

Nyman Libson Paul
Regina House
124 Finchley Road
London
NW3 5JS

Dear Sirs

HOUNSLOW ARTS TRUST LIMITED

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the group's financial statements for the year ended 31 March 2020. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as directors and trustees, as set out in the terms of your engagement letter under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the company have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the company, and with all other records and related information requested, including minutes of all management and trustees' meetings.
4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements are immaterial both individually and in total.

INTERNAL CONTROL AND FRAUD

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

ASSETS AND LIABILITIES

9. The company has satisfactory title to all assets and there are no liens or encumbrances on the group's assets, except for those that are disclosed in the notes to the financial statements.
10. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

INCOMING RESOURCES AND EXPENDITURE

11. All incoming resources and expenditure to which the group was entitled/liable up to the reporting date has been recognised in the financial statements.

ACCOUNTING ESTIMATES

12. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

LOANS AND ARRANGEMENTS

13. The group has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.
14. At the reporting date there were no material commitments under contracts placed for capital expenditure in addition to those disclosed in the financial statements.

LEGAL CLAIMS

15. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

16. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

RELATED PARTIES

17. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of company law or accounting standards.

SUBSEQUENT EVENTS

18. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

19. We believe that the group's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the group's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the group's ability to continue as a going concern need to be made in the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

For and on behalf of Hounslow Arts Trust Limited



[David.Evans \(Nov 16, 2020 17:17 GMT\)...](#)

Trustee

Date: 19 October 2020






Hounslow Arts Trust Ltd - 31.03.2020 - Letter of Rep

Final Audit Report

2020-11-16

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HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

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HOUNSLOW ARTS TRUST LIMITED (THE)
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Trustees	David Evans, Chair Cllr Guy Lambert, L B Hounslow nomination Catherine Heseltine Manjit Hunjan Adam Jackson Helen Little Ajay Mehta Joanna Mludzinska Duncan Smith Louise Thompson
Company registered number	01164904
Charity registered number	267426
Registered office	Watermans 40 High Street Brentford Middlesex TW8 0DS
Company secretary	Jan Lennox
Chief executive officer	Jan Lennox
Independent auditors	Nyman Libson Paul Chartered Accountants Statutory Auditors 124 Finchley Road London NW3 5JS
Bankers	NatWest 314 Chiswick High Road London W4 5TA
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE

HOUNSLOW ARTS TRUST LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

INTRODUCTION

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Hounslow Arts Trust Limited (the company and the group) for the year ended 31 March 2020. The Trustees confirm that the annual report and financial statements of the company and the group comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (second edition effective January 2019).

Since the company 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

AIMS AND OBJECTIVES

Hounslow Arts Trust Ltd is a charitable trust for the promotion of the arts. It manages and operates Watermans, the major arts centre in West London, presenting a year-round programme of high-quality performance, visual arts and film in its riverside venue. It also engages with a wide range of communities across Hounslow and West London through its extensive programme of participative arts and outdoor arts. It is especially acknowledged for its digital and new media arts development and is one of very few year-round exhibitors of artists' work in this field in London and, indeed the UK.

Aims

The purposes of Hounslow Arts Trust Ltd as set out in its Memorandum and Articles are:

- to advance the arts
- to promote mental and physical health and relieve sickness especially amongst (but not limited to) people living in West London using techniques involving the arts
- the prevention of crime using techniques involving the arts
- to provide relief using arts-based techniques for refugees and their dependents who are in conditions of need, hardship or distress through the provision of arts
- to provide, in the interests of social welfare, facilities for arts-based recreation and leisure activities for the inhabitants of West London and the surrounding area being facilities:
 - of which these persons have need by reason of their youth, age, infirmity, disablement, poverty or social or economic circumstances; and
 - which will improve the conditions of life for such persons by promoting their physical, mental and spiritual wellbeing.

In preparing this report the Trustees have considered progress made in this period against these purposes.

In particular in 2019-20 the company has

- advanced the arts, through presenting rich and varied programmes of work at Watermans, at outdoor sites at Bell Square and at Botley Green, Hayes; and through the Arts Council England-funded programme Creative People & Places Hounslow, which works to increase engagement in the arts throughout the Borough
- promoted mental and physical health, especially through the Short Breaks programme which provides opportunities for children and young people with disabilities, and their families

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

- taken steps to enhance community cohesion by presenting the arts in a universal and accessible way in the heart of West London communities
- providing programmes to reach the isolated, the disenfranchised, and the vulnerable.

The last quarter of this period was impacted by the emerging global pandemic, including a fall in box office followed by total closure of Watermans by government order. This has had a significant impact on the Trust's work, and the Board also recognises that there will be a significant draw on reserves in 2020-21.

The vision which shapes Watermans' annual activities is to inspire communities through creative practice. In particular, it works to build engaging and interactive programmes with as wide a range of West London communities as possible, and to bring those communities together through cultural participation. It also takes an active lead in promoting engagement with innovative digital and new media arts practice.

In shaping the organisation's objectives for the year and planning its activities, the Board has considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee-charging. In particular the Board gives careful consideration to the reach and accessibility of the organisation's activities to the public, including those on low incomes, with limited mobility or with other barriers to accessing our services.

Watermans' objectives in 2019-20

In recent years, Watermans has spent considerable time and resource in establishing two major programmes: Creative People and Places Hounslow and the Outdoor Arts programme at Bell Square. Both these strands of work are now maturing into established programmes delivering tangible outcomes.

Watermans is leading the Creative People and Places Hounslow consortium for Phase 2, with new strands of participative and capacity-building activity and increased support for communities to assume the lead role in developing local arts programmes. The expertise acquired at the continuing Bell Square programme has been rolled out to establish Hayes Outdoor, a festival initiative to foster community cohesion in the rapidly-changing area around Hayes town centre.

Work to facilitate the development of a local Cultural Education Partnership in the borough will continue, in partnership with schools, other local cultural providers, Arts Council England and the bridge organisation A New Direction to develop ideas around the development of a coherent schools programme across Hounslow.

In the context of a relocation in the medium-term, audience and programme development planning continues, with sustainable new strands of work being trialled and assessed. The 'Friday Nights Live' performances have developed well in the past 12 months and we will continue to strengthen that programme over the coming year.

The plan for 2019-20 therefore builds on previous achievements and experience, developing audiences and income for activity at Watermans; at the two outdoor sites at Bell Square and Hayes; and across Hounslow and West London.

The plan can be broken down into interlinked key themes:

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

- 1 Developing the reach and sustainability of the arts programme, specifically:
 - further embedding the Creative People and Places programme across Hounslow through delivery of its 2nd phase
 - further developing a sustainable and accessible programme for children and young people
 - achieving greater impact across West London through direct delivery of projects outside the venue with a particular, but not exclusive, focus on Hounslow
 - attracting new audiences to the venue through growing our performance programme, targeting new communities and establishing Watermans as the 'go-to' venue for more local residents
 - developing new end-products which flow from our core programmes and core competencies and which can support the wider programme in a new venue
 - expanding our range of partners to support long term development of the programme
- 2 Developing the audience experience of Watermans, specifically:
 - developing the digital offer to increase distribution of artistic product and audience engagement with the programme, through development of a new digital strategy and upgrading of the website
 - continued improvements to the experience of visiting the venue
 - build the offer available to audiences at the venue
 - further exploring the potential of community co-production through new approaches to programme development
- 3 Building the health of the organisation
 - completing the transition to a 'social enterprise' business model
 - developing the organisation's capacity to deliver higher-value public sector contracts
 - developing sustainability through new revenue streams across the programme
 - increasing our 'revenue per customer' with secondary spend and a focus on increasing individual donations
 - continuing to build the profile of the organisation
 - retaining the ability to sense trends in the market and be responsive to change
 - developing the organisation in preparation for relocation

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

CREATIVE PROGRAMME

Overview 2019-20

Watermans is committed to delivering a substantial and exciting programme which brings world-class arts to local communities. There is an equal determination to reach disadvantaged communities, especially in Hounslow, who do not currently engage with the arts. Over the past six years, Watermans has focused on the delivery of two major strategic initiatives to achieve this goal.

Watermans developed and led a consortium of arts and community organisations in Hounslow together with the local authority to develop a ten-year vision and strategy to increase engagement in the arts in Hounslow. In 2013 this led to success in securing funding from the Creative People and Places scheme. We are now in the middle phase of this programme, supporting community-led development of engagement in arts and cultural activities. As many of the groups developed locally through this scheme gain skills and confidence, they will be increasingly supported to grow into independent organisations. Some such as the Hounslow Community Choir and the Community Brass Band, are already well on this journey.

The outdoor arts programme continued at Bell Square, with attendances of over 14,000 in this period and virtually 100% positive feedback. Since 2018, we have extended our West London reach with a new outdoor arts programme in Hayes, a busy town centre in the south part of neighbouring borough, Hillingdon.

At Watermans, work to develop and refine programming strands continued, with successful Watermans Weekender festivals; live performance events moving to a weekly Friday Night Live format; digital performance becoming embedded as a year-round offer; and the new partnership with Continental Drifts to develop a world music programme maturing. This programme is developing a new audience for Watermans and aims to increase local engagement on a regular basis.

