

Reg.

Company Number 3031923

Charity Number 1046958

BOW ARTS TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2010

CROUCH CHAPMAN
Chartered Accountants
62 Wilson Street
London EC2A 2BU



BOW ARTS TRUST
(A Company Limited by Guarantee)

CONTENTS	Page
Trustees and Advisers	1
Report of the Trustees	2 - 10
Statement of Trustees' Responsibilities	11
Report of the Auditors	12 - 13
Statement of Financial Activities	14
Balance Sheet	15
Accounting Policies	16 - 17
Notes to the Accounts	17 - 22

BOW ARTS TRUST
(A Company Limited by Guarantee)

TRUSTEES AND ADVISERS

Trustees and Directors

E Hall
J Hills
M Cubey (resigned 7th May 2009)
J M Winskill
M Coles
R Maden
J Pauling (resigned 13th May 2009)
M Blundell
N Relph
C R Johnson (appointed 18th January 2010)
J A Middleton (appointed 14th September 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

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 31st March 2010. 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 2006, 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 2010) 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 of 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.

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
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES
- continued

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 emerging artists by the provision of studio space in which they may create art*

The Trust is committed to equal opportunities and therefore the Trustees obtained permission during the year 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

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

MISSION STATEMENT

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

- artists' work in schools,
- contributing to community regeneration,
- gallery exhibitions and events

ACTIVITIES

Property

Staffing The Property Department has seen significant investment and restructuring reflecting the Trust's awareness of its role as the main income generator. Michael Cubey was appointed in July 2009 as an Assistant Director of the Trust and Head of Property. The part time Studio Lettings Officer post was replaced with a new full time post of general Studio coordinator. This was covered by two new members of staff as a job share. The new structure reflected the strategic development of the department and the day to day increase in activity as a result of our new and proposed developments. To promote and let these new work spaces the trust has appointed a small marketing team on short term contract.

BOW ARTS TRUST
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES
- continued

Procedural Review: The department has undertaken a full review of internal and external procedures including lettings and management, health and safety, Licenses and tenancies, application and waiting list procedures, monitoring and reporting systems. This has already had a significant impact on rent and license fee arrears levels.

Property Sites

181-183 Bow Road

Occupancy 120 studios. Target level 95% has been exceeded and maintained at 98%. Whilst the turnover of artists remains at 10% (an average of 1 artist per month) with 0.3% arrears written off at year end.

Rent In April 2010 there was a rent increase from £9.70 to £10.70 per square foot, to reflect increases in general costs while maintaining our market position at the lower end of the affordable studio sector in terms of cost.

Arrears: Considerable improvement has been made in the time taken and coordination and collection of arrears this year. The Bow Road studios continue to contribute a significant part of the income of the Trust.

Health and Safety: Policy produced, full Risk Assessments and Fire Risk Assessments in place for the site.

Lease In 2010-2011 we will start statutory renewal negotiations for the lease. The process is supported/advised by Vizards Wyeth Solicitors and Stephen Lines, Kinney Green Surveyors. There is every early indication that discussions will be positive and result in the renewal of the lease under favorable terms.

Open The Open Studios took place in June, with the involvement of the majority of the artists at 181-183 Bow Rd, along with Live Work artists at P1 studios. More details of the Open are in the Arts and Events report.

P1 Studios

Occupancy 11-20 studios, target occupancy level of 70% was not achieved due to delays in the lease agreement meaning the studios were not available to rent until April 2010. Since this point we have quickly reached and maintained 50% capacity and expect to pass our target by the end of the summer.

Development: The majority of the 4,000 square foot ground floor space was in a shell and core condition in March 2010, and has been partitioned into 11 studio units, expected to accommodate between 11-20 artists. The internal fit out took 8 weeks and ran £5,000 over the original budget of £50,000. A significant factor in the additional cost was caused by material and VAT rises caused by the delay to the start of the project.

Finance The fit out works were financed through a £50,000 loan from Charity Bank. The loan was granted over a 5 year fixed period under favorable terms.

SE1 Studios

May 2010 50-60 new studio units are planned in partnership with Crisis, the homeless charity, in Bermondsey SE1.

Lease The trust was granted an initial two year lease under favourable terms which will cover the conversion costs of the development. There is a strong expectation the lease will be renewed after the two year period.

