

**Galway Arts Festival C.L.G.**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**Directors' Report and Financial Statements**

**for the year ended 31 December 2018**

**Registration Number: 110897**

**Charity Number: CHY 10298**

**Charities Regulatory Authority Number: CRA 20026196**

**Galway Arts Festival C.L.G.**  
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**Galway Arts Festival C.L.G.**  
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**Directors and other information**

Directors	Padraic Brennan (Chairperson) Martin Mackin Maria Mahon Patrick Dawson Patrick Lonergan Kevin Rafter Fiona Monaghan	Appointed 3rd February 2018 Appointed 24th May 2018
Secretary	Patrick Lonergan	
Company Number	110897	
Registered Office	The Black Box Theatre Dyke Road Galway	
Auditors	OMB Chartered Accountants Registered Auditors Steamship House Dock Street Galway	
Bankers	Bank of Ireland University Branch Galway	
Solicitors	RDJ Glynn Aengus House Long Walk Galway	
Charity Number	10298	
Charities Regulatory Authority Number	CRA 20026196	

**Galway Arts Festival C.L.G.**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**Directors' report**  
**for the year ended 31 December 2018**

The directors present their report and the audited financial statements for the year ended 31 December 2018. The company is a charity and hence the report and results are presented in a form, which complies both with the requirements of the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Also the Company has complied with the Statement of Recommended Practice (Charities SORP in accordance with FRS 102, effective January 2015).

**Legal Status**

Galway Arts Festival C.L.G. is a company registered in Ireland, which was incorporated under the Companies Acts in November 1985 and is a company limited by guarantee not having a share capital. The objects of the company are charitable in nature and it has established charitable status (CHY No. 10298) and is registered with the Charities Regulatory Authority (No. 20026196).

**Principal Activity and Review of the Business**

The main object for which the Company is established is to organise, control and manage an Arts Festival which is to be held annually in Galway City & County for the benefit of the public.

In 2018 the Festival, the 41st Annual Festival, took place from the 16th to 29th July and featured 874 performances at 29 venues, including 4 world premieres. The Festival programme included a number of genres including Theatre, Visual Arts, Street Art and Spectacle, Music and Talks.

The Company is limited by guarantee not having a share capital.

There has been no significant change in these activities during the year ended 31 December 2018.

In overall terms total income has increased to €3,586,570 during the year.

**Company's Objectives**

The objectives of Galway Arts Festival are:

***Excellence***

To be one of the best festivals in the world presenting a dynamic, exciting and innovative programme of the highest international standard.

***Access***

To present the best possible arts experience to as many people as possible.

***Leadership***

To act as an artistic leader in the presentation and origination of work.

***Artists***

To encourage, support and facilitate artists with the development of their work.

***Policy***

To drive the arts agenda locally and nationally and be positively influential internationally.

***Resources***

To identify and consolidate the resources necessary to achieve our vision.

**Financial Results for the year**

The surplus for the year amounted to €45,258 (2017- €89,819).

**Galway Arts Festival C.L.G.**  
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**Directors' report**  
**for the year ended 31 December 2018**

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**Principal Risks and Uncertainties**

The general economic conditions in Ireland and beyond pose the greatest risk and uncertainty as the Company is dependent on continued public funding, box office receipts, sponsorship and fundraising income to fund it in undertaking its principal activities.

The board has conducted its own review of the risks and uncertainties to which the organisation is exposed and action has been taken to mitigate those risks. Internal risks are minimised by prudent budgeting, the implementation of procedures for authorisation of all transactions and procedures to ensure quality of delivery of all operational aspects of the festival. These procedures are periodically reviewed to ensure that they continue to meet the needs of the organisation. The organisation has adopted a reserves policy which is deemed appropriate given these risks and uncertainties and is detailed below.

**Investment Powers and Policy**

In accordance with Memorandum and Articles of Association the company has the power to invest in any way the director's wish.

**Reserves Policy**

The Directors have recently reviewed the reserves of the company which is an integral part of the organisation's planning, budget and forecast cycle. The review concluded that to allow the company to be managed efficiently and to allow the annual festival continue without interruption a general reserve (free funds) equivalent to a minimum of €200,000 should be maintained. At this level the Directors feel they would be able to continue the activities of the company in the event of an unanticipated drop in Income and undertake projects required to ensure the future development of the organisation. At present the general reserve amounts to €210,565.