There were over 2,650 attendances at 28 live event performances during the year.

The Children's Theatre programme continued to deliver strongly, with 88 performances attended by over 12,700 people.

Also at the venue, the Participative Arts summer programme again delivered creative opportunities to 280 children and young people, including inclusive activities for deaf and disabled children.

Overall, engagement throughout Watermans' programme was very strong, with a total of over 240,000 attendances across activities over the year.

In addition, the residency programme supported artists making new work, bringing more innovative thinking into the programme, and encouraging connections between exciting artists and the audiences in the building. Watermans provided 4 residencies during the year, each tailored to the needs of the company and its current stage of development. ATMA Dance completed development of their new show, Spy Monkey, a fusion of hip-hop and traditional Indian dance and music in a production offering a fresh interpretation of the classic Ramayana tale for children.

Richard Chapell Dance Company and collaborator, Anna Gillespie, created their new production, Still Touch. Whilst in residence they created an exhibition in situ, animated the Gallery with performance, led workshops with local young dancers and premiered the final version of the new show.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Other companies and performance artist in residence included Chris Dennis completing production on his new show and Joli Vyann, creating their outdoor piece, Anima, which later premiered at Bell Square. Watermans has also secured funding to support further support for outdoor arts production from Hounslow's Creative Enterprise Zone and Surf the Wave. Delivery has been delayed due to the global pandemic but will be resumed in 2021.

The Board is considering an opportunity to relocate Watermans arts centre, as part of a wider development scheme in Brentford. This would be an opportunity to create a high-quality modern arts centre that would put Brentford on the cultural map, ignite its economy and inspire its residents, as well as visitors from West London and beyond.

The Strategic Plan 2018-22 outlines the aspirations for a venue that would simultaneously present an inspiring programme of international significance, and be a community hub for Brentford; underpinned by Watermans' continuing ethos of inclusivity, diversity, humanity, and universal welcome.

This would be an opportunity beyond a transposition of our current operations into a new site. In order for all visitors to be welcomed and inspired from the moment they arrive, the new building must provide:

- a theatre suitable for world-class touring dance, theatre, circus and live music
- two cinemas and a larger gallery to enable film festivals, live screenings and large-scale exhibitions attracting top artists
- social spaces for people to meet and relax, with a renewed catering offer

The Board in considering options for relocation also intends to increase financial resilience, by increasing the potential for earned income and reducing the exposure to public sector funding.

The application for a new centre on the site of the old Brentford Police Station (and the related flats on the current Watermans site), has been approved by London Borough of Hounslow. The decision was called in by the Secretary of State and Public Inquiry was scheduled. This was delayed until October 2020 by the global pandemic. Pending the outcome of the Inquiry, the performance programme in the current venue is being developed with a view to taking advantage of the opportunities from a new building with enhanced spaces both for audiences and artists.

Effect of the global COVID-19 pandemic on the 2020/21 creative programme

As the global pandemic took hold across the UK, all venues were ordered to close on 20 March 2020. All activities in community spaces and outdoors were similarly stopped. As Watermans moved into the new financial year, it did so with considerable challenges and uncertainty. The arts and culture sector has been hit particularly badly by the measures to prevent the spread of the virus. As for all venues, earned income from ticket sales ceased immediately. In addition, the Trust's trading subsidiary, Sharedart Ltd, was also unable to trade meaning that its usual donation to the Trust is likely to be significantly reduced in 2020/21.

During this closure period, Watermans developed a three-phase Recovery Plan to manage the immediate crisis, restabilise and restart activities and plan for thriving in a new context as the virus is brought under control.

Where possible, Watermans moved priority services online. For example, we curated weekly programmes of online work recommended to our audiences, across film, performance and activities for children and young people. We moved workshops and performances for Disabled children, young people and their families online. And in May, we launched an Online Gallery, exhibiting the work of new media artists from around the world.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

After several months, certain of the global pandemic-related restrictions began to be eased. The Trust partially reopened the venue in early August 2020 in line with government guidance. The Gallery and Cinema have been able to operate with significantly reduced capacity to ensure social distancing.

As Theatres were allowed to reopen for certain uses, we made the space available to artists and companies who needed support to rehearse and make new work. In addition, we have piloted a series of livestream events and commissioned a small, online children's theatre show.

Review by programme strand

New media arts

Watermans is the only permanent new media exhibition space in London, and brings UK and international artists to Hounslow throughout the year. The galleries are open every day and are free to enter, to make the work as accessible as possible.

During this period, Watermans produced 5 exhibitions in the galleries and public spaces of the building, made more accessible by special events including talks and discussions. Highlights of the year included

- *CKRBOT* by Nye Thompson, which explored the nature of surveillance, of recognition, and of identification; and
- *Air Matters*, a group show curated by Nick Ferguson and exploring the effect of Heathrow Airport on its surrounding landscape. This work extended over the entire entrance floor at Watermans.

"It was very interesting looking at different forms and aspect of art in these magnificent people's mind!"

Visitor feedback

There were over 23,500 attendances at exhibitions in the main Gallery in this period.

Watermans has continued to lead the development of digital performance work, especially through the flagship Digital Performance Weekender. This three-day festival brings artists, performances, composers and technologists to present work exploring the intersections between performance, dance, sound, light, and technology. Highlights from the 2019 Weekender included *Shake Me* by Le Clair Obscur, in which two "players" interacted with a dancer, and *Relax & Release* by Kimatica Studio where participants' movements stimulated digital projections.

Digital performance was also fully embedded in the regular, year-round programme for the first time this year, with extraordinary and innovative performances from leading international artists including Antoine Schmitt, Le Clair Obscur, A Moment of Madness and Projet Eva.

As the Galleries closed in late March, Watermans moved its new media arts programme online. The new Online Gallery went live at the start of May 2020 and presents the work of new media artists from around the world. There are currently 8 projects being exhibited and a new project is added each month.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Performing arts

Watermans' Performing Arts programme includes theatre (including a regular programme of high-quality children's theatre), cabaret, music, dance, spoken word, circus and digital performance. The programme includes a strong commitment to Asian artists and a significant representation of international artists.

The Watermans Weekender series of intensive mini-festivals continued, offering a broader programme and attracting new audiences. These Festivals take over the whole site, offering performances and opportunities for interaction in every public space, with a mix of established and emerging artists.

The Children's Theatre programme continued throughout the year. There were 88 performances, attracting a predominantly local audience with performances every weekend, supplemented by additional programme during school holidays. The programme continued to flourish, with over 6,652 attendances at the Christmas show, Nearly There Yet's *Pinocchio*, and over 12,700 attendances overall. Highlights in terms of content along with breadth and quality of different theatre genres and performance experiences included performances from Simon Mole and Gecko, The Last Baguette, Garlic Theatre, Goody and Storey, Hand to Mouth Theatre and the new company, Bird in the Hand. We continued to include work devised very specifically for babies and toddlers, with shows such as Tam Tam Theatre's *Circles in the Sand* and the highly visual *Kaleidoscope* from Filskit Theatre. Page One Theatre's *Rise and Fall* introduced dance and movement to this age group, and Hurly Burly's *Meet Me a Tree* brought a striking musicality in this new operatic performance.

The live events programme for adult audiences, now branded Friday Nights Live, continued its weekly format from autumn through to spring. The programme offered high quality, contemporary performance including dance, theatre, circus, spoken word (where authors discuss their books), world music and cabaret. Survey results show a high level of audience satisfaction with the programme quality and format.

Highlights of the programme include theatre from Apphia Cambell (*Black is the Color of my Voice*), and Griffin & Jones (*Talking to the Dead*), and cabaret from Marcel Lucont and Virgin Xtravaganzah.

The dance programme developed significantly in its scope this year, partly through an expanding partnership with Dance Umbrella and membership of a national dance development network, Surf the Wave. The programme included *Hocus Pocus* from Cie Philippe Saire, a development initiative and showcase of emerging, contemporary South Asian dancers in partnership with Akademi, and a new relationship with Richard Chappell Dance Company who developed their new work, *Still Touch*, in residency at Watermans. The project was a dance and sculpture collaboration with Anna Gillespie exploring the memory of touch when parted from those we love. An exhibition in the Gallery was periodically animated with performance by the dancers, who also performed the full show in the Theatre. Whilst in residence, the company also delivered workshops with local, young dancers.

The Live Events programme is delivering strongly in terms of new audiences to the venue who are then returning for repeat visits. During the year, there were 28 performances and over 2,600 attendances.

In line with government guidance to restrict the global pandemic, all public performances were cancelled from 20 March. The Theatre reopened to the public, with social distancing and limited capacity, from October 2020.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2020

From August, when restrictions on the use of theatres were partially lifted, we have made the venue available to artists and companies to rehearse and make new work. We have also embarked on a series of livestream music events, in partnership with our regular world music collaborator, Continental Drifts. The events were successful, well-attended and provided invaluable learning for the team in livestreaming. We have also commissioned a new online children's theatre show from Ian Nicholson and Sam Wilde, which will be produced at Watermans in autumn/winter 2020.

Participation and community engagement

Watermans' participation and community engagement programme delivers a wide range of activities, reaching communities across every part of the borough.

The programme provides opportunities for children and young people in various artforms, in both formal and informal settings.

