

Registered number: 03031923
Charity number: 1046958

BOW ARTS TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

RPG Crouch Chapman LLP
Chartered Accountants & Statutory Auditor
14-16 Dowgate Hill
London
EC4R 2SU

BOW ARTS TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees	M Coles, Chair E Marshall R Madan Dr M Owens N Smales B Smith C Smith C Swift S Pallister
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 5th Floor 14-16 Dowgate Hill London EC4R 2SU
Bankers	Lloyds Bank Plc PO Box 1000 BX1 1LT Aldermore Bank 1st Floor, Block B Western House Lynch Wood Peterborough PE2 6FZ

BOW ARTS TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the charity for the 1 April 2022 to 31 March 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable 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 (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objectives and Activities

In 2022-23, in light of its annual review of governance, the Board of Trustees voted to update Bow Arts Charitable Objects to reflect the changes that have taken place in the activities of the charity since 1995. Over the past 27 years, Bow Arts has grown in learning, reach and impact and is now established as one of London's leading charities in its field. As we continue our work with emerging artists across communities, we have seen both residential and creative communities face new challenges and hardships, including the global pandemic. Bow Arts has always tried to engage and respond positively to these changes and have brought in these changes to our charitable objects to enable us to better respond to the challenges we and our beneficiaries face in the future.

OBJECTIVES

Bow Arts Trust's charitable objectives are:

- The provision and maintenance of an art gallery or art space for exhibition to the public of modern and fine art, design and applied art and of work done by students and young emerging artists;
- The promotion and encouragement of the education of the public in the arts, through an art gallery or art galleries, art spaces and elsewhere;
- The education of children, students and teaching staff in the arts in schools and other educational establishments; and
- The relief of poverty amongst emerging artists by the provision of studio space in which they may create art and by the provision of residential accommodation for emerging artists and their partners and/or dependents.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

b. Mission Statement

We create inspirational, supportive environments where artists and communities interact, learn and flourish. We make creative activity sustainable within our local communities, creating opportunities to work, learn and enjoy affordable, lifelong access to the arts.

Both the charitable objectives and mission of Bow Arts Trust are met through the delivery of services by four distinct departments; Creative Workspace, Learning, Arts & Events and Enterprise & Placemaking, 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.

c. Activities undertaken to achieve objectives

CREATIVE WORKSPACE

The Trust's principal funding continues to be earned through licence fees from artists for the provision of creative workspace and rents receivable for Live/Work spaces.

During the year ending 31 March 2023, Bow Arts Trust completed the purchase and fit out of Three Waters studios. We also took on a new studio site, Langdale Street studios in Camden. We now provide a total of 547 affordable studios and live/work flats across the portfolio. The portfolio consists of Bow Road (across two buildings), P1, Stratford, Old Manor Park Library, Leegate, Catford DEK, Canada Street, IceHouse Court, Royal Albert Wharf, Lakeside Centre, Thamesmead Flats, Leyton, Riverside Mill, Durham Street Studios Camden Studios and Three Waters. These sites are all occupied on a leasehold basis except for Three Waters, which we have purchased on a 999-year lease.

The purchase of Three Waters was made possible by careful financial management over many years, building our Resilience Fund to achieve our goal of purchasing a longer-term interest in buildings. This will bring security both to Bow Arts and to our studio artists, protecting us from the insecurities of short leases, landlord rents and public funding cuts which continue to affect the supply of empty buildings for affordable creative workspace.

EDUCATION & LEARNING

Bow Arts Learning team works closely with schools to develop bespoke programmes that support the delivery of schools' development plans. The resulting programmes enhance the confidence, skills and qualifications of children and young people, creating pathways into creative industries employment. Workshops are bespoke, which has enabled a flexible approach to fit the ways in which partner schools have been operating during the pandemic.

In 2022-23 we felt the ongoing impact of pressures on schools budgets however our reach grew compared to 2021-22; we worked with 86 school clients (71 21-22), and worked with 10,264 individual participants (7,897 in 21-22).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

We continue our work with the Paul Hamlyn Foundation, through their grant support from their social justice and creative arts learning in school's fund. This project which started in Autumn 2021 was developed in response to the social injustices highlighted by recent global events. Over the two-year period, we will work in collaboration with schools and artists to explore current issues and barriers that children and young people face, producing arts-based projects that respond to the specific needs of the students, helping them to engage with and address social justice issues.

This year also saw the start of our first large-scale Early Years focused programme, with artist educators working on a Creativity and Literacy project, commissioned by London Borough of Barking and Dagenham Early Years Team. The artists are working directly on creative workshops with ten nurseries and will then share their activities and reflections with the other 60 nurseries in the borough through a planning resource. The project aims to show nursery staff how to creatively interpret their key text for the term, My World, Your World, which celebrates the differences and similarities between children in different cultures and locations around the world.