BOW ARTS TRUST
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES

- continued

Development A very basic open plan conversion is planned to maximize the light and space available at minimal capital cost. A project manager has been appointed to oversee the building work on a fixed term contract. The project will create 50 studio spaces expected to accommodate between 55-70 artists. The spaces will be marketed specifically at emerging artists and recent graduates.

Live/Work and Poplar HARCA Changes in the economic climate, and within Poplar HARCA, continue to apply pressure to the original partnership. This has resulted in a stronger working relationship including new tenancy protocols and a clear Service Level Agreement. Phase 1 of the project manages 30 flats and Phase 2 manages 25 flats.

Education @ Bow Arts Trust

Department The department has undergone considerable restructuring during the year following a strategic planning exercise carried out by freelance consultant Andrew Broadley, and is now in a very exciting position where it can respond to new challenges and start to achieve its promise. A new Head of the Department has been recruited to take up post in August 2010.

London Thames Gateway Development Corporation has supported the development of the department by grant aiding a new role in the department of Educational Development Officer. This role was filled by Anna Sexton is designed to foster strategic partnerships between schools and the community and is already having some significant effects on key partnerships with new and existing clients.

New schools within the London Boroughs of Tower Hamlets, Newham, Southwark, Islington, Westminster and Camden have been added to the roster with three new target primary schools - Bygrove, Halley and Manorfield - making a significant investment in our Annual Programme packages. These packages raise creative confidence and attainment through skills enhancement over three terms looking at 2D, 3D and creative writing processes.

Projects:

St Paul's Way Hoardings In partnership with LBTH and *St Paul's Way Trust School* we successfully created the longest piece of public art in London at over 250 metres long. Working with Artist Emily Allchurch on the external hoardings project of building site of the new school, over 60 young people were able to participate in this extremely high profile project.

The Lord Mayors Show The Trust was commissioned by the *City of London Academy School Southwark* to develop and design a breathtaking scale model of the school's mascot dragon to adorn a colourful carnival inspired float complete with London landmark headdresses and tabards for the annual Lord Mayors Show. Despite the rain and the wind on the day the pupils, staff and Trust team enjoyed their day out and the subsequent *BBC News* coverage was exceptionally positive.

Find Your Talent The Trust was awarded a grant of £15,000 in 2008/2009 to support *Move on Up* - a Summer holiday programme delivered in August 2009 in partnership with **Into**University, the Courtauld Institute and Somerset House. The scheme enabled young people and their parents to spend a focused week looking at new ways to be creative and finding routes into Further and Higher Education.

BOW ARTS TRUST
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES
- continued

Tower Hamlets Visual Arts Consortium In September 2009 The Trust was successfully chosen to work in a three way consortium with *Chisenhale Gallery* and *Whitechapel Gallery*. The consortium aims to offer fresh approaches to training in the visual arts through professional development programmes for primary and secondary teachers, teaching assistants and support staff, a summer school for young people and symposium planned for 2010/2011 to showcase the project successes

London Councils Award 2008 -2012 The Trust continues to roll out a four year programme in partnership with *East Potential*, *Time for Youth*, *Theatre Venture* and *East London Dance*. The programme is targeted at reducing youth offending and anti-social behavior among young people aged 11-24 and is working on six East London estates

Poplar HARCA Seven new community centre based projects have been enabled through the Trust and Poplar HARCA partnership Community Arts Chest funding, and have been managed by the Trust's Arts & Events and Education Departments. The projects are direct responses the consultation previously commissioned by Poplar HARCA in March/April 2009. Workshops have included hat and banner making, digital photography sessions for adult learners and creative writing workshops run in partnership with *Canaan Project* and Manorfield Primary School

turbinegeneration Turbinegeneration is an international schools project connected to The Tate's Unilever Series, the annual commission that invites an artist to make a work of art specifically for Tate Modern's *Turbine Hall*. This year's artist was Miroslaw Balka. Turbinegeneration takes its project theme from this commission (this year 'RITES OF PASSAGE') reflecting recurring themes in Balka's work. The Trust has developed relationships with a set of schools - St Agnes Primary, Manorfield and St Paul's Way Trust School - to work on this scheme. This follows on from *Spaces & Places 2008/2009*, and will conclude with a showing of work due for autumn 2010

Arts & Events and The Nunnery

The Nunnery gallery's vision is to be the focal independent exhibition and events space in the 'London's Artist Quarter'. It aims to develop the credibility and standing of the Nunnery brand in the art world, and to raise the profile of contemporary art and artists through the delivery of high quality exhibitions, residencies and curated events in East London.

