

Registered Number: 03031923  
Charity Number : 1046958

**BOW ARTS TRUST**

**(A company limited by guarantee)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**RPG CROUCH CHAPMAN LLP**  
Chartered Accountants  
62 Wilson Street  
London  
EC2A 2BU

FRIDAY



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19/10/2018

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**BOW ARTS TRUST**  
**(A company limited by guarantee)**

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BOW ARTS TRUST  
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2018

Trustees	M Coles, Chair S Elson M Faull E Hall R Madan H Motani N Smales B Smith C Smith C Swift M Ullah
Company registered number	03031923
Charity registered number	1046958
Registered office	183 Bow Road London E3 2SJ
Company secretary	M Baettig
Chief executive officer	M Baettig
Independent auditors	RPG Crouch Chapman 62 Wilson Street London EC2A 2BU
Bankers	National Westminster Bank Plc 161 Bow Road London E3 2SG  Lloyds Bank Plc PO Box 1000 BX1 1LT  Charity Bank Fosse House 182 High Street Tonbridge TN9 1BE

**BOW ARTS TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

The Trustees present their annual report together with the audited financial statements for the year 1 April 2017 to 31 March 2018. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin (effective 1 January 2015).

Since the charity and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Objectives and Activities**

**OBJECTIVES**

Bow Arts Trust's charitable objectives are:

- The relief of poverty amongst emerging artists by the provision of studio space in which they may create art;
- The promotion and encouragement of the education of the public in the arts, both in the art gallery and elsewhere; and
- 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.

**MISSION STATEMENT**

The purpose of Bow Arts Trust is to support community renewal in east London by delivering arts and creative services through a financially sustainable business model.

Both the charitable objectives and mission of Bow Arts Trust are met through the delivery of services by three distinct departments (Creative Workspace, Education & Learning and Gallery & Events), supported operationally by the Core Services Department.

In formulating the charity's plans and objectives for the period, the trustees and management have taken in to account the Charities Commission guidance on public benefit. Each of the sections that follow includes a summary of performance and achievements for the year, incorporating impacts and activities undertaken to further public benefit.

**CREATIVE WORKSPACE**

During the year ending 31 March 2018, Bow Arts Trust opened Royal Albert Wharf studios, increasing its portfolio of artist studios by a further 36 studios and the total number of studio sites to 12 (2017: 11 sites) providing 364 affordable studios (2017: 328 affordable studios) for 463 artists (2017: 411 artists). The portfolio consists of Bow Road Studios (across two buildings), P1 Studios, Stratford Studios, Rum Factory Studios, St Katharine's Precinct ArtSpace, Old Manor Park Library Studios, Aberfeldy Street Studios, Leegate Studios, Catford Dek Studios, IceHouse Court Studios and Royal Albert Wharf Studios. These sites are all on a leasehold basis.

In 2017/18, Bow Arts Trading also began management of the capital fit out of Lakeside Centre, Thamesmead, which will provide a further 40 affordable artists' studios leased to Bow Arts Trust due to come on-stream in late 2018/19.

In 2017, Bow Arts Trust's Live Work scheme, in partnership with Poplar HARCA, a local registered social landlord, continued to wind down with the last flats in Warren House handed back pending redevelopment. The scheme provided artists with ex-local authority flats in Tower Hamlets to use as affordable Live Work space, however the trust continues to manage two flats with Poplar HARCA at

## BOW ARTS TRUST

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Fitzgerald House. In February 2018, it started to manage a new temporary housing scheme attached to the Lakeside Centre scheme in Thamesmead on behalf of Peabody Housing, this scheme will utilise meanwhile guardian scheme properties designated for redevelopment by Peabody to provide 40 Affordable Tethered flats for artists who wish to take up studios in the Lakeside Centre (due to open Spring 2019).

Free Open Studios events for the public were held at each Bow Arts Trust studio site providing the public with opportunities to see the varied work of artists, designers and makers, and studio holders an opportunity to reach new audiences and showcase their work. Artists' residencies and graduate studio awards provided additional support for artists' to develop their practice and build audiences for their work.

## EDUCATION & LEARNING

Bow Arts Education works closely with schools to develop bespoke programmes that support the delivery of schools' development plans. The resulting education programmes enhance the confidence, skills and qualifications of children and young people, creating pathways into creative industries employment.

In 2017/18 Bow Arts Education worked with 92 schools across 16 London boroughs (2017: 83 schools across 16 London boroughs). It continued to work with individual schools, and develop its consortia model, delivering projects with four consortia (31 schools) in Tower Hamlets and Enfield. Under the support and guidance of professional artists, 11,783 children and young people participated in creating original artwork, with 55 gaining Arts Award qualifications. The work in schools provided employment and volunteering opportunities for artists, and teachers benefitted from an artist-led continuing professional development (CPD) programme. In 2017/18 Bow Arts Trust was awarded significant three-year funding through Paul Hamlyn Foundation's More and Better programme (£238,000) to develop consortia in new areas of London, a comprehensive artist-educator training programme and internal project management and evaluation systems.