GALLERY & EVENTS

The Nunnery Gallery provides a year-round programme of free exhibitions and events for local and wider communities, celebrating local heritage and championing emerging artists across all artforms.

The gallery hosted four exhibitions within 22-23 alongside a number of shorter private hires:

Maria Amidu, Living in Fear of Quicksand: supported with Arts Council England funding and in partnership with Tower Hamlets Local History Library & Archive, the exhibition explored a fragile relationship with home drawn from Maria's experience of early years on the Lincoln Estate, Bow.

Visions in the Nunnery: the 13th edition of the gallery's biennial moving image showcase – and by far our most international show. We received 448 submissions from 48 countries across the world for this year's open call. 42 artists were then selected for exhibition, hailing from 20 different countries across the globe, including China, Finland, Iran, Singapore and Ukraine.

ME 2 U: A collective manifesto; Baesianz presents the 2022 Bow Open: Baesianz called upon Bow Arts artists to share their methods of survival, in an ode to the ceremony of togetherness and the resourcefulness found within oneself and in community. 20 artist's works were exhibited from across our studio sites and from our Artist Educators. The exhibition explored regenerative themes surrounding rebirth and renewal, a reclamation of feminist and queer narratives, and the honouring of nature, both internal and external, as material.?

East London Art Prize Shortlist Exhibition: The East London Art Prize Shortlist Exhibition kickstarted the Nunnery Gallery's programme for 2023 featuring the work of the 12 shortlisted artists in a real celebration of the talent and diversity of art made in east London.

The Nunnery Café also had a changing series of exhibitions showcasing the works of Bow Arts studio and learning artists, providing additional ways for our artists to promote themselves and sell works.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

Alongside the exhibition programme, the Bow Skills programme of artist CPD provided 13 sessions across our studio sites, including sessions on pricing your artwork and digital marketing for artists. We also extended our Bow Families trial, providing local families with free creative workshops run by local artist educators. Bow Families addresses the need for participatory, hands-on creative activity for local families whose children had missed opportunities to develop these skills through the pandemic. Bow Families workshops are run alongside the Nunnery Gallery's exhibitions, drawing on show content for inspiration.

We also secured significant private grant funding for the East London Art Prize, which together with existing support from our sponsor, Minerva, will fund a second iteration / further two years of the prize, improve the depth and reach of our events and mentoring programmes and allow us to better support all artists involved in the prize as well as a wider audience of artists in east London.

ENTERPRISE & PLACEMAKING

The Enterprise & Placemaking department has taken on the role of workspace development, working with partners to find new opportunities for Bow Arts to embed creative practice within new property developments and ensure we maintain a consistent pipeline of opportunities.

The team also manage a programme of creative activity from our hub sites in Royal Albert Wharf, Oaklands Lab and Thamesmead, growing cultural communities and reinvesting funds from artists donations and partner support to provide a wide range of support and creative opportunities to creatives and locals alike.

CORE SERVICES

Core services support the financial and administrative work of the trust and manage Governance on behalf of the Board of Trustees.

Financial review

a. Going concern

After making appropriate enquiries within the charity, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operations for the foreseeable future. The recovery of churn and void rates for studios pose the greatest risk with potential impact on reserves. The position continues to be monitored.

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.

b. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

c. Reserves policy

Total consolidated funds held at year end are £3,259,799, including £292,711 in restricted funds, as detailed in note 19.

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.

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.

d. Investment Policy

Our current investment policy is to hold funds in liquid form in short notice deposit accounts for easy access. For free reserves in excess of £0.5m the board will now also consider investment opportunities around income bearing, high liquidity and low risk portfolio options.

Structure, governance and management

a. 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 3031923). 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 Special Resolutions in December 2017 and December 2022.

b. Methods of appointment or election 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.

c. Policies adopted for the induction and training of Trustees

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 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

d. Staffing

The Bow Arts group has 26 members of staff. Bow Arts Trust is an accredited London Living Wage employer. The gallery and events programme continues to be supported by the Shared Training and Employment Programme (STEP).

e. Pay policy for key management personnel

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.

f. Organisational structure and decision-making policies

During this accounting period (year ending 31st March 2023) 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 and Governance and Compliance Committee which both meet bi-annually.