Watermans has led the development of Hounslow's Cultural Education Partnership which works with the local authority, other cultural providers and schools across the borough to co-design projects which are both relevant and high quality. Following a number of earlier, small pilot projects to test the approach, Watermans has developed plans for large-scale projects which will involve many schools and hundreds of Hounslow's children and young people. During the year, we started early delivery of a major new project, *Rivers of the World*, with Totally Thames, involving 12 of the borough's schools who would be paired up with professional artists and schools in other countries. Whilst Continual Professional Development work with teachers had been completed prior to lockdown, delivery of the programme with students has had to be deferred to 2021.

In informal settings, Watermans offers a wide variety of projects for children of all ages. These include several classes each week for babies and toddlers in music, sound, stories and language development, through to special projects in school holidays, and a major summer programme for those aged 8 years and above. In 2019, the summer programme was themed around music and titled *Good Vibrations*. The 3-week programme was designed to fully integrate young people of different abilities and included drumming, digital music-making, animation, a festival gig and a hoe-down. The universal language of music meant that the programme was extremely accessible, especially for young children and those who have English as an additional language. There were nearly 1,000 attendances at this summer programme.

"We really loved this workshop!! My boys got so much out of it!"

Parent of workshop participants

Watermans also delivers a specialist programme for Disabled children and young people. This year-round programme includes workshops, family events, relaxed theatre performances and cinema screenings. The programme is normally delivered at Watermans but in response to lockdown, the workshops were moved online. Watermans secured a series of grants to support the fast set-up of an online programme and to commission a broad range of accessible workshops and performances for the children and young people.

Watermans also hosts regular weekly classes at Watermans for adults and delivers special projects linked to other programme strands such as exhibitions in the main Gallery.

The main programme for adults, however, is the Hounslow Creative People and Places programme. This is managed by a consortium of local cultural providers and community organisations, led by Watermans. The programme includes year-round activities, targeted mostly in the central and west areas of the borough where engagement in culture has been below average levels. Activities are developed by groups of local people in their own neighbourhoods, supported by the project team.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

These range from local community festivals and outdoor film screenings on a local housing estate, to community writing projects and exhibitions in local cafes. The programme also runs a regular Community Choir, Community Brass Band, a Ukulele Collective and a Bhangra Dance group. Whilst this programme has been disrupted due to COVID-19 restrictions, engagement with local communities has remained high and groups remain positive about planning future activities.

Cinema

With typically 29 screenings per week, Watermans' cinema programme presented 300 different films during the year, featuring a wide range of independent and specialist films from around the world. The programme also includes:

- Special midweek daytime screenings for parents and babies
- Children's Cinema screenings at weekends and during the holiday periods
- Film club for families with disabled children and young people, to make cinema accessible for families who don't feel able to attend mainstream cinemas
- Subtitled weekly screenings of films from Watermans' main programme for the Hard of Hearing

Alongside the Cinema programme itself, the event cinema strand continued to develop with very strong demand for broadcasts and encore showings by NT Live, the Royal Shakespeare Company, Glyndebourne, and The Metropolitan Opera. These screenings help to develop access to world-class productions by reducing substantially the twin barriers of cost and accessibility.

Watermans is also a regular venue for many regional and national film festivals. During the year, we continued as a venue for the UK Asian Film Festival, the London Indian Film Festival and the French Film Festival UK. For the first time, we also collaborated with Kinoteca, the Polish Film Festival in London. Watermans is also an active partner in Into Film, the national festival encouraging engagement of schools and young people in film.

French Impressions, Watermans' popular monthly screening of new and classic movies from *Cinema Francais* which are screened with an accompanying talk and discussion group to review the film continued through the year.

In late summer, the season of outdoor screenings on the Riverside Terrace returned. Screenings included *Mary Poppins Returns*, *Mamma Mia II*, and *The Greatest Showman*. The Outdoor Cinema season is designed to be very accessible, with low prices and a festival atmosphere to remove barriers to attendance at the Watermans venue. The season is especially popular with local residents.

There were nearly 62,000 attendances at over 1,400 cinema screenings during this year.

As the Cinema was forced to close in March due to COVID-19 restrictions, engagement with audiences was maintained through weekly recommendations of films to watch online. In addition, we launched an online film club, No Ticket Required, targeted at local communities. Participants receive a video introduction to the chosen film, watch it online in their own time, then attend a facilitated talk and discussion on zoom. Participants are offered a shortlist of possible films from which they vote for the film they would like to be featured at the next event. No Ticket Required is offered free of charge to ensure accessibility for all, although many participants have made donations to the project. With funding from the British Film Institute, we added in a series of guest speakers during summer 2020 to keep the format of the sessions fresh.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2020

Outdoor Arts

Watermans' Outdoor Arts programme is designed to engage new audiences in the borough and to contribute to increased animation of Hounslow town centre. The programme is delivered predominantly at Bell Square, the permanent, outdoor arts space in Hounslow town centre. This space provides excellent facilities for an ambitious programme of outdoor arts which forms the main cultural offer for the town centre. Events are presented fortnightly, every other Saturday, and include a mix of daytime and evening events, and national and international touring work. In 2019/20, highlights included the premiere of *Anima* by Joli Vyann which had been developed at Watermans, *Carmen Funebre* by leading Polish theatre company, Teatr Biuro Podrozy, and *Icarus* by Southpaw Dance Company.

Audiences averaged over 470 per event with those surveyed providing virtually 100% positive feedback. Audience surveys conducted at the outdoor events also showed that attendees came from across the borough and beyond, and that half of the people did not regularly attend arts events. In 2019, the social media and digital marketing strategy continued to reach new audiences. Results have been extremely positive with a far higher proportion of the audience hearing about the event through social media than would normally be expected.

The events have also been extraordinarily successful in reaching an extremely diverse audience. 57% of audiences in 2019 were from BAME communities and over 70% were under 44.

The programme itself has also been diverse in its composition. It included performances from Poland, Catalunya, Spain and Israel, and from across the length of Britain from Newcastle to Penzance. It has included culturally diverse events and artists including Humanhood's *Orbis*, Thingumajig Theatre's *Ghost Caribou* and 2 companies from Poland, Teatr Biuro Podrozy and Teatr Wagabunda. Whilst the programme is designed to promote and celebrate the diversity of Hounslow, it does so in a way which is accessible and inclusive for all.

Watermans has also continued its drive to improve the accessibility of its outdoor events and to promote them effectively to disabled audiences. The initiative has been very successful with disabled people on average comprising 13% of audiences and those surveyed providing positive feedback on their experience.

During the past year, we continued to encourage deeper engagement with the programme. In response to audience requests for more background information on the events, we further developed the Bell Square Blog. Regular posts giving audiences an insight to each of the artists or companies and their performance at Bell Square became one of the most visited pages on the website. Artist and audience discussions, initially planned for 2020, will hopefully be able to be taken forward in 2021.

Watermans maintained a series of partnerships during the year to support future programming and audience development at Bell Square. Watermans is a founding partner of Global Streets, a consortium developing the presentation of international work incorporating significant community engagement and interaction. Additionally, Watermans is the lead partner of Circulate, a consortium developing outdoor arts in Outer London, which supports touring productions in boroughs with low engagement in the arts.

Several partnerships were developed during the year to include outdoor arts. Watermans worked again with the Mayor of London to present a Weekend of events at Bell Square to celebrate London's status as the world's first National Park City. We also worked with Dance Umbrella, Surf the Wave and Future Arts Centres and it is expected that this will now bring new projects to fruition at Bell Square in 2021.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2020

As the global pandemic continued into the spring and summer of 2020, outdoor events suffered significant disruption. However, with social distancing, Bell Square delivered a festival-style programme of world music events on Saturday afternoons through August. It is intended to deliver a series of installations during Autumn 2020 to maintain engagement.

In addition, partnerships with local stakeholders and groups in Hillingdon have developed further, allowing us to continue development of the new Hayes Outdoor programme. This is a long-term commitment which will take time to build, but it is expected that a winter outdoor festival will be delivered in 2020/21.

Organisational Development

Programme and contract management

Watermans has continued its programme of continual organisational improvement and development, using systems and frameworks that had been developed originally to allow the organisation to take full advantage of opportunities in public sector contracting. Over recent years, developments in the staff structure and the significant upgrading of organisational systems (especially programme management), has been carried out to aid the pursuit of new funding streams, and the effective management of multiple partnerships, consortia, and contracts.

Watermans' accreditation to ISO:9001 was re-certified in this period. ISO:9001 is the internationally recognised quality management standard. The organisation has a full set of quality management systems which are compliant with the ISO 9001:2015 standard. Watermans has continued to improve its processes and procedures to ensure the best possible quality of service to audiences, participants and other stakeholders. Watermans is accredited by the British Standards Institution (BSI).

Customer and audience feedback

Watermans has three key customer groups:

- i) funders and service commissioners;
- ii) participants; and
- iii) audiences for its programmes.

For its funders and service commissioners, Watermans issues a contract customer feedback form, which commissioners are invited to complete at the end of contracts (or mid-term if the contract is for a longer period). Annual review meetings are held with commissioners where possible. Feedback is excellent with commissioners being confident or very confident in Watermans' ability to deliver consistently high quality services, and stating that their experience of Watermans is better or significantly better than other service providers.