The exhibition and events programme has had an exciting and successful year hosting thirteen major exhibitions in the Nunnery gallery, becoming a new host for Time Out's 'First Thursdays' in conjunction with the Whitechapel Art Gallery. This year's programme included three international artist residencies and numerous solo shows and community events including the launch of www.londonsartistquarter.org web site

Exhibitions.

Reconstructing the Old House (April 2009) Exhibitors -Julian Hughes Watts, Jo Addison, Max Moss crop and Benet Spencer, *Reconstructing the Old House* was curated by Benet Spencer, and part funded by Anglia Ruskin University. Following the exhibition at the Nunnery gallery, the exhibition travelled to the Ruskin Gallery, Cambridge in October 2009. Inc exhibition catalogue

Schools In View (May 2009) This annual exhibition provided the rare opportunity to view some of the exceptional artwork being produced by young people in the London Borough of Tower Hamlets through our Education and Learning programme. Working with 23 professional artists and performers, it was a celebration of the art work made by young people from over 20 local schools and supported by St Paul's Way Trust School

BOW ARTS TRUST
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES
- continued

Visions in the Nunnery (May 2009) Event curators Tessa Garland and Cinzia Cremona selected the work of 54 artists from 12 countries including South Korea and India in this annual open submission moving image showcase

This event has become a not to be missed event in the Nunnery's calendar and focuses on recent work produced by emerging and established artists from all around the world. Guest curator Myriam Blundell showcased works by artists Isabelle Arnoux, Michael Nyman and Karen Knorr

Olympic Visions (June 2009) 23 lens-based and performance artists responded to London's 2012 Olympics and the regeneration that is taking place across the Lower Lea Valley and East London. It engaged audiences and participants in a more critical look at this Olympic-led regeneration

Fault Line - Art in the Age of Anxiety (June - July 2009) The 13th annual Open exhibition, curated by Sarah Elson, CAS, highlighted the work of 18 artists resident at the Bow Arts Trust: G Roland Biermann, Louisa Chambers, Gordon Cheung, Silke Dettmers, Julie Fagan, Dave Farnham, Corinne Felgate, Paul Good, Catherine Hughes, Becky Hunt, Mark Maxwell, Clare Mitten, Erin Newell, Mark Selby, Suzana Tamamović, Gabriel Tejada, Laura White and Janey Xuereb. Inc exhibition catalogue

Intimate Histories (September 2009) This was the first 'BigSmall' artists' exhibition in the UK and showcased the work of seven Irish and six Chinese artists. Founders Fion Gunn and Ray Murphy established 'BigSmall' as a response to collaborations between a number of Irish/Chinese exhibitions in Beijing

Accumulation of the Incomplete (September - October 2009) Curated by Oliver Zybok. Including Nschotschi Haslinger and Christof Mascher (Germany) and E. S. Mayorga (Mexico) these three artists set out to capture the manifestations of the unconscious with a view to proving the reality of the self. Inc. Exhibition catalogue

Tears of Eros (October-November 2009) LiKailin Contemporary Fine Art presented a solo show of photographs by Chinese photographer Tian Taiquan in celebration of Asian Art in London Week

[N]everland (December 2009) Group exhibition featuring sixteen artists engaging with the contemporary relationship between real and imagined worlds and the confluence of past, present and future. Work included sculpture, video, paintings and performance

Hour (January 2010) A collaboration between the visual artist Tim Wainwright and composer Chris Letcher. Durational performance 12 hours exploring the process of contemplation using abstract imagery and a composed surround-sound score

Chopsticks Optional (January 2010) Curated by featured artists John Walter and Corinne Felgate and investigating their personal and professional friendship, pooling skills and ideas to produce a number of new works. The exhibition featured a number of events and performances including film screenings, a fashion show and artist talks

I swore I sore (February - March 2010) Wimbledon College of Art This was the third MA interim show from Wimbledon to be presented in the Nunnery

BOW ARTS TRUST
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES
- continued

Moments of Repetition (March - April 2010) Artist Jill Townsley's exhibition to support her 7 year PhD research into the role of repetition in the process of art production

Open Studios (June 2009)

The 13th Annual Bow Arts Trust Open Studios event took place in late June 2009. Over 150 artists opened their studios to the general public on two sites. The Open remains one of the largest and most respected events for artists in London and attracts audiences of over 1500.