The governing body of the company is the Board of Trustees which currently has nine 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.

g. 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 fortnightly
- 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

- The Board has set out key organisational risks and delegated specific responsibilities to individual trustees to keep these risks under review, monitoring and liaising with key staff as necessary and reporting any significant risks to the Board of Trustees for action. Strategic Risk is covered at every Board Meeting, as is Horizon scanning for any potential changes globally, economically or locally that could have a serious impact on Bow Arts charitable activity or our service users.

h. Changes to the governing document

As set out in the Objectives section above, the Board of Trustees updated the Charitable Objects in December 2022 to better reflect the development and breadth of work carried out by the Trust since our inception in 1995, including a greater focus on arts education in a range of settings as well as broadening our offer to emerging artists to include affordable residential accommodation in addition to affordable workspace.

In addition, the Board agreed and adopted an updated Memorandum and Articles of Association to modernize its governance agreements.

Both changes were submitted and accepted by the Charity Commission and Companies House.

Plans for future periods

After a successful Phase 1 project with handover of 34 studios in Camden this year, we have now won a tender for additional space within the scheme, which could eventually amount to another 157 studios – a significant increase in the portfolio. We continue letting our new studios site, Three Waters, with ambitions for 100% occupancy by November 2023. We are also carrying out a feasibility study to assess the viability of an affordable artists housing scheme within our Lakeside Centre studios.

We are refreshing and growing our Board of Trustees, looking to increase the diversity of the Board in both skills and knowledge and in order to be more representative of the communities we serve. We will conduct Trustee interviews throughout the year looking to bring in further expertise in Visual Arts, Marketing and Financial Accounting & Management. We will also hold our biennial Trustee Away Day in November 2023 to take time to set out our strategy and ambition for the years ahead.

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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.

Auditors

The auditors, RPG Crouch Chapman, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
M Coles

Trustee

Date:

20/09/2023

.....
N Smales

Trustee

BOW ARTS TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees (who are also the directors of the charity 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 . 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 Group and the charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

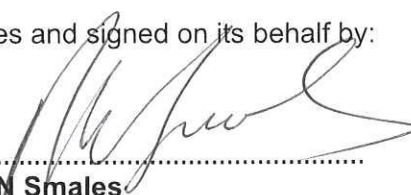
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity and enable them to ensure that the financial statements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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by order of the members of the board of Trustees and signed on its behalf by:


.....
M Coles
Trustee
Date:


.....
N Smales
Trustee

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 charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows, the Charity Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 2023 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

In our evaluation of the trustees' conclusions, we considered the risks associated with the charity's business model, including the effects arising from macro-economic uncertainties such as COVID-19 and analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOW ARTS TRUST (CONTINUED)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Capability of the audit to detect irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with Companies Act 2006, the Charities Act 2011 and FRS102.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOW ARTS TRUST (CONTINUED)

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 the financial year 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 charitable company 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 charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOW ARTS TRUST (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed under "Capability of the audit to detect irregularities including fraud" above.

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. This description forms part of our Auditors' report.

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, 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.



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

for and on behalf of
RPG Crouch Chapman
5th Floor
14-16 Dowgate Hill
London
EC4R 2SU

Date:

20/9/23

BOW ARTS TRUST
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	610,902	346,321	957,223	966,200
Charitable activities:					
License fees, service charges and rents receivable		1,498,535	-	1,498,535	1,304,337
Education income		243,010	-	243,010	206,383
Gallery income		32,688	-	32,688	19,306
Other income		38,883	-	38,883	10,443
Enterprise and placemaking		4,807	-	4,807	51,151
Other trading activities	6	399,751	-	399,751	208,392
Investments	7	14,552	-	14,552	12,662
Total income		2,843,128	346,321	3,189,449	2,778,874
Expenditure on:					
Charitable activities	8	1,951,938	254,351	2,206,289	1,908,358
Other expenditure (non-charitable)		395,086	-	395,086	229,086
Total expenditure		2,347,024	254,351	2,601,375	2,137,444
Net movement in funds		496,104	91,970	588,074	641,430
Reconciliation of funds:					
Total funds brought forward		2,470,984	200,741	2,671,725	2,030,295
Net movement in funds (as restated)		496,104	91,970	588,074	641,430
Total funds carried forward		2,967,088	292,711	3,259,799	2,671,725

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 45 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	3,734,844	738,852
		<u>3,734,844</u>	<u>738,852</u>
Current assets			
Debtors: amounts falling due within one year	16	560,809	871,806
Cash at bank and in hand		1,316,843	2,824,390
		<u>1,877,652</u>	<u>3,696,196</u>
Creditors: amounts falling due within one year	17	(849,705)	(1,150,374)
Net current assets		<u>1,027,947</u>	<u>2,545,822</u>
Total assets less current liabilities		<u>4,762,791</u>	<u>3,284,674</u>
Creditors: amounts falling due after more than one year	18	(1,502,992)	(612,949)
Total net assets		<u><u>3,259,799</u></u>	<u><u>2,671,725</u></u>
Charity funds			
Restricted funds	19	292,711	200,741
Unrestricted funds	19	2,967,088	2,470,984
Total funds		<u><u>3,259,799</u></u>	<u><u>2,671,725</u></u>


BOW ARTS TRUST
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


.....
M Coles
Trustee
Date: 20/09/23


.....
N Smales
Trustee

The notes on pages 22 to 45 form part of these financial statements.