**Events Since the Year End**

There have been no significant events affecting the company since the year end.

**Directors of the Company**

The present membership of the board is as follows:

Padraic Brennan (Chairperson)	
Martin Mackin	
Maria Mahon	
Patrick Dawson	
Patrick Lonergan	
Kevin Rafter	Appointed 3rd February 2018
Fiona Monaghan	Appointed 24th May 2018

None of the directors had any interest in any contract with the company that was significant in relation to its business during the year ended 31 December 2018.

**Galway Arts Festival C.L.G.**  
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**Directors' report**  
**for the year ended 31 December 2018**

..... continued

**Future Developments**

The company plans to continue its present activities through ongoing development of its own work, improvement of the Festival Programme, the enhancement of its promotional campaigns and the consolidation of its financial viability through increased public support, business sponsorship and state funding. The company will look to build its capacity in the lead into Galway, European Capital of Culture 2020 with a view to availing of the opportunities provided by the designation.

**Books of Account**

The measures taken by the directors to ensure compliance with the requirements of Section 281 to 285, Companies Act, 2014, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel and appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at the company's office at The Black Box Theatre, Dyke Road, Galway.

**Taxation/Registered Charity**

The Company has been granted charitable status by the Revenue Commissioners.

**Independent Auditors**

OMB Chartered Accountants were appointed auditors by the directors to fill the casual vacancy and they have expressed their willingness to continue in office in accordance with the provisions of Section 383(2) of the Companies Act 2014.

This report was approved by the Board on 30 May 2019 and signed on its behalf by:

**Padraic Brennan (Chairperson)**  
**Director**

**Patrick Lonergan**  
**Director**

**Galway Arts Festival C.L.G.**  
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**Statement of Directors' responsibilities for the members' financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by Chartered Accountants Ireland.

Irish company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland) including FRS 102 " The Financial Reporting Standard applicable in the UK and the Republic of Ireland". Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for that financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards:
- state whether the Charities SORP (effective January 2015) has been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish statute comprising the Companies Act 2014.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the board:

**Padraic Brennan (Chairperson)**  
**Director**

**Patrick Lonergan**  
**Director**

**Date: 30th May 2019**

**Independent auditors' report to the members of  
Galway Arts Festival C.L.G.  
(A Company Limited by Guarantee and not having a Share Capital)**

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Galway Arts Festival C.L.G. ('the company') for the year ended 31 December 2018 which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes to the financial statements, including a summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP (effective January 2015).

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position state of the company as at 31 December 2018 and of its surplus for the year then ended; and
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the Provisions Available for Small Entities, in the circumstances set out in note 3 to the financial statements, 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 ISAs (Ireland) require us to report to you where:

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

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's 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.

**Independent auditors' report to the members of Galway Arts Festival C.L.G. (continued)**  
**(A Company Limited by Guarantee and not having a Share Capital)**

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.

**Opinions on other matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

**Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

**Respective Responsibilities**

**Respective responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement, the directors 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 they 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

**Auditor's 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 Auditor's 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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 contained in the appendix to this report, located at page 9, which is to be read as an integral part of our report.

**Independent auditors' report to the members of Galway Arts Festival C.L.G. (continued)**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act, 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**John O'Beirn, F.C.A.**

*For and on behalf of:*

**OMB Chartered Accountants &**

**Registered Auditors**

**Steamship House**

**Dock Street**

**Galway**

**Date: 30 May 2019**

## **Galway Arts Festival C.L.G.**

### **APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT**

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
  
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as going concerns.
  
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Galway Arts Festival C.L.G.**  
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**Income and Expenditure Account**  
**for the year ended 31 December 2018**

