	45,866	313,277	188,727
Education		215,569	-	62,773	278,342	257,174
Exhibitions		3,190	-	-	3,190	1,741
Other incoming resources		<u>15,345</u>	<u>-</u>	<u>-</u>	<u>15,345</u>	<u>11,765</u>
Total Incoming Resources		<u>552,298</u>	<u>24,475</u>	<u>108,639</u>	<u>685,412</u>	<u>495,104</u>
Resources Expended						
Charitable activities	2	486,637	26,367	118,648	631,652	500,019
Governance costs	4	13,979	-	-	13,979	28,949
Total Resources Expended		<u>500,616</u>	<u>26,367</u>	<u>118,648</u>	<u>645,631</u>	<u>528,968</u>
Net Incoming/(Outgoing)						
Resources before Transfer	5	51,682	(1,892)	(10,009)	39,781	(33,864)
Transfer between funds	10	-	-	-	-	-
Net movement in funds being net income/expenditure for the year		<u>51,682</u>	<u>(1,892)</u>	<u>(10,009)</u>	<u>39,781</u>	<u>(33,864)</u>
Funds at beginning of year		<u>69,788</u>	<u>35,637</u>	<u>16,019</u>	<u>121,444</u>	<u>155,308</u>
Funds carried forward at end of year		<u>121,470</u>	<u>33,745</u>	<u>6,010</u>	<u>161,225</u>	<u>121,444</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.

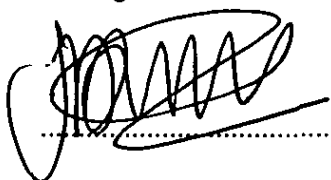
The notes on pages 16 to 21 form part of these Financial Statements.

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BALANCE SHEET
31ST MARCH 2009

	Notes	£	2009 £	£	2008 £
Fixed Assets					
Tangible fixed assets	7		46,615		47,741
Current Assets					
Debtors	8	107,217		128,574	
Cash at bank and in hand		75,320		35,691	
			<u>182,537</u>	<u>164,265</u>	
Creditors					
Amounts due within one year	9	(62,927)		(85,562)	
Net Current Assets			119,610		78,703
Provisions for Liabilities and Charges	15		(5,000)		(5,000)
Net assets			<u>161,225</u>		<u>121,444</u>
Funds					
Restricted funds	10		6,010		16,019
Unrestricted funds					
- General			121,470		69,788
- Designated	11		33,745		35,637
	12		<u>161,225</u>		<u>121,444</u>

Approved by the Board on **22 JUL 2009**
and signed on its behalf by



.....) DIRECTOR

J. WINSKILL

The notes on pages 16 to 21 form part of these Financial Statements.

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NOTES TO THE ACCOUNTS
YEAR ENDED 31ST MARCH 2009

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 1985.

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.

Finance Leases

Assets obtained under finance leases are capitalised in the Balance Sheet and depreciated over their expected useful lives.

The interest element of the lease payment is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

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NOTES TO THE ACCOUNTS

- continued

1. ACCOUNTING POLICIES - continued

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.

Designated Fund

A Designated Fund has been set aside representing the depreciated cost of assets funded by capital grants and rent increases foregone.

Restricted Funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

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 2009 £	Total 2008 £
Provision of studios	256,502	46,747	303,249	201,630
Education	267,008	39,555	306,563	282,738
Exhibition	18,244	3,596	21,840	15,651
	<u>541,754</u>	<u>89,898</u>	<u>631,652</u>	<u>500,019</u>

3. SUPPORT COSTS

	Provision of studios £	Education £	Exhibitions £	Governance £	Total 2009 £	Total 2008 £
Salaries	26,608	22,515	2,047	2,693	53,863	70,483
Depreciation	10,848	9,179	834	1,098	21,959	17,386
Office costs	9,291	7,861	715	940	18,807	20,326
	<u>46,747</u>	<u>39,555</u>	<u>3,596</u>	<u>4,731</u>	<u>94,629</u>	<u>108,195</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
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NOTES TO THE ACCOUNTS
- continued

4. GOVERNANCE COSTS	2009 £	2008 £
Legal and professional fees	108	10,794
Accountancy	8,510	8,518
Audit	4,363	4,000
Bank charges	28	28
Trustee costs	970	200
Support costs	-	5,409
	<u>13,979</u>	<u>28,949</u>

5. NET OUTGOING RESOURCES	2009 £	2008 £
This is stated after charging:		
Operating lease rentals – premises	118,927	112,156
Depreciation of tangible fixed assets	21,959	17,386
Auditors' remuneration		
- audit	4,250	4,000
- (over)/under accrual in previous year	113	(1,877)
	<u>113</u>	<u>(1,877)</u>

6. TRUSTEES AND EMPLOYEES	2009 £	2008 £
Staff costs:		
Wages, salaries etc.	149,359	126,574
Social security costs	13,689	10,070
	<u>163,048</u>	<u>136,644</u>

The average number of employees, analysed by function, was:	Number	Number
Direct charitable activities	6	4
Administration	1	1
	<u>7</u>	<u>5</u>

The Trustees did not receive any emoluments during the year. Trustees expenses of £570 included meeting costs of £497 and expenses of £73 reimbursed to two trustees during the year (2008: Nil). Trustees indemnity insurance totalling £400 (2008: £200) was paid. No employees received more than £60,000 remuneration during the year (2008: Nil).