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

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	3,270,353	254,128
Investments	15	1	1
		<u>3,270,354</u>	<u>254,129</u>
Current assets			
Debtors: amounts falling due after more than one year	16	341,325	321,282
Debtors: amounts falling due within one year	16	679,299	1,061,383
Cash at bank and in hand		1,201,798	2,677,853
		<u>2,222,422</u>	<u>4,060,518</u>
Creditors: amounts falling due within one year	17	(728,784)	(1,031,953)
Net current assets		<u>1,493,638</u>	<u>3,028,565</u>
Total assets less current liabilities		<u>4,763,992</u>	<u>3,282,694</u>
Creditors: amounts falling due after more than one year	18	(1,502,992)	(612,949)
Total net assets		<u><u>3,261,000</u></u>	<u><u>2,669,745</u></u>
Charity funds			
Restricted funds	19	292,711	200,741
Unrestricted funds	19	2,968,289	2,469,004
Total funds		<u><u>3,261,000</u></u>	<u><u>2,669,745</u></u>

The charity's net movement in funds for the year was £591,255 (2022 - £595,214).

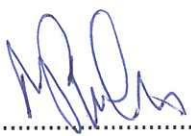
BOW ARTS TRUST
(A company limited by guarantee)


CHARITY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


.....
M Coles
Trustee
Date: 20-09-23


.....
N Smales
Trustee
20-09-2023

The notes on pages 22 to 45 form part of these financial statements.

BOW ARTS TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash provided by operating activities	1,499,226	928,457
Cash flows from investing activities		
Dividends, interests and rents from investments	14,552	12,662
Purchase of tangible fixed assets	(3,021,325)	(318,436)
Net cash used in investing activities	(3,006,773)	(305,774)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(1,507,547)	622,683
Cash and cash equivalents at the beginning of the year	2,824,391	2,201,708
Cash and cash equivalents at the end of the year	1,316,844	2,824,391

The notes on pages 22 to 45 form part of these financial statements

BOW ARTS TRUST
(A company limited by guarantee)

CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash provided by operating activities	1,528,184	774,422
Cash flows from investing activities		
Dividends, interests and rents from investments	14,552	12,662
Purchase of tangible assets	(3,018,792)	(246,358)
Net cash used in investing activities	(3,004,240)	(233,696)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(1,476,056)	540,726
Cash and cash equivalents at the beginning of the year	2,677,854	2,137,128
Cash and cash equivalents at the end of the year	<u>1,201,798</u>	<u>2,677,854</u>

The notes on pages 22 to 45 form part of these financial statements

BOW ARTS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The charity is a private company limited by guarantee registered in England & Wales. Its registered office address is 183 Bow Road, London, E3 2SJ, its company number is 03031923 and its charity number is 1046958.

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 (company number 10072462), 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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 Consolidated statement of financial activities (SOFA) and Consolidated 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 charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The Trustees confirm their explicit and unreserved compliance with the above regulations and legislation.

2.2 Basis of consolidation

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

BOW ARTS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

The income and expenditure account for the year dealt with in the accounts of the charity was a surplus of £591,255 (2022: £595,214).

2.3 Going concern

As detailed in the trustees' report, the trustees are of the opinion that there are no factors which threaten the charity's and the group's going concern status.

2.4 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.

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

Other income is recognised in the period in which it is receivable.

2.5 Turnover

Turnover comprises revenue recognised by the group in respect of services provided by the trading company during the year, exclusive of Value Added Tax but exclusive of trade discounts.

2.6 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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.7 Support costs

Support costs represent actual core costs incurred by charity.

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

At each reporting date the charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Long-term leasehold property	-	not depreciated
Short-term leasehold property	-	over the length of the lease
Fixtures and fittings	-	20% reducing balance
Cafe equipment	-	20% straight line
Live/ Work improvements	-	over three years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

2.9 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 the 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 presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

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

2.10 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.

BOW ARTS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 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.

2.12 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 in the Consolidated statement of financial activities as a finance cost.