## GALLERY & EVENTS

The Nunnery Gallery provides a year-round programme of free exhibitions for local and other communities celebrating local heritage and championing emerging artists across all artforms. The Gallery welcomed over 7,600 visitors during 2017/18 (2017: 7,000). Raw Materials: Wood explored the industrial heritage of the River Lea Valley through the materials of its industry, Bow Open Show 2017 featured the work of 19 Bow Arts artists, selected by renowned British sculptor Alex Chinneck, East London Group: Working Artist (curated by Michael Rosen and Emma-Louise Williams) provided a focus on the work of East London Group member Albert Turpin, Chadwell Award Show showcased prize winner Sunyoung Hwang's residency exhibition, Art for the Environment (presented in partnership with University of the Arts London) showcased the works of six artists whose practice explores the nature of the human impact on the environment. During 2017/18 the Bow Skills CPD programme supported the talent and career development of over 500 artists.

To widen participation and public benefit, Bow Arts Trust ran 13 facilitated free or low cost visits/talks/workshop sessions with school and community groups in 2017/18 (2016/17: 11) along with a wide range of participatory walks, talks, performances and workshops. Public events were organised in collaboration with London Festival of Architecture, London Open House, Frieze (East End Night) and First Thursdays (evening openings).

To support the Nunnery Gallery and the delivery of the exhibition programme the department generated income through: the Nunnery Gallery Patron scheme, public art commission management and venue hire.

## CORE SERVICES

In October 2017, the department expanded to include a new Marketing and Communications Manager role responsible for increasing awareness of the scope and quality of Bow Arts Trust's public benefit provided to artists, children & young people, partners and local communities. Relationships with key development partners Notting Hill Housing and Peabody have continued to

## **BOW ARTS TRUST**

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mature providing opportunities to explore possible new affordable workspace opportunities and place-making activities as part of major housing and regeneration developments. Similarly, Bow Arts Trust's profile and reputation as London's leading affordable workspace provider for emerging artists has continued to grow through representation on key sector forums including GLA's Artists' Workspace Providers Taskforce.

### **Financial review**

#### **GOING CONCERN**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operations for the foreseeable future. For this reason, Bow Arts Trust continues to adopt the going concern basis in preparing its financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

#### **PRINCIPAL FUNDING**

The main income streams in the year continued to be licence fees from artists for the provision of creative workspace and rents receivable for Live/Work spaces.

#### **RESERVES POLICY**

Total funds held at year end are £1,675,115 including £48,948 restricted funds: £5,606 Heritage Lottery Fund and £10,000 Drapers Charitable Fund towards the realisation of Raw Materials: Textiles exhibition; £33,342 Paul Hamlyn Foundation towards education activities.

Bow Arts Trust's policy, in line with best practice, is to maintain a working reserve of between 2 months and 4 months of gross expenditure as General Funds within Unrestricted Funds, in order to provide a cushion against unanticipated reductions in income or increases in expenditure. For the 2017/18 year this equates to between £194,000 and £571,000. Current unrestricted reserves at year end are £326,167 which sits comfortably within our reserves target. Funds related to fixed assets are disclosed in Note 19.

In order to accumulate sufficient funds to support the purchase or development of a longer term interest in buildings (potentially as permanent affordable workspace or Live/Work space for artists) the Trustees have established a designated fund ('Resilience Fund') with a nominal target of £5m which will be reviewed on an annual basis.

#### **INVESTMENT POLICY**

Our current investment policy is to hold funds in liquid form in short notice deposit accounts for easy access.

### **Structure, Governance and Management**

#### **CONSTITUTION**

Bow Arts Trust was founded by Marcel Baettig in 1995. Bow Arts Trust is registered with the Charity Commission (registered charity number 1046958) and is also a Company Limited by Guarantee (company number 03031923). Bow Arts Trust is established under a Deed of Trust dated 6 June 1995 and Memorandum & Articles of Association dated 6th March 1995, as amended by a Deed of Amendment dated 13th January 2006 and a Special Resolution in December 2017.

#### **APPOINTMENT OF TRUSTEES**

As set out in the Memorandum and Articles, 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.

#### **TRUSTEE TRAINING AND INDUCTION**

New Trustees undergo induction to the organisation by the Chair of the Board and the Chief Executive during which they have the opportunity to meet members of staff and to visit sites and

## **BOW ARTS TRUST**

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projects under Bow Arts Trust's management. In addition, they are asked to attend meetings of the Board as observers. All newly appointed Trustees are given a Trustee Induction Pack and must sign a Trustee Code of Conduct and agree to the Trustee Conflict of Interest Policy. Trustees are offered access to training to support them in their roles.