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NOTES TO THE ACCOUNTS
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7. TANGIBLE FIXED ASSETS

	Live/ Work improvements £	Leasehold property improve- ments £	Leasehold property £	Fixtures fittings & equipment £	Total £
COST					
At 1 st April 2008	-	18,830	94,101	49,894	162,825
Additions	17,649	-	-	3,184	20,833
	<u>17,649</u>	<u>18,830</u>	<u>94,101</u>	<u>53,078</u>	<u>183,658</u>
At 31 st March 2009	17,649	18,830	94,101	53,078	183,658
DEPRECIATION					
At 1 st April 2008	-	7,994	61,954	45,136	115,084
Charge for year	5,883	3,334	9,892	2,850	21,959
	<u>5,883</u>	<u>11,328</u>	<u>71,846</u>	<u>47,986</u>	<u>137,043</u>
At 31 st March 2009	5,883	11,328	71,846	47,986	137,043
NET BOOK VALUE					
At 31 st March 2009	<u>11,766</u>	<u>7,502</u>	<u>22,255</u>	<u>5,092</u>	<u>46,615</u>
At 31 st March 2008	<u>-</u>	<u>10,836</u>	<u>32,147</u>	<u>4,758</u>	<u>47,741</u>

8. DEBTORS

	2009 £	2008 £
Licence fees receivable	6,895	13,122
Education income receivable	35,435	69,848
Grants receivable	13,602	8,845
Prepayments	28,419	28,419
Other debtors	22,866	8,340
	<u>107,217</u>	<u>128,574</u>

9. CREDITORS

	2009 £	2008 £
Amounts falling due within one year:		
Trade creditors	21,261	24,681
Deferred grants	-	1,750
Members' deposits	22,183	19,638
Accruals and deferred income	14,077	22,926
Other taxes and social security	5,406	-
Other creditors	-	16,567
	<u>62,927</u>	<u>85,562</u>

BOW ARTS TRUST
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NOTES TO THE ACCOUNTS
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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 2008 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Balance 31 March 2009 £
Thames Gateway Development Corporation	-	20,000	(20,000)	-	-
Wellcome Trust	1,500	17,782	(19,282)	-	-
Queen Mary University	6,500	4,566	(11,066)	-	-
Awards for all	8,419	-	(8,419)	-	-
Creative partnerships	(1,000)	1,000	-	-	-
Engage	600	850	(1,450)	-	-
A New Direction	-	17,875	(11,865)	-	6,010
Alternative Arts	-	700	(700)	-	-
Leaside Regeneration Improvement Grant	-	45,866	(45,866)	-	-
	<u>16,019</u>	<u>108,639</u>	<u>(118,648)</u>	<u>-</u>	<u>6,010</u>

11. DESIGNATED FUNDS

	Balance 1 April 2008 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Balance 31 March 2009 £
Leasehold property improvements	34,974	-	(9,892)	-	25,082
Live/work units – Community Arts Fund	663	24,475	(16,475)	-	8,663
	<u>35,637</u>	<u>24,475</u>	<u>(26,367)</u>	<u>-</u>	<u>33,745</u>

12. ANALYSIS OF TOTAL FUNDS

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted funds:			
- Education fund	-	6,010	6,010
Unrestricted funds			
- General	21,533	99,937	121,470
- Designated	25,082	8,663	33,745
	<u>46,615</u>	<u>114,610</u>	<u>161,225</u>

BOW ARTS TRUST
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NOTES TO THE ACCOUNTS
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13. MOVEMENT OF FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Balance brought forward	105,425	16,019	121,444
Surplus/(Deficit) for the year	49,790	(10,009)	39,781
Balance carried forward	<u>155,215</u>	<u>6,010</u>	<u>161,225</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:

	2009 £	2008 £
Land and Buildings		
On leases expiring between two and five years	<u>113,675</u>	<u>113,675</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	2009 £	2008 £
Provision brought forward	5,000	6,664
Expenditure incurred in the year	-	-
Released to SOFA	-	(6,664)
Provision in year	-	5,000
	<u>5,000</u>	<u>5,000</u>

An amount of £5,000 was provided in the previous years financial statements 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.

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NOTES TO THE ACCOUNTS
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16. RELATED PARTY TRANSACTIONS

S. Wolfe, who was a Trustee throughout most of the year is also a director of Poplar Harca. Bow Arts Trust is involved in various partnership project schemes with Poplar Harca including the provision by Poplar Harca of void flats to Bow Arts Trust, which are then let on licences as Live/Work units by Bow Arts Trust. Total income received from licences amounted to £54,238.

J. Winskill was appointed a Trustee in December 2007 and is a partner of Vizards Wyeth who have provided legal services to the Trust. No costs were incurred after the appointment.

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.