2.13 Financial instruments

The Group 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Operating leases

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

2.15 Pensions

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

2.16 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 Group 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.

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.16 Fund accounting (continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group 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.

Investment income, gains and losses are allocated to the appropriate fund.

2.17 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is exempt from taxation in respect of income and capital gains received within categories covered by Chapter 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.

3. 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 trustees are of the opinion that there are no 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, however, they are of the opinion that the the following accounting estimates themselves are significant to the accounts:

Accruals

Accrued expenditure is based on prior periods' invoices or experience.

Depreciation

Provision is made for the annual write down in value of fixed assets. Estimated useful lives are based on industry knowledge and experience.

Deferral of income

Amounts deferred are based on experience and likely compliance with the requirements set by grant providers for multi-year contracts.

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Income from grants and donations

	Un- restricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Grants and donations	610,902	346,321	957,223	966,200
	<u>610,902</u>	<u>346,321</u>	<u>957,223</u>	
Total 2022	759,875	206,325	966,200	
	<u>759,875</u>	<u>206,325</u>	<u>966,200</u>	

5. Other income

	Un- restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Admin fees	-	-	3,930
MGETR Tax relief	10,205	10,205	-
Key costs	-	-	247
Nunnery Cafe rent	-	-	1,300
Management fees	-	-	3,000
Miscellaneous	28,678	28,678	1,966
	<u>38,883</u>	<u>38,883</u>	<u>10,443</u>

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Income from trading activities

Income from non charitable trading activities

	Un- restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Place making income	114,432	114,432	32,723
Fees receivable	58,059	58,059	29,488
Service charge receivable	27,397	27,397	16,018
Project Income	19,703	19,703	3,815
Cafe income	111,176	111,176	86,005
Management fees	56,153	56,153	40,000
Space hire income	12,831	12,831	5
Other income	-	-	338
	<u>399,751</u>	<u>399,751</u>	<u>208,392</u>
Total 2022	<u>208,392</u>	<u>208,392</u>	

7. Investment income

	Un- restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank and other interest receivable	14,552	14,552	12,662
Total 2023	<u>14,552</u>	<u>14,552</u>	<u>12,662</u>
Total 2022	<u>12,662</u>	<u>12,662</u>	

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Un- restricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Expenditure on charitable activities	1,951,938	254,351	2,206,289	1,908,358
Total 2023	<u>1,951,938</u>	<u>254,351</u>	<u>2,206,289</u>	<u>1,908,358</u>
Total 2021	<u>1,675,462</u>	<u>232,896</u>	<u>1,908,358</u>	

9. Analysis of expenditure on charitable activities

	Direct Costs 2023 £	Support Costs 2023 £	Total funds 2023 £	Total funds 2022 £
Provision of Creative Workspace	1,058,641	205,773	1,264,414	1,082,531
Education Projects	479,900	93,280	573,180	469,597
Gallery Programme & Events	176,611	34,329	210,940	148,628
Enterprise & Placemaking	62,293	12,108	74,401	112,059
Governance	-	83,356	83,356	95,543
	<u>1,777,445</u>	<u>428,846</u>	<u>2,206,291</u>	<u>1,908,358</u>
Total 2022	<u>1,482,788</u>	<u>425,570</u>	<u>1,908,358</u>	

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Support costs

	Property £ 2023	Education £ 2023	Arts & Events £ 2023	Enterprise & Place- making £ 2023	Governance £ 2023	Total £ 2023	Total £ 2022
Staff Costs	151,641	69,818	25,694	9,063	61,716	317,932	305,083
Office Overheads	27,158	12,504	4,602	1,623	11,053	56,940	50,094
Marketing	17,201	7,920	2,915	1,028	7,001	36,065	4,383
Professional fees and charges	8,542	3,933	1,447	511	3,477	17,910	8,435
Total	204,542	94,175	34,658	12,225	83,247	428,847	367,995

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Support costs (prior year)

	Property	Education	Gallery	Enterprise & Place- making	Governance	Total	Total
	2022	2022	2022	2022	2022	2022	2021
	£						
Staff Costs	147,502	63,985	20,251	15,284	71,514	318,536	305,083
Office Overheads	25,227	10,943	3,464	2,614	12,231	54,479	50,094
Marketing	8,443	3,663	1,160	875	4,093	18,234	4,383
Professional fees and charges	15,893	6,895	2,182	1,646	7,705	34,321	8,435
	197,065	85,486	27,057	20,419	95,543	425,570	367,995