Within the Participative Arts programme, all participants contribute to the evaluation of each project. An online evaluation process is used that records the levels of engagement as well as an assessment of the outcomes of each project.

Feedback is actively sought from all programme audiences. The key elements of this feedback are:

- an annual survey among attenders from the past year to assess and track overall satisfaction and attitude to key parts of the service. The findings are used to inform strategic emphasis over the following year.
- a feedback card system which is used throughout the building to capture individual comments and complaints. Feedback received is logged for timely review, any necessary action, and response.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

- feedback and comments which are collected for each exhibition/installation and are recorded and used as input into the evaluation of projects.
- a feedback card system which is used at Bell Square and at Hayes Outdoor to capture audience views of the events.
- a direct feedback system which captures feedback received by other channels than those above.

Quantitative results from the annual survey were heartening and included an impressive repeat visit rate (41% of respondents had visited between 2-4 times in the previous year; 42% had visited more than 5 times). Most respondents said that they would recommend Watermans to friends and family in future.

The full range of feedback is analysed over each six-month period and informs a quality management review. From this review, quality objectives are agreed for the next six months.

Environmental responsibility and performance

Watermans has continued with its commitment to understanding and improving its carbon footprint in the following ways:

- the Environmental Policy was reviewed to ensure it remains relevant, and fit for purpose;
- the Environmental Action Plan 2018-20 continues to be a live document with partial or complete achievement of key goals towards improved organisation efficiency.
- utilities usage was monitored and analysed using the online tool Pilio, to improve the understanding of demand and uptake.

The building has retained an energy performance of 'E', which is considered to be a good performance in the context of the age and build of the venue.

Energy usage and waste generated remained broadly as in previous years. The standard measure of "usage per attendee" continues a slow improving trend resulting from actions in the Environmental Action Plan. Reported domestic and international staff travel was significantly lower.

During the period, the rolling replacement programme continued, by which irreparable equipment is replaced by energy efficient equivalents; and the benefits of energy efficiencies put in place in previous years have continued to be realised.

In addition, the Board has identified some positive impacts on the organisation's carbon footprint arising from the closure by Government order. Future planning will incorporate best practice around avoidable journeys, reduced waste management costs, reduced premises utilities usage.

Supporting young people into the creative sector

One in six new jobs in London are in the creative sector and this is projected to rise to one in four. At the same time, Watermans recognises the challenges currently faced by young people in finding work and training opportunities, exacerbated in the creative industries by the erosion of the arts offer in schools at GCSE and A-level.

Watermans continues to provide opportunities for young people, to support access to careers in the arts, as follows:

- school work placements;
- talks to schools groups about working in the arts; and
- internships for university students and new graduates;

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

Watermans hosted 9 schools work experience placements and 1 work placement in this period, who is now a casual worker for Watermans.

Social Enterprise Mark

Watermans has held the Social Enterprise Mark since 2011. This certification demonstrates that an organisation is an ethical business, showing social and environmental responsibility. Businesses displaying the Mark give assurance to customers that they are driven by social or environmental objectives and are trading to benefit people and planet.

The Mark allows Watermans to be listed in the only online directory of certified social enterprises, which is a valuable way of promoting our services.

Watermans continues to hold the Social Enterprise Mark and customer survey data identifies that a large proportion of those surveyed recognise and value the Mark.

Future plans

In recent years, Watermans has spent considerable time and resource in establishing two major programmes: Creative People and Places Hounslow and the Outdoor Arts programme at Bell Square. Both these strands of work have been maturing into established programmes delivering tangible outcomes.

Watermans is leading the Creative People and Places Hounslow consortium for Phase 2, with new strands of participative and capacity-building activity and increased support for communities to assume the lead role in developing local arts programmes. Funding for Phase 3 of the programme, to run 2021-24, has been secured and despite reduced activity being possible during the global pandemic, the programme is well placed to regain its momentum once restrictions are lifted.

The expertise acquired at the continuing Bell Square programme has been rolled out to establish Hayes Outdoor, a festival initiative to foster community cohesion in the rapidly-changing area around Hayes town centre. An engaged group of partners supporting the project has been developed and it is expected that Hayes Outdoor will develop further in 2021.

Work to facilitate the development of a local Cultural Education Partnership in the borough will continue, in partnership with schools, other local cultural providers, Arts Council England and the bridge organisation A New Direction to develop ideas around the development of a coherent schools programme across Hounslow. New partnerships have been developed, and funding secured, to take forward the learning from earlier pilot projects into larger-scale initiatives starting in 2020.

In the context of a relocation in the medium-term, audience and programme development planning continues, with sustainable new strands of work being trialled and assessed. The 'Friday Nights Live' performances have developed well in the past 12 months but have been severely disrupted due to the temporary closure of the Theatre. Despite continuing restrictions on audience capacity, we aim to resume that programme in the second half of the year.

Whilst the initial plan for 2020-21 has been adversely affected by the global pandemic, the organisation has developed its Recovery Plan within the parameters of the existing Strategic Plan, to ensure our response to the pandemic remains consistent with our overall goals and long-term direction. Where possible, therefore, the plan for 2020-21 continues to build on previous achievements and experience, engaging existing and new audiences for the programme.

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A key initiative in 2020-21 is therefore developing the skills and resources for online delivery across our programme.

The plan can be broken down into interlinked key themes:

- 1 Developing the reach and sustainability of the arts programme, specifically:
 - developing sustainable and accessible online programmes for communities most affected by COVID-19, especially Disabled children and young people, older people, and Black and South Asian communities
 - maintaining impact across West London through direct delivery of projects outside the venue with a particular, but not exclusive, focus on Hounslow
 - maintaining communities' engagement with the Creative People and Places programme and securing funding for delivery of its 3rd phase
 - developing Watermans as a hybrid organisation which can deliver programmes effectively at the venue, in the community and online
 - expanding our range of partners to support long term development of the programme

- 2 Developing the audience experience of Watermans, specifically:
 - developing the digital offer to increase distribution of artistic product and audience engagement with the programme, through development of a new digital strategy and upgrading of the website
 - devising and implementing a 'contactless customer journey' which is COVID-secure, welcoming to visitors and congruent with Watermans' brand
 - further exploring the potential of community co-production through new approaches to programme development

- 3 Building the health of the organisation
 - retaining the capability of the organisation to ensure business continuity and recovery
 - testing and reviewing mechanisms for income generation from online delivery
 - developing income from individual donations
 - pursuing productivity improvements to create capacity to support growth later in recovery
 - devising a 5-year plan to rebuild the financial health and resilience of the organisation

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STRUCTURE GOVERNANCE & MANAGEMENT

Hounslow Arts Trust Ltd is a company limited by guarantee and a registered charity, established in 1984. Its charitable purpose is the promotion and advancement of the arts in all their forms, and the improvement of social conditions through the provision of arts programmes. These objects are set out in its governing document which is its Memorandum and Articles of Association.

The governing body is the Board whose members are non-executive and unpaid. The Board meets regularly, retains full and effective control of the company and monitors the executive. The Board takes major strategic decisions and has ultimate responsibility for the conduct and financial stability of the organisation.

To facilitate effective operations, the Board delegates authority to the Director for the management and artistic control of Watermans. 'Director' is the traditional title used in the sector for the chief executive post although it is not a director under the terms of the Companies Act, nor are other members of the executive teams whose titles include the word 'director'. It is the duty of the Director to provide the vision, leadership and direction that will enable Watermans to implement its strategic plans and ensure that the organisation's management is efficient, effective and in accordance with good business practice. The Board delegates to the Director full control over the selection and presentation of all projects forming the creative programme at, and under the auspices of, Watermans. The framework for the programme is set by the Board within the programme strategy and is monitored throughout the year. The Director and other members of the executive team generally attend meetings of the Board.

The Board appoints and monitors the performance of the Director and reviews the quality, effectiveness and timeliness of information provided to the Board by the executive team. The Board determines the contract of employment for all staff. It also reviews the remuneration of all staff annually. The Chair of the Board is the line manager of the Director.

The Board has access to independent professional advice if necessary, at Watermans' expense. All Board members have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed.

The affairs of Watermans are subject to continuous scrutiny by its major funders, Arts Council England and London Borough of Hounslow.

Board management and development

Appointment and terms of office of Board members

As set out in the Articles of Association, the Board has a minimum of eight members and a maximum of fifteen. London Borough of Hounslow has the power to nominate one elected member to the Board, subject to the appointment processes of the Council and the guidelines on appointment to public office as they apply to Local Government nominees. The Board has the power to appoint its other members.

The Board reviews its structure and composition regularly to ensure that it has the required competencies to fulfil its duties and responsibilities. It reviews its membership annually against the required mix of competencies and in light of that review makes new appointments as necessary. Vacancies for Board members are subject to a formal recruitment process. Successful candidates are invited to attend a minimum of three Board meetings on a probationary basis, after which the Board may decide to appoint them to the Board.

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TRUSTEES' REPORT (continued)
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An open recruitment exercise was conducted during this period, resulting in the appointment of two new Trustees who bring specific skills and experience to the Board.