Payne Road (P1) Studios Launch (June 2009)

Interim exhibition from 26 artists all involved with the Bow Arts Poplar HARCA Live/Work Scheme.

Balfour Tower Heritage Flat - International Artist Residencies in Balfour Tower

This three month international residency programme offers artists a small stipend and an iconic space to work in. This year three artists successfully applied to the scheme which is a partnership project with Poplar HARCA.

Suspended Belief Said Adrus (September 2009) Swiss artist, Said Adrus presented works - drawings, text, film and installations - created during his residency. Said's work deals with ideas related to the edifice of the East End diasporas. He described the residency as 'a fantastic opportunity to experiment and to try out new ideas'.

About Now MMX William Raban (January 2010) William Raban created a new film *About Now MMX*. The film constructs a cinematic map to reveal connections between the various architectural, transport and social networks that constitute the City of London. The exhibition opened 22nd January 2010 and included film rushes and photographic collages. The final film will be premiered in Late Modern in September 2010.

Crowd Theory Simon Terrill (Spring 2010 onwards) Australian photographer Simon Terrill is planning a large scale community photograph involving hundreds of people in East London. This project runs until November 2010.

ACHIEVEMENTS AND PERFORMANCE

The Board has a clear strategy and continues to make significant progress towards achieving its aims. Following the appointment of Business Manager Catherine McKinney in January 2010 the board has supported a full operational review and the implementation of PQASSO Level 1 Standards. The Trust continues to review its management reporting procedures and has developed a transparent reporting and planning 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. 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.

BOW ARTS TRUST
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES
- continued

FINANCIAL REVIEW

Review of the Year

The Trust achieved a surplus of £39,781 in 2008/09 and has continued this trend into 2009-10 in line with its commitment a secure reserves base. A surplus of £66,815 was achieved this year and although this was down on forecasted budget it was in line with expectations.

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 with the uplift based on the previous September's RPI.

Reserves Policy

The Trust's 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 £228,040, an increase of 41% over the previous year. Of this amount, free reserves were £186,462, approximately £46,000 in excess of the target figure of three months' anticipated core expenditure.

Designated reserves were £25,078 of which £15,191 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). £9,887 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 £16,500 - 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:

- Kinney Green now act as the Trust's Surveyors, advise on rent reviews, ends of leases etc
- Stone King Solicitors act and advise on Charity Law and governance
- Vizards Wyeth Solicitors act and advise on property law
- HELP has been appointed as the Trusts HR resource
- Trustee meetings are held at least quarterly
- Core Services Committee meet at least quarterly
- Education Dept has created a Sub-Committee which provides specific Trustee support for this department

BOW ARTS TRUST
(A Company Limited by Guarantee)

REPORT OF THE TRUSTEES
- continued

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

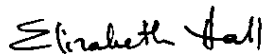
Auditors

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
Chair

21 OCT 2010

BOW ARTS TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31ST MARCH 2010

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 31ST MARCH 2010

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 2010 on pages 1 to 15. These financial statements have been prepared under the accounting policies set out on page 8.

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 Auditors

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).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 2006 and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice. We also report to you if, in our opinion, the Report of the Directors is consistent with the financial statements.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit 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 judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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.

BOW ARTS TRUST
(A Company Limited by Guarantee)

REPORT OF THE AUDITORS
- continued

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 the charitable company's affairs at 31st March 2010 and of its incoming resources and application of resources in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 2006,
- the information given in the Directors' Report is consistent with the financial statements

N. Heath

Nicholas Heath MA ACA
(Senior Statutory Auditor)