### **STAFFING**

The Bow Arts group has 22 members of staff, 18 working full-time and 4 part-time. Bow Arts Trust is an accredited London Living Wage employer. The gallery and events programme is supported through a rolling volunteer programme and in 2017 we hired our first Gallery Assistant through the Shared Training and Employment Programme (STEP). The education programme provides volunteer opportunities to artists wishing to gain experience of arts education in schools. In 2017/18, the total number of volunteers was 155 (2017: 120).

### **SENIOR STAFF PAY**

The salaries of senior management are reviewed annually by the Trustees through the Remuneration Committee. Salary levels are benchmarked using charity, arts and public sector management comparators.

### **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

During this accounting period (year ending 31st March 2018) the Trustees were the sole members of the company. All members are granted one vote per company resolution including the election/re-election of trustees to the Board and AGM. The Board devolves certain responsibilities to the Core Services Committee which meets quarterly, approximately 4 weeks before each board meeting and the Remuneration Committee which meets bi-annually.

The governing body of the company is the Board of Trustees which currently has eleven members and a maximum of fourteen members. The Trustees (listed on page 1) delegate the day to day management of Bow Arts Trust to the Chief Executive. The Board is responsible for setting strategies and policies with the Chief Executive.

Bow Arts Trading Ltd is a subsidiary of Bow Arts. The trading company was established in 2016 to deliver activity that (1) contributes to Bow Arts' charitable objectives, and (2) raises funds for the charity.

### **RISK MANAGEMENT**

The Trustees have assessed the major risks to which the charity and the group is exposed, in particular those related to the operations and finances of the charity and the group, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks including the potential lack of availability of suitable property to expand or replace studios in the portfolio; early breaks in existing leasehold property; flood, fire or similar causing temporary destruction of part of the portfolio.

Measures put in place to strengthen systems and mitigate risk include:

- Senior management team meetings are held at least monthly
- Board and Core Services Committee meetings are held at least quarterly
- Additional sub-committees and advisory groups have been established to provide specific trustee support to individual areas of strategic development
- External specialist advice is sought where appropriate under advice from the Core Services Committee or individual trustees.

### **Plans for future periods**

#### **FUTURE DEVELOPMENTS**

The increase in property values in London alongside public funding cuts continues to adversely affect the supply of empty buildings for affordable creative workspace; the length of leases; landlord rents and business rates. In response, Bow Arts Trust has continued to broaden its search for suitable properties across London and beyond, with a range of partners and agencies engaged in housing

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developments, regeneration and place-making.

Planned new openings include Lakeside Centre, Thamesmead, in partnership with Peabody (Spring 2019).

## FUNDRAISING PRACTICES

Bow Arts Trust raises additional funds to support its charitable work primarily through donations from artists, patrons and visitors. As is best practice any complainants would be referred to the Fundraising Regulator.

## TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Bow Arts Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the Group strategic report, was approved by the Trustees in their capacity as company directors on 19/9/18 and signed on their behalf by:

  
.....  
M Coles  
Chair



BOW ARTS TRUST  
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOW ARTS TRUST

OPINION

We have audited the financial statements of Bow Arts Trust (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2018 set out on pages 10 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's 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 and the Charities Act 2011.

BASIS FOR OPINION

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, and Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOW ARTS TRUST

### CONCLUSIONS RELATING TO GOING CONCERN

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

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

### OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- the parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or

BOW ARTS TRUST  
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOW ARTS TRUST

- certain disclosures of Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Group strategic report.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.



Jeremy Tyrrell FCA BA (Hons) (Senior statutory auditor)