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Auditors' remuneration

	2023 £	2022 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	7,800	6,500
Fees payable to the charity's auditor in respect of:		
Taxation services	6,049	-
The auditing of accounts of subsidiaries of the charity	4,950	4,850
	<u> </u>	<u> </u>

12. Staff costs

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Wages and salaries	737,384	583,198	737,384	583,198
Social security costs	67,524	49,272	67,524	49,272
Pension costs	52,792	91,601	52,792	91,601
	<u>857,700</u>	<u>724,071</u>	<u>857,700</u>	<u>724,071</u>

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

	Group 2023 No.	Group 2022 No.	Charity 2023 No.	Charity 2022 No.
Total employees	<u>26</u>	<u>21</u>	<u>26</u>	<u>21</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

Key management comprises the Chief Executive Officer, who is also a director in Bow Arts Trading Limited, and five (2022: five) members of the senior management team who are responsible for managing the day-to-day affairs of the charity. The total remuneration for the year for key management was £306,408 (2022: £324,036).

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from services provided to the charity. The value of Trustees' remuneration and other benefits was as follows:

		2023 £	2022 £
Dr M Owens	Consultancy Services	-	19,200
N Smales	Consultancy Services	-	2,000
S Pallister	Consultancy Services	500	-

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Tangible fixed assets

Group

	Long-term leasehold property £	Short-term leasehold property £	Fixtures and fittings £	Cafe Equipment £	Total £
Cost or valuation					
At 1 April 2022	246,357	486,408	29,397	15,916	778,078
Additions	3,018,791	-	-	2,534	3,021,325
At 31 March 2023	<u>3,265,148</u>	<u>486,408</u>	<u>29,397</u>	<u>18,450</u>	<u>3,799,403</u>
Depreciation					
At 1 April 2022	-	8,107	21,626	9,493	39,226
Charge for the year	-	19,132	2,566	3,635	25,333
At 31 March 2023	<u>-</u>	<u>27,239</u>	<u>24,192</u>	<u>13,128</u>	<u>64,559</u>
Net book value					
At 31 March 2023	<u>3,265,148</u>	<u>459,169</u>	<u>5,205</u>	<u>5,322</u>	<u>3,734,844</u>
At 31 March 2022	<u>246,357</u>	<u>478,301</u>	<u>7,771</u>	<u>6,423</u>	<u>738,852</u>

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Tangible fixed assets (continued)

Charity

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2022	246,357	29,397	275,754
Additions	3,018,791	-	3,018,791
At 31 March 2023	<u>3,265,148</u>	<u>29,397</u>	<u>3,294,545</u>
Depreciation			
At 1 April 2022	-	21,626	21,626
Charge for the year	-	2,566	2,566
At 31 March 2023	<u>-</u>	<u>24,192</u>	<u>24,192</u>
Net book value			
At 31 March 2023	<u>3,265,148</u>	<u>5,205</u>	<u>3,270,353</u>
At 31 March 2022	<u>246,357</u>	<u>7,771</u>	<u>254,128</u>

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Fixed asset investments

	Investments in subsidiary companies £
charity	
Cost or valuation	
At 1 April 2022	1
	<hr/>
At 31 March 2023	1
	<hr/> <hr/>
Net book value	
At 31 March 2023	1
	<hr/>
At 31 March 2022	1
	<hr/> <hr/>

16. Debtors

			Charity 2023 £	Charity 2022 £
Due after more than one year				
Arts Council Capital Grant			341,325	321,282
			<hr/>	<hr/>
	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Due within one year				
Trade debtors	285,616	239,155	134,740	137,789
Amounts owed by group undertakings	-	-	261,038	283,267
Other debtors	3,659	56,774	3,659	55,997
Prepayments and accrued income	271,534	575,877	265,022	572,855
Arts Council Capital Grant	-	-	14,840	11,475
	<hr/>	<hr/>	<hr/>	<hr/>
	560,809	871,806	679,299	1,061,383
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BOW ARTS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans	70,000	58,333	70,000	58,333
Trade creditors	284,168	117,580	261,044	105,737
Arts Council Capital Grant	14,840	11,475	14,840	11,475
Other taxation and social security	22,108	18,524	-	-
Other creditors	283,892	266,030	276,421	251,115
Accruals and deferred income	174,697	678,432	106,479	605,293
	<u>849,705</u>	<u>1,150,374</u>	<u>728,784</u>	<u>1,031,953</u>
	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
DEFERRED INCOME				
Opening balance	268,882	227,313	200,742	227,313
Received in the year	142,395	268,882	79,276	200,742
Released in the year	(268,882)	(227,313)	(200,742)	(227,313)
Closing balance	<u>142,395</u>	<u>268,882</u>	<u>79,276</u>	<u>200,742</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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans	1,161,667	291,667	1,161,667	291,667
Arts Council Capital Grant	341,325	321,282	341,325	321,282
	<u>1,502,992</u>	<u>612,949</u>	<u>1,502,992</u>	<u>612,949</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Payable or repayable by instalments	5,833	11,667	5,833	11,667
Payable or repayable other than by instalments	-	275,385	-	275,385
	<u>5,833</u>	<u>287,052</u>	<u>5,833</u>	<u>287,052</u>