62 Wilson Street
London EC2A 2BU

25th October 2010

for and on behalf of
CROUCH CHAPMAN
Chartered Accountants
Statutory Auditors

BOW ARTS TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST MARCH 2010

INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds General Fund £	Designated Fund £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary income		85,291	53,970	-	139,261	73,381
Investment Income		804	-	-	804	1,877
		<u>86,095</u>	<u>53,970</u>	<u>-</u>	<u>140,065</u>	<u>75,258</u>
Incoming Resources from Charitable Activities						
Provision of studios		399,327	-	-	399,327	313,277
Education		200,914	-	59,625	260,539	278,342
Exhibitions		17,760	-	-	17,760	3,190
Other incoming resources		<u>11,599</u>	<u>-</u>	<u>-</u>	<u>11,599</u>	<u>15,345</u>
Total Incoming Resources		<u>715,695</u>	<u>53,970</u>	<u>59,625</u>	<u>829,290</u>	<u>685,412</u>
Resources Expended						
Charitable activities	2	660,811	52,101	38,125	751,037	631,652
Governance costs	4	11,438	-	-	11,438	13,979
Total Resources Expended	5	<u>672,249</u>	<u>52,101</u>	<u>38,125</u>	<u>762,475</u>	<u>645,631</u>
Net Incoming/(Outgoing) Resources before Transfer		<u>43,446</u>	<u>1,869</u>	<u>21,500</u>	<u>66,815</u>	<u>39,781</u>
Transfer between funds	10	21,546	(10,536)	(11,010)	-	-
Net movement in funds being net income/expenditure for the year		<u>64,992</u>	<u>(8,667)</u>	<u>10,490</u>	<u>66,815</u>	<u>39,781</u>
Funds at beginning of year		<u>121,470</u>	<u>33,745</u>	<u>6,010</u>	<u>161,225</u>	<u>121,444</u>
Funds carried forward at end of year		<u>186,462</u>	<u>25,078</u>	<u>16,500</u>	<u>228,040</u>	<u>161,225</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

BOW ARTS TRUST
(A Company Limited by Guarantee)

BALANCE SHEET
31ST MARCH 2010

	Notes	£	2010 £	£	2009 £
Fixed Assets					
Tangible fixed assets	7		77,573		46,615
Current Assets					
Debtors	8	96,127		107,217	
Cash at bank and in hand		222,493		75,320	
		<u>318,620</u>		<u>182,537</u>	
Creditors					
Amounts due within one year	9	(121,980)		(62,927)	
Net Current Assets			196,640		119,610
Provisions for Liabilities and Charges	15		(5,000)		(5,000)
Creditors amounts due after one year	9		(41,173)		-
Net assets			<u>228,040</u>		<u>161,225</u>
Funds					
Restricted funds	10		16,500		6,010
Unrestricted funds					
- General			186,462		121,470
- Designated	11		25,078		33,745
	12		<u>228,040</u>		<u>161,225</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 **21 OCT 2010**
and signed on its behalf by

Elizabeth Hall) DIRECTOR

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

BOW ARTS TRUST
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS
YEAR ENDED 31ST MARCH 2010

I 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

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
New Studio	- over five years

BOW ARTS TRUST
(A Company Limited by Guarantee)

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 2010 £	Total 2009 £
Provision of studios	348,191	50,243	398,434	303,249
Education	245,626	42,528	288,154	306,563
Exhibition	60,584	3,865	64,449	21,840
	<u>654,401</u>	<u>96,636</u>	<u>751,037</u>	<u>631,652</u>

3 SUPPORT COSTS	Provision of studios £	Education £	Exhibitions £	Governance £	Total 2010 £	Total 2009 £
Salaries	27,383	23,170	2,107	2,771	55,431	53,863
Depreciation	12,061	10,206	927	1,221	24,415	21,959
Office costs	10,799	9,152	831	1,093	21,875	18,807
	<u>50,243</u>	<u>42,528</u>	<u>3,865</u>	<u>5,085</u>	<u>101,721</u>	<u>94,629</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	2010 £	2009 £
Legal and professional fees	2,667	108
Accountancy	3,025	8,510
Audit	4,150	4,363
Bank charges	597	28
Trustee costs	999	970
	<u>11,438</u>	<u>13,979</u>

5 NET OUTGOING RESOURCES	2010 £	2009 £
This is stated after charging		
Operating lease rentals – premises	122,129	118,927
Depreciation of tangible fixed assets	24,415	21,959
Auditors' remuneration		
- audit	4,200	4,250
- (over)/under accrual in previous year	(50)	113
	<u></u>	<u></u>

6 TRUSTEES AND EMPLOYEES	2010 £	2009 £
Staff costs		
Wages, salaries etc	213,067	149,359
Social security costs	20,703	13,689
Compromise agreement	13,192	-
	<u>246,962</u>	<u>163,048</u>

The average number of employees, analysed by function, was	Number	Number
Direct charitable activities	8	6
Administration	1	1
	<u>9</u>	<u>7</u>