for and on behalf of

RPG Crouch Chapman

62 Wilson Street

London

EC2A 2BU

Date: 3/10/2018

RPG Crouch Chapman are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

BOW ARTS TRUST  
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Grants, donations and legacies	2	353,616	274,913	628,529	663,128
Charitable activities:					
Licence fees & rents receivable		865,882	-	865,882	812,004
Education income		326,405	-	326,405	338,325
Gallery income		59,965	-	59,965	49,380
Other income		9,917	-	9,917	30,490
Trading activities	3	401,442	-	401,442	66,478
Investments	4	16,487	-	16,487	14,719
<b>TOTAL INCOME</b>		<b>2,033,714</b>	<b>274,913</b>	<b>2,308,627</b>	<b>1,974,524</b>
EXPENDITURE ON:					
Charitable activities	5	1,559,063	263,518	1,822,581	1,735,583
Other expenditure:					
Other expenditure		400,009	-	400,009	38,961
<b>TOTAL EXPENDITURE</b>		<b>1,959,072</b>	<b>263,518</b>	<b>2,222,590</b>	<b>1,774,544</b>
Net income before taxation		74,642	11,395	86,037	199,980
Taxation		-	-	-	(67)
<b>NET INCOME BEFORE OTHER     RECOGNISED GAINS AND LOSSES</b>		<b>74,642</b>	<b>11,395</b>	<b>86,037</b>	<b>199,913</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>74,642</b>	<b>11,395</b>	<b>86,037</b>	<b>199,913</b>
RECONCILIATION OF FUNDS:					
Total funds brought forward		1,551,525	37,553	1,589,078	1,389,165
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,626,167</b>	<b>48,948</b>	<b>1,675,115</b>	<b>1,589,078</b>

The notes on pages 15 to 32 form part of these financial statements.


BOW ARTS TRUST  
(A company limited by guarantee)  
REGISTERED NUMBER: 03031923

CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2018

	Note	£	2018 £	2017 £
<b>FIXED ASSETS</b>				
Tangible assets	10		29,756	126,316
<b>CURRENT ASSETS</b>				
Debtors	13	729,888	252,198	
Cash at bank and in hand		1,938,140	1,747,451	
		<u>2,668,028</u>	<u>1,999,649</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(1,022,669)</u>	<u>(536,887)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,645,359</u>	<u>1,462,762</u>
<b>NET ASSETS</b>			<u>1,675,115</u>	<u>1,589,078</u>
<b>CHARITY FUNDS</b>				
Restricted funds	16	48,948		37,553
Unrestricted funds	17,18	1,626,167		1,551,525
<b>TOTAL FUNDS</b>			<u>1,675,115</u>	<u>1,589,078</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 19/9/2018 and signed on their behalf, by:

  
.....  
**M Coles**

The notes on pages 15 to 32 form part of these financial statements.

BOW ARTS TRUST  
(A company limited by guarantee)  
REGISTERED NUMBER: 03031923

CHARITY BALANCE SHEET  
AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	10		29,756		126,316
Investments	11		1		1
			<u>29,757</u>		<u>126,317</u>
<b>CURRENT ASSETS</b>					
Debtors	13	377,394		237,688	
Cash at bank and in hand		1,841,875		1,693,138	
		<u>2,219,269</u>		<u>1,930,826</u>	
CREDITORS: amounts falling due within one year	14	(574,183)		(468,332)	
<b>NET CURRENT ASSETS</b>			<u>1,645,086</u>		<u>1,462,494</u>
<b>NET ASSETS</b>			<u>1,674,843</u>		<u>1,588,811</u>
<b>CHARITY FUNDS</b>					
Restricted funds	16		48,948		37,553
Unrestricted funds	17, 18		1,625,895		1,551,258
<b>TOTAL FUNDS</b>			<u>1,674,843</u>		<u>1,588,811</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 19/9/2018 and signed on their behalf, by:



.....  
**M Coles**

The notes on pages 15 to 32 form part of these financial statements.

**BOW ARTS TRUST**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>175,967</u>	<u>367,259</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		16,487	14,719
Purchase of tangible fixed assets		(1,768)	(9,280)
Purchase of investments		-	(1)
Net cash provided by investing activities		<u>14,719</u>	<u>5,438</u>
Change in cash and cash equivalents in the year		190,686	372,697
Cash and cash equivalents brought forward		<u>1,747,452</u>	<u>1,374,755</u>
Cash and cash equivalents carried forward	21	<u><u>1,938,138</u></u>	<u><u>1,747,452</u></u>

The notes on pages 15 to 32 form part of these financial statements.

**BOW ARTS TRUST**  
**(A company limited by guarantee)**

**CHARITY CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	134,017	312,946
Cash flows from investing activities:			
Dividends, interest and rents from investments		16,487	14,719
Purchase of tangible fixed assets		(1,768)	(9,282)
Net cash provided by investing activities		14,719	5,437
Change in cash and cash equivalents in the year		148,736	318,383
Cash and cash equivalents brought forward		1,693,138	1,374,755
Cash and cash equivalents carried forward	21	1,841,874	1,693,138

The notes on pages 15 to 32 form part of these financial statements.



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(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historic cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. This is due to the Charities (Accounts and Reports) Regulations 2008 still referring to the the Charities SORP 2005, and following those regulations would require the application of an obsolete version of the SORP. The 'true and fair' override has therefore been applied, as UK GAAP requires charitable companies to apply the Charities SORP (FRS 102).

Bow Arts Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The presentation currency is GBP and all amounts are rounded to the nearest £.