New Board members are co-opted to the Board at the time of their initial appointment following the probationary period, and are then subject to formal appointment at the next Annual General Meeting. They are then appointed for an initial term of four years. This initial term may be followed by a re-appointment for a further period of four years. The member must then leave the Board for a minimum of one year before any re-appointment may be considered.

Board members at the time of this report are listed on the opening page of this report.

The previous Chair of the Board Lee Dawson resigned on 10 May 2019. The Board invited the Vice Chair David Evans to act as interim Chair until a final decision is taken on the appointment of a new Chair. Plans for an open recruitment to the role of Chair were developed, alongside a full role specification. The Board decided to pause this process until the uncertainty associated with the global pandemic had reduced to an acceptable level, and David Evans agreed to continue as Chair until the end of the 2020-21 year.

All Board members serving during the period of this review were Lee Dawson (Chair) (resigned 13 May 2019), Graeme Baker (retired 23 March 2020), Mary Dalton (retired 23 March 2020), David Evans, Catherine Heseltine, Karen Hinton-Platt (resigned 27 January 2020), Manjit Kaur Hunjan (appointed 21 October 2019), Adam Jackson, Cllr Guy Lambert, Helen Little (appointed 23 March 2020), Ajay Mehta, Joanna Renata Mludzinska (appointed 23 March 2020), Jacqueline Rose (Kormonick) (resigned 16 April 2019), Duncan Smith and Louise Thompson (appointed 10 June 2019).

Induction and Training of Board members

New Board members attend an induction meeting to brief them on the organisational structure, the Board's decision-making processes, the strategic plan, and recent financial performance.

Training on topics including the company's legal structure and legal responsibilities of company directors and charity Trustee, is offered to all Board members.

In addition, the Board reviews any further development and training needs on an annual basis, and arranges training events and briefing sessions as necessary.

Board management & organisation

The Board has a programme of eight meetings per year.

In addition, there are sub-groups, each working to Terms of Reference set by the Board. The standing sub-groups are:

- Finance, Risk & Audit; and
- People & Organisational Development.

and temporary groups can be established for particular purposes. There is currently a temporary Relocation sub-group overseeing planning for the relocation proposals.

The Board in March 2020 established a Coronavirus Emergency subgroup to lead on the Board's response to and recovery from the impact of the pandemic.

All sub-groups report back to the full Board after each of their meetings.

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TRUSTEES' REPORT (continued)
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Remuneration of Trustees and related parties

None of the Trustees receive remuneration or other benefit from their work with the charity.

In line with guidance from the Charity Commission and the Department for Digital, Culture, Media and Sport, the organisation has a Conflict of Interest Policy and is committed to ensuring that all stakeholders can have confidence in the Trust's decision-making processes. The purpose of the Policy is to protect both the organisation and the individuals involved from any appearance of impropriety, and also to set out procedures for the declaration and management of actual or perceived conflicts of interest. This policy applies to Board members and all staff.

The Policy requires Board members and all staff of Hounslow Arts Trust Ltd to act in good faith and in the best interests of the organisation. They are expected to strive to avoid any conflict of interest between the interests of the organisation on the one hand and their own personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

In the current year, no related party transactions were reported.

Internal control and risk management

The Board reviews the effectiveness of internal controls, including financial and compliance controls and risk management systems. The internal control systems are designed to meet the needs of Watermans and the risks to which it is exposed, to manage these risks and to provide reasonable reassurance against loss. Established regular procedures, including budgetary controls, operate to monitor the receipt of projected income and both revenue and capital expenditure.

The Board and its sub-groups have reviewed and assessed the risks to which the organisation may be exposed. Specific actions and responsibilities have been agreed for mitigating them. The risk management process is ongoing and is regularly reviewed at high level by the Board and in detail by the Board subgroups. Actions required to mitigate risks are incorporated into the organisation's Strategic Plan.

The key risks currently being managed include the common one to many organisations, around the global COVID-19 pandemic.

The pandemic developed in the latter part of this period, with initial effects seen in declining box office income before the full closure by Government regulation. At the time of adoption of this Report, a partial re-opening has been possible with social distancing measures in place in the cinema and theatre, however there is an ongoing negative effect on earned income through ticket sales and ancillary income from catering and car parking. Mitigating actions have included furloughing some staff and claiming from the Coronavirus Job Retention Scheme; securing emergency funding; securing a bounce-back loan.

The Board has also been mindful of the health risks to staff and audiences, and an enhanced risk assessment for operations was consulted upon with employees before the re-opening, as well as a detailed survey of the health of staff and their households. Additional measures were put in place for those at higher risk. Marketing messaging to audiences has sought to set out safety measures undertaken to make each visit COVID-secure, and audiences have been receptive to and grateful for the additional care taken.

"It felt really safe."

Audience member, survey response

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The Board and management have sought advice from a trustee who is a public health specialist, as well as referring to current guidance from Public Health England, throughout the pandemic.

In addition, the board has identified specific risks around ensuring a successful relocation (detailed elsewhere in this report) and identified the potential impact of a no-deal Brexit (notably possible disruption to the artistic programme and exchange rate volatility, as well as risks around supply chains).

The Board has implemented a programme to identify and mitigate risks arising from climate change, and to explore the role of Watermans as an advocate for environmental best practice locally, regionally and nationally.

The appropriate control measures and mitigations are in place (including the reserves policy set out below), and are reviewed for effectiveness by the Board and subgroups on a regular basis.

Finance and control

The Finance, Risk & Audit sub-group monitors and reviews all aspects of the financial performance, financial management, internal financial and management reporting arrangements, including the preparation of budgets. It also deals with such other financial matters as may be specifically delegated to it by the Board.

Audit

All issues relating to the preparation and production of the annual financial statements of the organisation and its subsidiaries are reviewed and monitored by the Finance Risk and Audit sub-group.

Each year the Board considers the appointment of the external auditors, their remuneration and terms of engagement.

Connected companies and charities

The charity's wholly-owned subsidiary, Sharedart Ltd, was established to operate the commercial facilities and services which are principally the bar and restaurant, the hire of space to external parties, and car parking charges. The profits of the company are donated to the charity.

The charity is also affiliated to Watermans Development Trust. As part of the structural review of the charity and its affiliated companies and charities, Watermans Development Trust has proposed that it be wound up as all its activities can be conducted through Hounslow Arts Trust Ltd. The Charity Commission has given consent to de-register Watermans Development Trust and this process is currently under way.

Watermans Activities Group has objects related to those of Watermans. It has an independent trustee body and has had no financial or other direct relationship with Watermans since 2000.

FINANCIAL REVIEW

Watermans' key financial objective is to ensure financial stability and continued solvency year on year, so that it can pursue its organisational aims and objectives.

For the financial year ending 31 March 2020 Watermans turnover was £1,736,653.

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TRUSTEES' REPORT (continued)
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The organisation begins the new financial year with a balance of £435,964 on unrestricted reserves, designated funds of £71,075 and £15,854 on restricted funds, giving total funds of £522,893.

Funding received from London Borough of Hounslow and National Portfolio Organisation Funding received from Arts Council England were important in maintaining financial stability through this period; membership of the National Portfolio will continue to provide this support through 2022.

Income streams against delivery of the public sector contracts Creative People & Places Hounslow and Circulate continue to be a key part of the income base.

Watermans has adopted SORP (FRS 102) in preparing these financial statements, and the statement of financial activities (SOFA), statement of financial position and notes are set out from page 28 onwards.

Principal funding sources

Watermans generates income from a range of sources including box office sales, trading income, public sector contracts and other sundry sources, and receives grant funding from Arts Council England.

Public sector contracts and fee-based work

Public sector contracts and fee-based work are Watermans' largest income stream. In 2019-20 the organisation delivered public sector contracts and led consortia programmes with a combined value of £768,263. The income is diversified over a range of contracts which use the arts as a mechanism to achieve positive outcomes for different communities and to support wider regeneration objectives.

Watermans largest contract during the year was with LB Hounslow, to provide the arts and cultural service for the Borough. The contract was worth £225,000 p.a. This had been an ongoing contract which concluded in this year.

Arts Council England

Watermans is a National Portfolio Organisation and received funding of £120,696 from Arts Council England in 2019-20, in the second year of a four-year agreement.

Arts Council England also provides investment to Watermans as the lead partner of Creative People and Places Hounslow, part of the national Creative People and Places programme to reach more people in areas of low engagement in the arts. Phase 2 continued in this period; phase 2 funding will total £997K and will end in 2021.

In addition, Watermans was the lead partner for the Circulate consortium of Outer London venues and strategic agencies dedicated to the development of Outdoor Arts. The funding continued to the end of 2019-20 and supported major touring projects and associated audience development work. Further funding for Circulate has been confirmed for the 2020-21 programme.

Emergency Funding and Cultural Recovery Funding from Arts Council England has been awarded in 2020-21.

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Box Office income

Watermans' pricing policy aims to ensure that price is never a barrier to participation, while also maximising revenue from attendance at cinema screenings, live theatre performances, and exhibitions.

Box office income reached £580,956 in this year, which represents a slight decrease on previous years as a result of the global pandemic.

The majority of Watermans' learning and participation programmes are free of charge, as are all of the exhibitions and outdoor arts events.