During the year one of the Trustees, E Hall was paid £3,000 for producing a GAP analysis for the Trust (2009 £nil) No expenses were reimbursed to any trustees during the year (2009 £73 – 2 trustees) Trustees indemnity insurance totalling £400 (2009 £400) was paid No employees received more than £60,000 remuneration during the year (2009 Nil)

BOW ARTS TRUST
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS
- continued

7 TANGIBLE FIXED ASSETS

	Live/ Work improvements £	Leasehold property improve- ments £	Leasehold property £	Fixtures fittings & equipment £	Total £
COST					
At 1 st April 2009	17,649	18,830	94,101	53,078	183,658
Additions	-	54,104	-	1,269	55,373
	<u>17,649</u>	<u>72,934</u>	<u>94,101</u>	<u>54,347</u>	<u>239,031</u>
At 31 st March 2010	17,649	72,934	94,101	54,347	239,031
DEPRECIATION					
At 1 st April 2009	5,883	11,328	71,846	47,986	137,043
Charge for year	5,883	6,039	9,891	2,602	24,415
	<u>11,766</u>	<u>17,367</u>	<u>81,737</u>	<u>50,588</u>	<u>161,458</u>
At 31 st March 2010	11,766	17,367	81,737	50,588	161,458
NET BOOK VALUE					
At 31 st March 2010	<u>5,883</u>	<u>55,567</u>	<u>12,364</u>	<u>3,759</u>	<u>77,573</u>
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>

8 DEBTORS

	2010 £	2009 £
Licence fees receivable	5,794	6,895
Education income receivable	34,175	35,435
Grants receivable	-	13,602
Other debtors	27,739	22,866
Prepayments	28,419	28,419
	<u>96,127</u>	<u>107,217</u>

9 CREDITORS

	2010 £	2009 £
Amounts falling due within one year		
Bank loan	8,827	-
Trade creditors	44,245	21,261
Members' deposits	25,102	22,183
Other taxes and social security	-	5,406
Other creditors	300	-
Accruals and deferred income	43,506	14,077
	<u>121,980</u>	<u>62,927</u>

BOW ARTS TRUST
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS

- continued

9 CREDITORS	2010	2009
	£	£

Amounts falling due after more than one year

Bank loan	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 amount 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 2009 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Balance 31 March 2010 £
Thames Gateway Development Corporation	-	40,000	(23,500)	-	16,500
A New Direction	6,010	4,625	(8,482)	(2,153)	-
Move On Up	-	15,000	(6,143)	(8,857)	-
	<u>6,010</u>	<u>59,625</u>	<u>(38,125)</u>	<u>(11,010)</u>	<u>16,500</u>

11 DESIGNATED FUNDS

	Balance 1 April 2009 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Balance 31 March 2010 £
Leasehold property improvements	25,082	-	(9,891)	-	15,191
Live/work units – Community Arts Fund	8,663	53,970	(42,210)	(10,536)	9,887
	<u>33,745</u>	<u>53,970</u>	<u>(52,101)</u>	<u>(10,536)</u>	<u>25,078</u>

12 ANALYSIS OF TOTAL FUNDS

	Tangible Fixed Assets £	Other Assets £	Total £
Restricted funds			
- Education fund	-	16,500	16,500
Unrestricted funds			
- General	62,382	124,080	186,462
- Designated	15,191	9,887	25,078
	<u>77,573</u>	<u>150,467</u>	<u>228,040</u>

BOW ARTS TRUST
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS
- continued

13 MOVEMENT OF FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Balance brought forward	155,215	6,010	161,225
Surplus/(Deficit) for the year	56,325	10,490	66,815
Balance carried forward	<u>211,740</u>	<u>16,500</u>	<u>228,040</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

	2010 £	2009 £
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

	2010 £	2009 £
Provision brought forward	<u>5,000</u>	<u>5,000</u>
	<u>5,000</u>	<u>5,000</u>

An amount of £5,000 was provided in a 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.

BOW ARTS TRUST
(A Company Limited by Guarantee)

NOTES TO THE ACCOUNTS
- continued

16 RELATED PARTY TRANSACTIONS

Elizabeth Hall, who was a Trustee throughout the year is also a member of the Finance & Audit Board for 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 £181,091.

J. Winskill was appointed a Trustee in December 2007 and is a partner of Vizards Wyeth who have provided legal services to the Trust. £1,474 of legal fees were incurred 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.