Company status

The charity is a private company limited by guarantee registered in England & Wales. Its registered office address is 183 Bow Road, London, E3 2SJ. The members of the charity are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The principal activity of the charity remained the supply of affordable studio facilities for emerging artists, the education of the public and children in the arts and the provision of an art gallery for the exhibition of contemporary art, design and applied art.

The charity's wholly owned subsidiary, Bow Arts Trading Limited, is a private limited company with a share capital of £1. Its registered office address is 183 Bow Road, London E3 2SJ, which is also its principal place of operation. The principal activity of the company is that of property management and development.

Going concern

The trustees are of the opinion that there are no factors which may have a negative impact on the charity's going concern status.

BOW ARTS TRUST  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (CONTINUED)

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general voluntary time of volunteers is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

BOW ARTS TRUST  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

The financial statements consolidate the accounts of Bow Arts Trust and its subsidiary undertaking, Bow Arts Trading Limited.

The charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the charity was £86,037 (2017 - £199,647).

Turnover

Turnover comprises revenue recognised by the charity in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	over the length of the lease
Office and computer equipment	-	20% per annum (over 5 years)
Live/ Work improvements	-	over three years
New Studios	-	over the length of the lease, or period to first break clause

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

BOW ARTS TRUST  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (CONTINUED)

Interest receivable

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

Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Debtors

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

Cash at Bank and in hand

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

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

BOW ARTS TRUST  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The charity's trading subsidiary, Bow Arts Trading Limited, is liable to Corporation Tax and details are included in the consolidated statement of financial activity.

Pensions

The charity contributes to personal pension plans for its employees and pension contributions are included in the Statement of Financial Activity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

BOW ARTS TRUST  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

**Accruals**

Accruals are based on past experience or invoices received after the year end.

**Depreciation**

Depreciation is based on the estimated useful lives of the underlying assets. The estimated useful lives are based on experience and industry-specific benchmarks.

2. INCOME FROM GRANTS, DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Grants and Donations - unrestricted	321,549	-	321,549	373,540
Grants and Donations - restricted	-	274,913	274,913	251,455
Gift aid	32,067	-	32,067	38,133
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	353,616	274,913	628,529	663,128
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	411,673	251,455	663,128	
	<hr/>	<hr/>	<hr/>	

BOW ARTS TRUST  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

3. TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<u>Group trading income</u>				
Funding for major projects	8,800	-	8,800	8,394
Project income	340,065	-	340,065	21,405
Management fees	40,000	-	40,000	36,679
Space hire income	2,418	-	2,418	-
Place making income	10,159	-	10,159	-
	<u>401,442</u>	<u>-</u>	<u>401,442</u>	<u>66,478</u>
Net income from trading activities	<u>401,442</u>	<u>-</u>	<u>401,442</u>	<u>66,478</u>

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank and other interest receivable	<u>16,487</u>	<u>-</u>	<u>16,487</u>	<u>14,719</u>
Total 2017	<u>14,719</u>	<u>-</u>	<u>14,719</u>	

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Costs £	Core Support Costs £	Total 2018 £	Total 2017 £
Provision of Creative Workspace	931,920	171,513	1,103,433	1,006,660
Education Projects	393,440	72,410	465,850	497,802
Gallery Programmes & Events	161,785	29,776	191,561	167,469
Governance	-	61,737	61,737	63,652
Total	<u>1,487,145</u>	<u>335,436</u>	<u>1,822,581</u>	<u>1,735,583</u>

**BOW ARTS TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**6. SUPPORT COSTS**

	Property £	Education £	Gallery £	Governance £	Total 2018 £	Total 2017 £
Staff Costs	129,320	54,597	22,451	46,549	252,917	244,117
Depreciation	2,667	1,126	463	960	5,216	5,216
Office overheads	23,264	9,822	4,039	8,374	45,499	38,426
Marketing	3,155	1,332	548	1,136	6,171	8,616
Professional Fees & Charges	13,107	5,533	2,275	4,718	25,633	36,000
<b>Total</b>	<b>171,513</b>	<b>72,410</b>	<b>29,776</b>	<b>61,737</b>	<b>335,436</b>	<b>332,375</b>

Salaries, office costs and governance have been apportioned between departments on the basis of time spent.

**7. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	40,252	43,094
Exceptional depreciation charge on write off of the Rum Factory tenants fixtures	58,076	-

During the year, no Trustees received any remuneration (2017 - £NIL).  
During the year, no Trustees received any benefits in kind (2017 - £NIL).  
During the year, one Trustee received training paid for by the Trust.