The bank loan in Notes 17 is the short term element of a loan which is repayable over a 5 year period, £221,661 of the same loan are included in bank loans in Note 18. This is secured by an unlimited debenture on the assets of Bow Arts Trust.

Bank loans in note 18 include a further £940,000 (2022: £Nil) which represents an interest-only mortgage secured on the charity's long-term leasehold property. The mortgage is repayable at the end of a 16 year term.

The Arts Council Capital Grant is repayable over a 25 year period.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
Designated funds					
Resilience fund	1,561,000	-	-	(1,176,000)	385,000
General funds					
General funds	909,984	2,843,128	(2,347,024)	1,176,000	2,582,088
Total Unrestricted funds	2,470,984	2,843,128	(2,347,024)	-	2,967,088
Restricted funds					
LBTH Carbon Reduction	-	10,000	(2,145)	-	7,855
Arts Council NPO Grant	10,009	16,980	(20,863)	-	6,126
HLF Grant (Plastics)	-	-	-	-	-
HLF Grant (Textiles)	-	-	-	-	-
Paul Hamlyn - More & Better	63,961	-	(54,987)	-	8,974
Vauxhall New Development	-	-	-	-	-
Education projects	64,260	63,103	(91,744)	-	35,619
Furlough Grant	-	-	-	-	-
Thamesmead Arts Chest	35,232	4,100	(4,321)	-	35,011
ACE NPO Bow Skills	4,450	138	-	-	4,588
HLF Emergency Funding	-	-	-	-	-
East London Art Prize (Minerva)	2,083	20,000	(22,083)	-	-
Paul Hamlyn - Social Justice Fund	20,746	65,000	(48,442)	-	37,304
East London Art Prize (Private Grant)	-	167,000	(9,766)	-	157,234
	200,741	346,321	(254,351)	-	292,711
Total of funds	2,671,725	3,189,449	(2,601,375)	-	3,259,799

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Statement of funds (continued)

Arts Council NPO Grant

This fund represents grant funding towards Learning projects, marketing and staff costs for a Learning Project Manager.

HLF Grant Plastics

This is grant funding towards the "Raw materials: Plastics" exhibition in the Nunnery Gallery.

HLF Grant Textiles

This is grant funding towards the "Raw materials: Textiles" exhibition in the Nunnery Gallery.

Paul Hamlyn - More & Better

This is grant funding from the Paul Hamlyn Foundation towards schools consortia programme setup and delivery.

Vauxhall New Development

These are business rates received back for Durham Street studios, Vauxhall.

Education Projects

This represents income received from education contracts paid in advance of activity.

Furlough Grant

This fund represents monies received from the government in connection with the Coronavirus Job Retention Scheme.

Thamesmead Arts Chest

These donations from the Thamesmead Flats are ring fenced within the Thamesmead Arts Chest to be spent on community projects within Thamesmead.

ACE NPO Bow Skills

This is grant funding towards Bow Skills CPD programme.

HLF Emergency Funding

This is grant funding to implement Covid safety measure in the Nunnery Gallery and Café to enable us to re-open safely post pandemic.

East London Art Prize

Funded by Minerva, this is a £20,000 prize fund paid in monthly instalments from January 2022.

East London Art Prize - Private Grant

Funded by a private individual to support the East London Art Prize.

Paul Hamlyn – Social Justice Fund

This is a grant from the Paul Hamlyn Foundation to support social justice and creative arts learning in schools projects.