Commercial activities

Watermans provides a number of commercial services that generate income to contribute to the development of the artistic programme and to enhance the experience of audiences and other visitors.

The principal areas of trading are the operation of the bar and restaurant, private hire of spaces in the building and car parking charges.

Commercial activities are conducted through Sharedart Ltd, the charity's subsidiary. All profits from these activities are donated by the subsidiary to the charity for investment in the organisation's activities.

In 2019-20 Sharedart Ltd. made a net contribution of £168,746.

Donations

Income from individual and corporate donations contributed £25,487 to funds in 2019-20.

The Board is developing a medium-term fundraising plan both to develop existing strands and to take advantage of the opportunities offered by the possible relocation.

Reserves and Financial Policies

Reserves Policy

The Board has reviewed the organisation's needs in line with guidance issued by the Charity Commission. Hounslow Arts Trust Ltd's annual income is split 49% unrestricted and 51% restricted income. It secures unrestricted income from ticket sales and donations, including a substantial donation from its trading subsidiary each year. It also receives a small proportion of its income in the form of an unrestricted annual grant from statutory sources. The remainder of its income is restricted and includes public sector contracts and project grants.

The Board has identified the functional assets needed for the charity's work as the tangible fixed assets and on this basis £94,300 has been excluded from the unrestricted reserves. There were, therefore, £341,664 of unrestricted reserves remaining at 31 March 2020. In addition, there were £15,854 of restricted funds and £71,075 of designated funds.

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All of the income sources are susceptible to external factors, some of which could impact upon the organisation in a sudden or unpredictable manner. In addition, maintenance of a large building carries a certain level of risk in terms of unplanned expenditure. It is desirable, therefore, to hold reserves to protect the organisation from serious disruption

The Board keeps under review the key financial risks and, based on the potential impacts of these risks considered before the arrival of the COVID pandemic that a reasonable level of reserves under normal circumstances to be in the range £125,000 to £160,000.

The organisation is in negotiations to relocate to a new building in the medium term. The Board therefore wishes to set aside further funds of £100,000 to support the costs associated with a potential relocation. This funding would provide resources for additional marketing, dealing with the effects on staff, building bigger audiences and allowing time to embed new programmes.

Before the arrival of the COVID pandemic the Board considered that reserves of £225,000 to £260,000 would be appropriate. The Board notes that the unrestricted reserves of £341,664 remaining at 31 March 2020 was above this range.

However, the organisation is currently working in the difficult and changeable context of the global COVID-19 pandemic, which has and will continue to significantly adversely affect earned income, which may result in deficits in 2020-21 and 2021-22 causing reserves to fall. The Board is therefore developing plans to rebuild the reserves to maintain an appropriate level in recognition that a higher level may be required in the future.

The Board will use its reserves and also review designated funds in order to maintain stability of operation as far as possible. The reserves policy will be reviewed regularly as part of financial planning over the next 12 months and in the light of the developing COVID situation.

Designated Funds

In August 2019, the Board designated funds of £7,500 to recognise the contribution of all staff to the favourable outturn in 2018-19. This was in lieu of a salary increase in the previous year and the fund was fully expended by March 2020.

In August 2019, the Board designated funds of £2,400 to support recruitment to the vacancy for Chair of the Board. The fund is intended to be expended by March 2022.

In August 2019, the Board designated funds of £51,675 to support artistic programmes that are effective at reaching the communities of Hounslow. In designating this fund, the Board was mindful both of pressure on public funding, and the exposure to fluctuations in foreign exchange rates caused by Brexit. The Board also designated funds of £10,000 to support an enhanced schools programme which is a key development identified in the Strategic Plan for 2015-18. The fund will provide early investment into the development of a Cultural Education Partnership or similar vehicle to take forward this work. It is expected that both these funds will be fully or partly expended by March 2022.

In August 2018, the Board had designated funds of £7,000 to initiate a fundraising campaign. In view of the expected deficit in the 2020/21 financial year arising from the current pandemic, the trustees have made the decision to return this fund to free reserves in that financial year.

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Restricted funds

These are funds which have been earmarked by the donor or grant-maker for specific purposes within the overall aims of the organisation. The funds are analysed between long term and short term. Funds are for project activity and details are set out in note 16 of the accounts.

Investment powers and policy

Under the Memorandum and Articles of Association, the Board has the power to invest funds which are not required in the short term in any way it believes to be appropriate. In formulating its investment policy, Watermans has recognised that whilst it may have surplus funds to invest, these are likely to be called upon in the short term.

Available funds are therefore kept in an interest-bearing deposit account which minimises interest rate risk and maximises returns and liquidity.

Funds have been invested with Bank of Scotland plc (registered in Scotland, number SC327000), an institution authorised and regulated by the Financial Conduct Authority, and National Westminster Bank plc (registered in England and Wales, number 929027, also an institution authorised and regulated by the Financial Services Authority.

Fundraising

Hounslow Arts Trust seeks to comply with best practice on fundraising, and is compliant with the Code of Fundraising Practice of the Fundraising Regulator.

All fundraising activities are monitored and reviewed on a monthly basis. No professional fundraiser or commercial participator carried out fundraising activity for Watermans in this period.

Watermans was not bound by, but was compliant with the principles of, the voluntary scheme for regulating fundraising, for fundraising activities carried out on behalf of the charity.

Watermans was compliant with the voluntary registration scheme in the period.

Watermans gives training and periodically monitors all members of staff with a fundraising role. No external fundraisers were involved in fundraising on behalf of Watermans in this period.

No complaints were received in this period about fundraising activity by or on behalf of the charity.

All members of staff engaged in fundraising activity are given full training, which specifically excludes

- unreasonable intrusion on a person's privacy;
- unreasonably persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity; or
- placing undue pressure on a person to give money or other property.

Property interests

Watermans has a lease from London Borough of Hounslow for the use of its current building. The lease has a term which expires in 2024.

Watermans also has a Licence to Occupy Bell Square, the Outdoor Arts space in Hounslow.

HOUNSLOW ARTS TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Hounslow Arts Trust Ltd 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

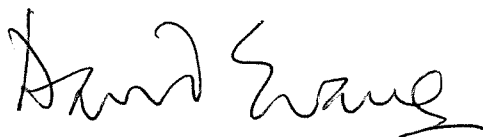
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial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

PROVISION OF INFORMATION TO AUDITORS

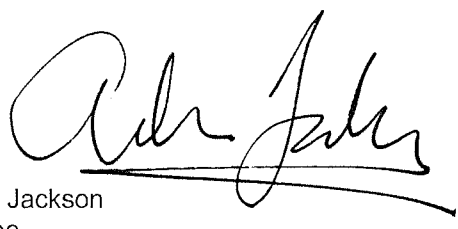
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- 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 information needed by the charitable group's auditors in connection with preparing their report and to establish that the charitable group's auditors are aware of that information.

This report was approved by the Trustees on 23 November 2020 and signed on their behalf by:



David Evans
Chair



Adam Jackson
Trustee

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOUNSLOW ARTS TRUST LIMITED
(THE)**

Opinion

We have audited the financial statements of Hounslow Arts Trust Limited (The) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated statement of financial activities, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated 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 2020 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

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.

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

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

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 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.

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

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

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.

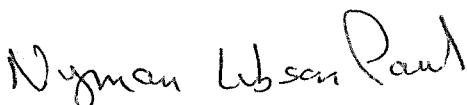
Auditors' responsibilities for the audit of the financial statements

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. 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.



Jennifer Pope (Senior statutory auditor)

for and on behalf of

Nyman Libson Paul

Chartered Accountants

Statutory Auditors

124 Finchley Road

London

NW3 5JS

23 November 2020

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and legacies	3	195,678	768,263	-	963,941	1,170,402
Charitable activities	4	580,956	22,723	-	603,679	669,103
Other trading activities	5	168,746	-	-	168,746	158,375
Investments	6	287	-	-	287	155
Total income		945,667	790,986	-	1,736,653	1,998,035
Expenditure on:						
Raising funds	7	36,679	-	-	36,679	37,172
Charitable activities	8,9	846,530	796,114	-	1,642,644	1,856,234
Total expenditure		883,209	796,114	-	1,679,323	1,893,406
Net income/(expenditure)		62,458	(5,128)	-	57,330	104,629
Transfers between funds	16	7,500	-	(7,500)	-	-
Net movement in funds		69,958	(5,128)	(7,500)	57,330	104,629
Reconciliation of funds:						
Total funds brought forward		366,006	20,982	78,575	465,563	360,934
Net movement in funds		69,958	(5,128)	(7,500)	57,330	104,629
Total funds carried forward		435,964	15,854	71,075	522,893	465,563

The notes on pages 32 to 49 form part of these financial statements.