**8. AUDITORS' REMUNERATION**

	2018 £	2017 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	7,325	5,686
Fees payable to the charity's auditor in respect of: The auditing of accounts of subsidiaries of the company	3,150	1,000



**BOW ARTS TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**9. STAFF COSTS**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	558,471	520,227
Social security costs	54,840	49,988
Other pension costs	3,669	-
	<u>616,980</u>	<u>570,215</u>

The average number of persons employed by the charity during the year was as follows:

2018 No.	2017 No.
20	18

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £80,001 - £90,000	1	1

Key management comprises the Chief Executive Officer, who is also a director in Bow Arts Trading Limited, and five heads of department (includes two Gallery Co-Directors) who are responsible for managing the day-to-day affairs of the charity. The total remuneration for the year for key management was £274,095 (2017: £263,037).

BOW ARTS TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

10. TANGIBLE FIXED ASSETS

<u>Group</u>	Long-term leasehold property £	Fixtures and fittings £	Total £
<u>Cost</u>			
At 1 April 2017	197,550	50,254	247,804
Additions	-	1,768	1,768
Disposals	(148,966)	(9,128)	(158,094)
At 31 March 2018	<u>48,584</u>	<u>42,894</u>	<u>91,478</u>
<u>Depreciation</u>			
At 1 April 2017	88,810	32,678	121,488
Charge for the year	32,123	8,129	40,252
Exceptional charge in the period	58,076	-	58,076
On disposals	(148,966)	(9,128)	(158,094)
At 31 March 2018	<u>30,043</u>	<u>31,679</u>	<u>61,722</u>
<u>Net book value</u>			
At 31 March 2018	<u>18,541</u>	<u>11,215</u>	<u>29,756</u>
At 31 March 2017	<u>108,740</u>	<u>17,576</u>	<u>126,316</u>

The exceptional depreciation in the period shown above in the sum of £58,076 represents the depreciation of the Rum Factory tenants fixtures where the lease terminates next year and the assets have been fully written off and are shown in "disposals" above.

BOW ARTS TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

<u>Charity</u>	Long-term leasehold property £	Fixtures and fittings £	Total £
<u>Cost</u>			
At 1 April 2017	197,550	50,254	247,804
Additions	-	1,768	1,768
Disposals	(148,966)	(9,128)	(158,094)
At 31 March 2018	48,584	42,894	91,478
<u>Depreciation</u>			
At 1 April 2017	88,810	32,678	121,488
Charge for the year	32,123	8,129	40,252
Exceptional charge in the period	58,076	-	58,076
On disposals	(148,966)	(9,128)	(158,094)
At 31 March 2018	30,043	31,679	61,722
<u>Net book value</u>			
At 31 March 2018	18,541	11,215	29,756
At 31 March 2017	108,740	17,576	126,316

The exceptional depreciation in the period shown above in the sum of £58,076 represents the depreciation of the Rum Factory tenants fixtures where the lease terminates next year and the assets have been fully written off and are shown in "disposals" above.

BOW ARTS TRUST  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	
<u>Charity</u>		
<u>Cost</u>		
At 1 April 2017 and 31 March 2018		1
		<u>1</u>
<u>Charity investments at cost comprise:</u>		
	2018	2017
	£	£
Group	1	1
	<u>1</u>	<u>1</u>

12. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost	1,229,888	552,198
	<u>1,229,888</u>	<u>552,198</u>
Financial liabilities measured at amortised cost	979,731	530,453
	<u>979,731</u>	<u>530,453</u>

Financial assets measured at amortised cost comprise the group's debtors and deposit balances where immediate access is restricted.

Financial liabilities measured at amortised cost comprise the group's creditors less amounts owed to HMRC.

BOW ARTS TRUST  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

13. DEBTORS

	2018	Group	2018	Charity
	£	2017	£	2017
		£		£
Trade debtors	427,089	67,457	63,041	47,057
Amounts owed by group undertakings	-	-	11,554	27,295
Other debtors	19,654	16,189	19,654	16,189
Prepayments and accrued income	283,145	168,552	283,145	147,147
	<u>729,888</u>	<u>252,198</u>	<u>377,394</u>	<u>237,688</u>

14. CREDITORS: Amounts falling due within one year

	2018	Group	2018	Charity
	£	2017	£	2017
		£		£
Trade creditors	168,470	72,950	124,671	58,775
Corporation tax	-	67	-	-
VAT	42,938	6,367	-	-
Other creditors	174,559	155,247	174,429	155,247
Accruals and deferred income	636,702	302,256	275,083	254,310
	<u>1,022,669</u>	<u>536,887</u>	<u>574,183</u>	<u>468,332</u>

15. DEFERRED INCOME

	2018	2017
	£	£
Opening balance	58,152	139,730
Received in the year	85,273	58,152
Released in the year	(58,152)	(139,730)
Closing balance	<u>85,273</u>	<u>58,152</u>

Income which straddles the year end is allocated to financial years based on the accounting period to which it relates, subject to the special requirements and targets set out by the grant providers in the underlying agreements.