LBTH Carbon Reduction Fund

This Grant supports a programme of events and staff training around sustainability with aims to make learning and behavioural change in Tower Hamlets.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Resilience fund	941,000	-	-	620,000	1,561,000
General funds					
General funds	863,972	2,572,549	(1,904,548)	(621,989)	909,984
Total Unrestricted funds	1,804,972	2,572,549	(1,904,548)	(1,989)	2,470,984
Restricted funds					
LBTH Carbon Reduction	-	-	-	-	-
Arts Council NPO Grant	3,168	10,185	(10,176)	6,832	10,009
HLF Grant (Plastics)	149	-	-	(149)	-
HLF Grant (Textiles)	1,277	-	-	(1,277)	-
Paul Hamlyn - More & Better	100,530	-	(33,690)	(2,879)	63,961
Vauxhall New Development	34,048	-	(34,048)	-	-
Education projects	86,151	83,110	(94,470)	(10,531)	64,260
Furlough Grant	-	12,547	(12,547)	-	-
Thamesmead Arts Chest	-	30,757	-	4,475	35,232
ACE NPO Bow Skills	-	2,643	(901)	2,708	4,450
HLF Emergency Funding	-	-	(2,810)	2,810	-
East London Art Prize (Minerva)	-	2,083	-	-	2,083
Paul Hamlyn - Social Justice Fund	-	65,000	(44,254)	-	20,746
East London Art Prize (Private Grant)	-	-	-	-	-
	225,323	206,325	(232,896)	1,989	200,741
Total of funds	2,030,295	2,778,874	(2,137,444)	-	2,671,725

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

The Resilience Fund was established in 2012 to achieve greater financial security through facilitating the Trust to invest in property. Since then the Trustees have agreed that the Fund should be used in cases which they agree support the long term charitable objectives of the Trust and its resilience. This may include facilitating investment in property for use by the Trust in its core administrative function or to provide affordable spaces for emerging artists.

Of the total general funds, a deficit of £1,200 (2022: surplus of £1,980) is retained in a non-charitable subsidiary.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Un- restricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	3,734,844	-	3,734,844
Current assets	1,505,665	371,987	1,877,652
Creditors due within one year	(770,429)	(79,276)	(849,705)
Creditors due in more than one year	(1,502,992)	-	(1,502,992)
Total	<u>2,967,088</u>	<u>292,711</u>	<u>3,259,799</u>

Analysis of net assets between funds - prior year

	Un- restricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	738,852	-	738,852
Current assets	3,294,714	401,482	3,696,196
Creditors due within one year	(949,633)	(200,741)	(1,150,374)
Creditors due in more than one year	(612,949)	-	(612,949)
Total	<u>2,470,984</u>	<u>200,741</u>	<u>2,671,725</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Net income for the year (as per Statement of Financial Activities)	588,074	641,430	591,255	595,214
Adjustments for:				
Depreciation charges	25,333	23,406	2,566	4,690
Dividends, interests and rents from investments	(14,552)	(12,662)	(14,552)	(12,662)
Decrease/(increase) in debtors	310,997	(170,474)	362,041	(260,814)
Increase in creditors	589,374	421,823	586,874	447,994
Net cash provided by operating activities	<u>1,499,226</u>	<u>903,523</u>	<u>1,528,184</u>	<u>774,422</u>

22. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash in hand	1,316,844	2,824,391	1,201,798	2,677,854
Total cash and cash equivalents	<u>1,316,844</u>	<u>2,824,391</u>	<u>1,201,798</u>	<u>2,677,854</u>

23. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	2,824,390	(1,507,547)	1,316,843
Debt due within 1 year	(69,808)	(15,032)	(84,840)
Debt due after 1 year	(291,667)	(870,000)	(1,161,667)
	<u>2,462,915</u>	<u>(2,392,579)</u>	<u>70,336</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

24. Operating lease commitments

At 31 March 2023 the Group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Charity 2023 £	Charity 2022 £
Not later than 1 year	314,938	345,392
Later than 1 year and not later than 5 years	608,422	4,000
Later than 5 years	31,710	20,000
	<u>955,070</u>	<u>369,392</u>

25. Related party transactions

During the year, £130,858 (2022: £72,433) 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 Trust paid grants to Bow Arts Trading Limited of £38,248 (2022: £144,161). It paid no other expenses (2022: £11,474) to Bow Arts Trading Limited and received a gift aid donation from the subsidiary of £7,846 (2022: £150,878).

At 31 March 2023, Bow Arts Trading Limited owed Bow Arts Trust £341,325 (2022: £321,282) which is due over a period greater than 1 year and £275,878 (2022: £294,742) over a period of less than one year. Both loans are interest free. The short term loan is repayable on demand, whereas the long term loan is repayable over a 25 year period.

During the year, Bow Arts Trust paid £5,272 to T Garland, partner of M Baettig, for lead artist services at the Bexley Lantern Parade.

During the year, one trustee made a donation of £1,500 to the parent charity (2022: no donations from trustees).

Transactions with trustees other than donations are disclosed in Note 13.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding	Included in consolidation
Bow Arts Trading Limited	10072462	183 Bow Road, London, E3 2SJ	Property development and facilities management	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets/ (Liabilities) £
Bow Arts Trading Limited	399,751	395,086	4,665	(1,200)