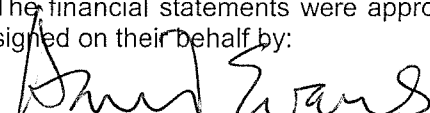
HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)
REGISTERED NUMBER: 01164904

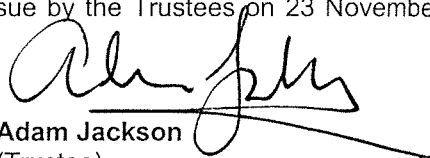
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	94,300	129,155
Current assets			
Stocks	21		
Debtors	14	250,047	177,078
Cash at bank and in hand		541,442	532,610
		<u>791,510</u>	<u>709,709</u>
Creditors: amounts falling due within one year	15	(362,917)	(373,301)
Net current assets		<u>428,593</u>	<u>336,408</u>
Total net assets		<u><u>522,893</u></u>	<u><u>465,563</u></u>
Charity funds			
Designated funds	16	71,075	78,575
Restricted funds	16	15,854	20,982
Unrestricted funds	16	435,964	366,006
Total funds		<u><u>522,893</u></u>	<u><u>465,563</u></u>

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 on 23 November 2020 and signed on their behalf by:


David Evans
 (Chair of Trustees)


Adam Jackson
 (Trustee)

The notes on pages 32 to 49 form part of these financial statements.

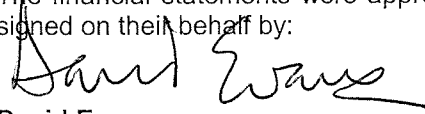
HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)
REGISTERED NUMBER: 01164904

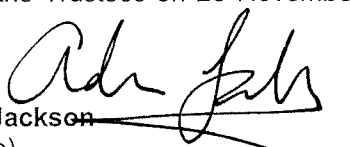
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	94,300	129,155
Investments	13	2	2
		<u>94,302</u>	<u>129,157</u>
Current assets			
Stocks		21	21
Debtors	14	255,182	175,259
Cash at bank and in hand		346,195	476,723
		<u>601,398</u>	<u>652,003</u>
Creditors: amounts falling due within one year	15	(345,370)	(356,069)
Net current assets		<u>256,028</u>	<u>295,934</u>
Total net assets		<u><u>350,330</u></u>	<u><u>425,091</u></u>
Charity funds			
Designated funds	16	71,075	78,575
Restricted funds	16	15,854	20,982
Unrestricted funds		263,401	325,534
Total funds		<u><u>350,330</u></u>	<u><u>425,091</u></u>

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 on 23 November 2020 and signed on their behalf by:


David Evans
 (Chair of Trustees)


Adam Jackson
 (Trustee)

The notes on pages 32 to 49 form part of these financial statements.

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	18	13,168	213,795
Cash flows from investing activities			
Dividends, interests and rents from investments		287	155
Purchase of tangible fixed assets		(4,623)	(54,711)
Net cash used in investing activities		(4,336)	(54,556)
Change in cash and cash equivalents in the year		8,832	159,239
Cash and cash equivalents at the beginning of the year		532,610	373,371
Cash and cash equivalents at the end of the year	19	541,442	532,610

The notes on pages 32 to 49 form part of these financial statements

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Hounslow Arts Trust Limited is a private company limited by guarantee and incorporated in the United Kingdom. The address of its registered office and principal place of business is Watermans, 40 High Street, Brentford, Middlesex, TW8 0DS.

The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The company has applied all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102), as required for accounting periods beginning on or after 1 January 2019.

Hounslow Arts Trust Limited(The) 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 statement of financial position consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company 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.

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.2 Going concern

The charity meets its day to day working capital requirements through the utilisation of its own funds together with funding from other bodies including Arts Council England and London Borough of Hounslow. The charity is an Arts Council England National Portfolio Organisation with annual funding agreed up to 31 March 2023. As at the balance sheet date, the charity had free reserves (designated and unrestricted funds) of £428,593.

The UK arts sector has been badly affected by the impact of COVID-19, with arts centres closing on government advice on 20 March 2020, reinforced in legislation from 21 March 2020, for an indefinite period. Whilst some re-opening is now possible it is not yet known when arts centres will be able to fully re-open in the context of the government's social distancing guidelines. Whilst the full, final effect of these closures is not yet known, it is clear that the charity's activities and revenue streams have been and will continue to be severely impacted.

The trustees have prepared updated forecasts and projections based on a number of potential scenarios and these, together with reserves held, cost savings made, and government assistance by way of the job retention scheme and funding initiatives for the arts, indicate that the charity has adequate resources to continue its operations, albeit at a potentially lower level. It is, however, difficult to determine the assumptions that will prove to be most appropriate and therefore there is an element of uncertainty existing.

After reviewing the forecasts and projections, at the time of approving these financial statements the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the next 12 months. The trustees therefore consider it appropriate to continue to adopt the going concern basis in preparing the charity's financial statements.

2.3 Income

Voluntary income including donations, gifts and legacies that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from government and other grants is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services when they are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities.

- Charitable activities include expenditure associated with the presentation of performances, exhibitions, film screenings and learning and participation programmes and include both the direct costs and support costs relating to these activities.

- Governance costs include those incurred in the governance of the charitable company and its assets and are primarily associated with its constitutional and statutory requirements.

- Support costs include those functions that assist the work of the charitable company but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's artistic programmes and activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

Irrecoverable VAT is charged within management and support expenditure.

2.5 Tangible fixed assets and depreciation

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:

Building and capital works	- 5% straight line basis
Production equipment	- 10% straight line basis / 16.67% straight line basis / 20% straight line basis
Cafe and bar equipment	- 20% straight line basis
Computer equipment	- 33.33% straight line basis
Administration and general	- 20% straight line basis

2.6 Investments

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

2.7 Fixed asset grants

Grants received for the restricted purpose of funding fixed assets for charity use are accounted for in the Statement of Financial Activities as a restricted fund when they become available. The restricted funds are reduced annually by transfers of amounts equivalent to depreciation charges over the expected useful life of the asset concerned.

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 Creditors

Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2.11 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.

2.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.13 Direct taxation

As a charity the company is generally exempt from income and capital gains tax, but not from VAT.

2.14 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.

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.

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following are the charity's key sources of estimation uncertainty:

Accruals

The company makes an estimate of accruals at the year end based on invoices received after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In re assessing the assets' lives, factors such as technological innovation and maintenance programmes are taken into account.

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	74,982	-	74,982	54,422
Arts Council England (ACE)	120,696	-	120,696	120,696
ACE - Creative People and Places	-	343,505	343,505	275,409
ACE - Circulate	-	99,930	99,930	312,605
Other public sector contracts	-	324,828	324,828	407,270
Total donations and legacies	195,678	768,263	963,941	1,170,402
Total 2019	175,118	995,284	1,170,402	

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Programme delivery	580,956	22,723	603,679	669,103
Total 2019	588,103	81,000	669,103	

5. Trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Trading income from subsidiary	168,746	168,746	158,375
Total 2019	158,375	158,375	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest receivable	287	287	155
Total 2019	155	155	

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Expenditure on raising funds

	Staff costs 2020 £	Other costs 2020 £	Total funds 2020 £	Total funds 2019 £
Expenditure on raising voluntary income	26,077	7,977	34,054	32,949
Expenditure on fundraising trading	-	2,625	2,625	4,223
Total 2020	26,077	10,602	36,679	37,172
Total 2019	25,265	11,907	37,172	

8. Analysis of expenditure on charitable activities

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £	Total funds 2019 £
Programme delivery	523,212	39,480	1,047,977	1,610,669	1,823,054
Expenditure on governance	17,385	-	14,590	31,975	33,180
	540,597	39,480	1,062,567	1,642,644	1,856,234
Total 2019	621,783	42,670	1,191,781	1,856,234	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Direct and support costs	1,278,388	364,256	1,642,644	1,856,234
Total 2019	1,485,320	370,914	1,856,234	

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Programme delivery 2020 £	Total funds 2020 £	Total funds 2019 £
Programme costs	506,476	506,476	485,112
Technical production costs	524,632	524,632	454,741
Front of house costs	165,437	165,437	475,671
Marketing and promotion	4,536	4,536	3,710
Telephone	12,093	12,093	11,154
Printing and stationery	23,088	23,088	13,870
Postage	5,583	5,583	6,241
Office equipment	708	708	1,237
Finance costs	3,598	3,598	3,851
Licences and subscriptions	1,965	1,965	1,903
Futurebuilders costs	19,898	19,898	16,325
Staff costs	7,524	7,524	7,208
Depreciation	2,850	2,850	4,297
	<u>1,278,388</u>	<u>1,278,388</u>	<u>1,485,320</u>
Total 2019	<u>1,485,320</u>	<u>1,485,320</u>	

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

Analysis of support costs

	Governance 2020 £	Programme delivery 2020 £	Total funds 2020 £	Total funds 2019 £
Repairs and maintenance	-	13,956	13,956	21,079
IT systems maintenance	-	11,714	11,714	10,715
Staff recruitment and training	-	2,816	2,816	3,648
Legal and professional fees	-	6,914	6,914	1,859
Sundry expenses	-	213	213	(811)
Staff welfare	-	1,718	1,718	812
Insurance	-	14,637	14,637	13,754
Light and heat	-	49,770	49,770	40,437
Transport costs	-	5,710	5,710	7,353
Cleaning	-	43,236	43,236	41,496
Security	-	5,358	5,358	6,088
Rates	-	7,189	7,189	8,213
Irrecoverable VAT	-	11,564	11,564	20,593
Wages and salaries	15,755	118,248	134,003	130,520
National Insurance	1,630	12,227	13,857	13,547
Depreciation	-	27,011	27,011	35,274
Audit and accountancy	14,590	-	14,590	16,337
Total 2020	31,975	332,281	364,256	370,914
Total 2019	33,180	337,734	370,914	