BOW ARTS TRUST  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

16. RESTRICTED FUNDS - Current Year

	Balance at 1 April 2017 £	Income £	Expenditure £	Fund Balance at 31 Transfers £	March 2018 £
Aberfeldy Village LLP	-	4,000	(4,000)	-	-
Arts Council NPO Grant	-	50,290	(50,290)	-	-
Arts Council Capital Grant	37,253	-	(37,253)	-	-
HLF Grant - Wood	-	11,913	(11,913)	-	-
HLF Grant - Textiles	-	17,050	(11,444)	-	5,606
Drapers Charitable Fund - Textiles	-	10,000	-	-	10,000
London Borough of Lewisham (Grant/SLA)	-	52,376	(52,376)	-	-
London Borough of Newham (Grant/ SLA)	-	57,000	(57,000)	-	-
Paul Hamlyn Foundation	-	66,500	(33,158)	-	33,342
STEP	-	2,867	(2,867)	-	-
TANDEM Europe	300	2,917	(3,217)	-	-
Total	37,553	274,913	(263,518)	-	48,948

RESTRICTED FUNDS - Prior Year

	Balance at 1 April 2016 £	Income £	Expenditure £	Fund Balance at 31 Transfers £	March 2017 £
Aberfeldy Village LLP	-	4,000	(4,000)	-	-
Aldgate & Allhallows Grant	6,937	-	(6,937)	-	-
Arts Council NPO Grant	-	50,290	(50,290)	-	-
Arts Council Capital Grant	63,959	-	(26,706)	-	37,253
Community Fund - East Thames SLA	-	10,000	(10,000)	-	-
Creative Employment Payment (Grant)	-	2,500	(2,500)	-	-
HLF Grant	-	16,950	(16,950)	-	-
Legacy List Grant (Foundation for Future London)	-	10,000	(10,000)	-	-
London Borough of Barking and Dagenham Grant	23,667	-	(23,667)	-	-
London Borough of Newham (Grant/ SLA)	-	80,750	(80,750)	-	-
London Borough of Lewisham (Grant/ SLA)	-	70,607	(70,607)	-	-
TANDEM Europe	-	6,358	(6,058)	-	300
Total	94,563	251,455	(308,465)	-	37,553

BOW ARTS TRUST  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

17. DESIGNATED FUNDS - Current Year

	Balance at 1 April 2017 £	Income £	Expenditure £	Fund Balance at 31 Transfers £	March 2018 £
Resilience Fund	1,150,000	-	-	150,000	1,300,000
Gallery Programme Fund	28,732	-	-	(28,732)	-
<b>Total</b>	<b>1,178,732</b>	<b>-</b>	<b>-</b>	<b>121,268</b>	<b>1,300,000</b>

DESIGNATED FUNDS - Prior Year

	Balance at 1 April 2016 £	Income £	Expenditure £	Fund Balance at 31 Transfers £	March 2017 £
Resilience Fund	1,000,000	-	-	150,000	1,150,000
Gallery Programme Fund	-	28,732	-	-	28,732
<b>Total</b>	<b>1,000,000</b>	<b>28,732</b>	<b>-</b>	<b>150,000</b>	<b>1,178,732</b>

The Resilience Fund was established in 2012 to achieve greater financial security through investment in property. The supply of affordable studio facilities, live/ work space and affordable tethered accommodation for emerging artists is one of our three main charitable activities. It is also the charity's main income source subsidising both our education and cultural programmes. During the year £150,000 (2017: £150,000) was transferred from general funds to the Resilience Fund.

18. GENERAL FUNDS - Current Year

	Balance at 1 April 2017 £	Income £	Expenditure £	Fund Balance at 31 Transfers £	March 2018 £
General funds	372,793	2,033,714	(1,959,072)	(121,268)	326,167

GENERAL FUNDS - Prior Year

	Balance at 1 April 2016 £	Income £	Expenditure £	Fund Balance at 31 Transfers £	March 2017 £
General funds	294,602	1,723,069	(1,494,878)	(150,000)	372,793

Of the total general funds, £267 (2017: £266) are retained in a non-charitable subsidiary.

BOW ARTS TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	29,756	-	29,756
Current assets	2,619,080	48,948	2,668,028
Creditors due within one year	(1,022,669)	-	(1,022,669)
	<u>1,626,167</u>	<u>48,948</u>	<u>1,675,115</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	126,316	-	126,316
Current assets	1,962,096	37,553	1,999,649
Creditors due within one year	(536,887)	-	(536,887)
	<u>1,551,525</u>	<u>37,553</u>	<u>1,589,078</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM  
OPERATING ACTIVITIES

	2018 £	Group 2017 £	2018 £	Charity 2017 £
Net income for the year (as per Statement of Financial Activities)	86,037	199,913	86,037	199,646
Adjustment for:				
Depreciation charges	40,252	43,094	40,252	43,094
Dividends, interest and rents from investments	(16,487)	(14,719)	(16,487)	(14,719)
Exceptional depreciation on Rum Factory	58,076	-	58,076	-
(Increase)/decrease in debtors	(477,691)	42,949	(139,709)	57,458
Increase in creditors	<u>485,780</u>	<u>96,022</u>	<u>105,848</u>	<u>27,467</u>
<u>Net cash provided by operating activities</u>	<u>175,967</u>	<u>367,259</u>	<u>134,017</u>	<u>312,946</u>



**BOW ARTS TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	Group 2017 £	2018 £	Charity 2017 £
Cash in hand	1,938,138	1,747,452	1,841,874	1,693,138
Total	<u>1,938,138</u>	<u>1,747,452</u>	<u>1,841,874</u>	<u>1,693,138</u>

**22. RELATED PARTY TRANSACTIONS**

	2018 £	2017 £
Poplar Harca	60,247	162,449
Apex Law	3,600	2,730
Royal Foundation of St Katharine	2,496	2,586
Manorfield Primary School	400	275
T Garland	4,791	-
London Borough of Tower Hamlets	-	30,220

**Poplar Harca**

E Hall was a member of the Poplar HARCA Audit & Risk Committee during the financial year. Bow Arts paid Poplar HARCA service charges during the year for flats managed under the Live/Work Scheme.

**Royal Foundation of St Katharine**

E Hall is also a Member of the Royal Foundation of St Katharine. The payment in the above table relates to service charges for the Bow Arts studios at St Katharine Precinct.

**Manorfield Primary School**

R Smith is a Governor of Manorfield Primary School. The charity paid the school for artists CPD sessions.

**Apex Law**

J Winskill, a former trustee, is a Consultant Solicitor with Apex Law LLP. Bow Arts uses the services of Apex Law for the provision of legal services advice on new leases.

Tessa Garland, who is a related party through Marcel Baettig, provided lead artist services for the Bexley Lantern Parade.

**Bow Arts Trading Limited**

During the year, £32,901 (2017: £21,483) were accrued by Bow Arts Trading Limited, the charity's trading subsidiary, in respect of staff shared with Bow Arts Trust. During the year, Bow Arts Trading Limited made a gift aid donation of £1,429 (2017: £5,700) to Bow Arts Trust. At the year end, Bow Arts Trading Limited owed Bow Arts Trust £11,554 (2017: £5,812).

Further details about intergroup balances can be found in note 13.

BOW ARTS TRUST  
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

23. SUBSIDIARY

Bow Arts Trading Limited

Subsidiary name	Bow Arts Trading Limited
Company registration number	10072462
Basis of control	Fully owned subsidiary of Bow Arts Trust
Equity shareholding %	100%
Total assets as at 31 March 2018	£ 460,307
Total liabilities as at 31 March 2018	£ (460,040)
Total equity as at 31 March 2018	£ 267
Turnover for the year ended 31 March 2018	£ 401,442
Expenditure for the year ended 31 March 2018	£ 401,442
Result for the year ended 31 March 2018	£ -

BOW ARTS TRUST  
(A company limited by guarantee)

CONSOLIDATED DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018

		2018 £	2017 £
CHARITY INCOME (AND TRADING COMPANY)			
Grants received	274,913	270,876	
Donations	321,550	354,120	
Gift Aid	32,066	38,133	
Licence fees & rent receivable	865,882	812,004	
Education income	326,405	338,323	
Gallery income	59,965	49,380	
Other income	26,404	45,210	
Income from trading activities	401,442	66,478	
TOTAL CHARITY INCOME (AND TRADING COMPANY)		2,308,627	1,974,524
LESS: EXPENDITURE			
Staff costs	649,884	570,215	
Other staff related expenditure	13,540	7,157	
Freelance costs	207,025	239,243	
Project costs	111,910	110,752	
Rent, rates & utilities	603,002	570,143	
Property m'nance & improvements	182,226	144,744	
Marketing costs	9,087	16,132	
Office overheads	30,421	31,252	
Professional fees	8,444	13,043	
Audit fee	14,241	6,806	
Insurance	13,094	12,248	
Finance costs	5,106	7,761	
Other costs	12,174	6,089	
Trading expenses	362,436	38,959	
TOTAL EXPENDITURE		2,222,590	1,774,544
NET INCOME FROM CHARITABLE SOURCES		86,037	199,980
OTHER EXPENDITURE			
Taxation		-	(67)
NET INCOME FOR THE YEAR		86,037	199,913