10. Staff costs

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	629,166	606,111	629,166	606,111
Social security costs	38,370	38,394	38,370	38,394
Contribution to defined contribution pension schemes	12,877	9,939	12,877	9,939
	680,413	654,444	680,413	654,444

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Staff costs (continued)

The average monthly number of employees was as follows:

	Group 2020	Group 2019
Employees	37	36

The average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part time staff):

	Group 2020	Group 2019
Programme support/cinema	6	6
Marketing	2	2
Customer relations	19	18
Management and administration	5	5
Finance	2	2
Technical production	3	3
	37	36

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel

The key management personnel of the parent charity and its group comprise the directors and members of senior management. The total employee benefits of the key management personnel of the charity and its group were £171,096 (2019: £168,440).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

HOUNSLOW ARTS TRUST LIMITED (THE)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

12. Tangible fixed assets

Group and Company

	Building and capital works £	Theatre, cinema and gallery equipment £	Cafe and bar equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2019	641,435	259,160	17,187	195,513	1,113,295
Additions	-	2,849	-	1,774	4,623
At 31 March 2020	641,435	262,009	17,187	197,287	1,117,918
Depreciation					
At 1 April 2019	576,507	205,695	16,999	184,939	984,140
Charge for the year	23,203	12,469	188	3,618	39,478
At 31 March 2020	599,710	218,164	17,187	188,557	1,023,618
Net book value					
At 31 March 2020	41,725	43,845	-	8,730	94,300
At 31 March 2019	64,928	53,465	188	10,574	129,155

HOUNSLOW ARTS TRUST LIMITED (THE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

13. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	2
	<hr/>
At 31 March 2020	2
	<hr/> <hr/>
Net book value	
At 31 March 2020	2
	<hr/>
At 31 March 2019	2
	<hr/> <hr/>

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding
Sharedart Limited	01807735	Ordinary	100%

The financial results of the subsidiary for the period were:

Name	Income £	Expenditure £	Net assets £
Sharedart Limited	168,989	36,898	172,565

The charity has one wholly owned subsidiary company, Sharedart Limited, which is incorporated in the UK. The company operates a licensed bar and catering facilities at Watermans which it has franchised and from which it receives rent and a percentage of the income. Income is also derived from hires. Audited accounts are filed with the Registrar of Companies.

HOUNSLOW ARTS TRUST LIMITED (THE)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	14,409	39,144	1,281	23,019
Amounts owed by group undertakings	-	-	37,662	24,056
Other debtors	22,975	10,253	14,788	10,253
Prepayments and accrued income	212,663	127,681	201,451	117,931
	<u>250,047</u>	<u>177,078</u>	<u>255,182</u>	<u>175,259</u>

15. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other loans	-	25,407	-	25,407
Trade creditors	99,965	99,534	99,965	99,534
Other taxation and social security	55,638	42,478	47,445	42,478
Other creditors	47,433	49,960	43,439	45,966
Accruals and deferred income	159,881	155,922	154,521	142,684
	<u>362,917</u>	<u>373,301</u>	<u>345,370</u>	<u>356,069</u>

HOUNSLOW ARTS TRUST LIMITED (THE)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds	366,006	945,667	(883,209)	7,500	435,964
Designated funds					
Cultural education partnership	10,000	-	-	-	10,000
Fundraising campaign	7,000	-	-	-	7,000
Salaries fund	7,500	-	-	(7,500)	-
Chair and trustee recruitment	2,400	-	-	-	2,400
Artistic programme	51,675	-	-	-	51,675
	78,575	-	-	(7,500)	71,075
Restricted funds					
ACE - Capital Works	20,982	-	(5,128)	-	15,854
ACE - Circulate	-	99,930	(99,930)	-	-
ACE - Creative people and places	-	343,505	(343,505)	-	-
Other public sector contracts	-	324,828	(324,828)	-	-
Other restricted funds	-	22,723	(22,723)	-	-
	20,982	790,986	(796,114)	-	15,854
Total of funds	465,563	1,736,653	(1,679,323)	-	522,893

HOUNSLOW ARTS TRUST LIMITED (THE)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Unrestricted funds					
General Funds	310,357	921,751	(804,527)	(61,575)	366,006
Designated funds					
Cultural education partnership	10,000	-	-	-	10,000
Fundraising campaign	7,000	-	-	-	7,000
Salaries fund	7,500	-	(7,500)	7,500	7,500
Chair and trustee recruitment	-	-	-	2,400	2,400
Artistic programme	-	-	-	51,675	51,675
	24,500	-	(7,500)	61,575	78,575
Restricted funds					
ACE - Capital Works	26,077	-	(5,095)	-	20,982
ACE - Circulate	-	312,605	(312,605)	-	-
ACE - Creative people and places	-	275,409	(275,409)	-	-
Other public sector contracts	-	407,270	(407,270)	-	-
Other restricted funds	-	25,000	(25,000)	-	-
Multiple funders - Hayes project	-	56,000	(56,000)	-	-
	26,077	1,076,284	(1,081,379)	-	20,982
Total of funds	360,934	1,998,035	(1,893,406)	-	465,563

HOUNSLOW ARTS TRUST LIMITED (THE)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total funds 2020 £
Tangible fixed assets	78,446	15,854	-	94,300
Current assets	720,435	-	71,075	791,510
Creditors due within one year	(362,917)	-	-	(362,917)
Total	435,964	15,854	71,075	522,893

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Designated funds 2019 £	Total funds 2019 £
Tangible fixed assets	108,173	20,982	-	129,155
Current assets	631,134	-	78,575	709,709
Creditors due within one year	(373,301)	-	-	(373,301)
Total	366,006	20,982	78,575	465,563

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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

	Group 2020 £	Group 2019 £
Net income for the period (as per Statement of Financial Activities)	57,330	104,629
Adjustments for:		
Depreciation charges	39,478	42,670
Dividends, interests and rents from investments	(287)	(155)
Decrease in stocks	-	228
Decrease/(increase) in debtors	(101,747)	274,991
Increase/(decrease) in creditors	18,394	(208,568)
Net cash provided by operating activities	13,168	213,795

19. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	541,442	532,610
Total cash and cash equivalents	541,442	532,610

20. Analysis of changes in net debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	532,610	8,832	541,442
Debt due within 1 year	(25,407)	25,407	-

HOUNSLOW ARTS TRUST LIMITED (THE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

21. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £12,877 (2019: £9,939). Contributions totalling £3,003 (2019: £3,344) were payable to the fund at the balance sheet date and are included in creditors.

22. Operating lease commitments

At 31 March 2020 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	3,615	3,377
Later than 1 year and not later than 5 years	11,576	12,342
Later than 5 years	-	2,213
	<u>15,191</u>	<u>17,932</u>

23. Post balance sheet events

Shortly prior to the reporting date an international pandemic was declared in connection with the Covid-19 virus. In late March 2020 the Government of the United Kingdom instigated a nationwide lockdown, including the closure of theatres and arts centres.

Whilst a number of measures have now been relaxed, the implications of the original measures are still affecting the charity's operations and activities, specifically the cancellation and postponement of performances, as well as restricting the charity's ability to generate other income. Although this could be considered an adjusting event, creditors held as deferred income will either become repayable or continue to be deferred, and there is no evidence that the events have led to an impairment in the value of the charity's assets at the reporting date. Thus, no adjustment has been made to the 2020 financial statements regarding this event.

Nyman Libson Paul
Regina House
124 Finchley Road
London
NW3 5JS

Dear Sirs

HOUNSLOW ARTS TRUST LIMITED

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the group's financial statements for the year ended 31 March 2020. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as directors and trustees, as set out in the terms of your engagement letter under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the company have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the company, and with all other records and related information requested, including minutes of all management and trustees' meetings.
4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements are immaterial both individually and in total.

INTERNAL CONTROL AND FRAUD

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

ASSETS AND LIABILITIES

9. The company has satisfactory title to all assets and there are no liens or encumbrances on the group's assets, except for those that are disclosed in the notes to the financial statements.
10. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

INCOMING RESOURCES AND EXPENDITURE

11. All incoming resources and expenditure to which the group was entitled/liable up to the reporting date has been recognised in the financial statements.

ACCOUNTING ESTIMATES

12. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

LOANS AND ARRANGEMENTS

13. The group has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.
14. At the reporting date there were no material commitments under contracts placed for capital expenditure in addition to those disclosed in the financial statements.

LEGAL CLAIMS

15. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

16. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

RELATED PARTIES

17. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of company law or accounting standards.

SUBSEQUENT EVENTS

18. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

19. We believe that the group's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the group's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the group's ability to continue as a going concern need to be made in the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

For and on behalf of Hounslow Arts Trust Limited



[David.Evans \(Nov 16, 2020 17:17 GMT\)...](#)

Trustee

Date: 19 October 2020






Hounslow Arts Trust Ltd - 31.03.2020 - Letter of Rep

Final Audit Report

2020-11-16

Created:	2020-11-16
By:	Thom Stanbury (thom@watermans.org.uk)
Status:	Signed
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