		<b>Continuing operations</b>			
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>	
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2017</b>	
<b>Notes</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	
<b>Incoming Resources</b>					
<i>Incoming Resources from</i>					
<i>Generated Funds</i>					
<i>Voluntary Income</i>					
Grants and Donations	1,099,217	300,000	1,399,217	1,331,098	
<i>Activities for Generating Funds</i>					
Commercial Trading Operations	249,678	-	249,678	157,928	
	1,348,895	300,000	1,648,895	1,489,026	
<i>Incoming Resources from</i>					
<i>Charitable/Company Activities</i>					
Box Office	1,937,675	-	1,937,675	1,349,259	
<i>Other Incoming Resources</i>					
Interest Income	-	-	-	-	
	1,937,675	-	1,937,675	1,349,259	
<b>Total Incoming Resources</b>	<b>2</b> 3,286,570	<b>300,000</b>	<b>3,586,570</b>	<b>2,838,285</b>	
<b>Resources Expended</b>					
<i>Cost of Generating Funds</i>					
Publicity/Marketing	281,661	236,674	518,335	471,265	
Fundraising & Merchandising Costs	72,141	-	72,141	81,691	
<i>Charitable Activities</i>					
Artistic Programme	1,746,071	45,367	1,791,438	1,269,857	
Production Costs	746,776	17,959	764,735	500,456	
Management Costs	383,414	11,249	394,663	425,197	
<b>Total Resources Expended</b>	<b>3,230,063</b>	<b>311,249</b>	<b>3,541,312</b>	<b>2,748,466</b>	
<b>Net Incoming/(Outgoing)</b>					
<b>Resources for the year</b>	<b>4 - 11</b> 56,507	(11,249)	45,258	89,819	
<b>Funds at the Beginning of the Year</b>	184,817	12,067	196,884	107,062	
<b>Funds at the end of the Year</b>	<b>20</b> 241,324	818	242,142	196,881	

There are no recognised gains or losses other than the surplus or deficit for the above two financial years.  
The financial statements were approved by the Board on 30 May 2019 and signed on its behalf by:

**Padraic Brennan (Chairperson)**  
**Director**

**Patrick Lonergan**  
**Director**

**The notes on pages 13 to 24 form an integral part of these financial statements.**

**Galway Arts Festival C.L.G.**  
(A Company Limited by Guarantee and not having a Share Capital)

**Balance sheet**  
as at 31 December 2018

	Notes	2018		2017	
		€	€	€	€
<b>Fixed assets</b>					
Tangible assets	13		30,759		27,668
<b>Current assets</b>					
Stocks	14	1,019		8,399	
Debtors	15	214,663		163,801	
Cash at bank and in hand		232,586		259,392	
		<u>448,268</u>		<u>431,592</u>	
<b>Creditors: amounts falling due within one year</b>	16	145,146		180,637	
<b>Net current assets</b>			<u>303,122</u>		<u>250,955</u>
<b>Total assets less current liabilities</b>			333,881		278,623
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(85,000)</u>		<u>(75,000)</u>
<b>Net assets</b>			<u><u>248,881</u></u>		<u><u>203,623</u></u>
<b>Financed by</b>					
<b>Capital and Reserves</b>					
Capital reserves and funds	20		6,739		6,739
Opening funds			196,884		107,062
Net incoming resources	20		45,258		89,822
<b>Closing Funds</b>	20		<u><u>248,881</u></u>		<u><u>203,623</u></u>

The financial statements were approved by the Board on 30 May 2019 and signed on its behalf by:

**Padraic Brennan (Chairperson)**  
Director

**Patrick Lonergan**  
Director

The notes on pages 13 to 24 form an integral part of these financial statements.

**Galway Arts Festival C.L.G.**  
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**Cash flow statement**  
**for the year ended 31 December 2018**

	Notes	2018 €	2017 €
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		47,281	91,030
Depreciation and loss on disposal of fixed assets		29,863	69,603
Decrease in stocks		7,380	4,060
(Increase) in debtors		(50,862)	21,557
(Decrease)/Increase in creditors		(39,164)	67,317
Amortisation of intangible assets		-	21,991
Government grant released		-	(44,609)
<b>Net cash (outflow)/inflow from operating activities</b>		<u>(5,502)</u>	<u>230,949</u>
<b>Cash flow statement</b>			
Net cash (outflow)/inflow from operating activities		(5,502)	230,949
Returns on investments and servicing of finance	22	(2,023)	(1,208)
Capital expenditure	22	(32,954)	(24,948)
		<u>(40,479)</u>	<u>204,793</u>
Financing	22	10,000	10,000
<b>(Decrease)/Increase in cash in the year</b>		<u>(30,479)</u>	<u>214,793</u>
<b>Reconciliation of net cash flow to movement in net debt (Note 23)</b>			
<b>(Decrease)/Increase in cash in the year</b>		(30,479)	214,793
Cash outflow from decrease in debt		(10,000)	(10,000)
Change in net debt resulting from cash flows		<u>(40,479)</u>	<u>204,793</u>
<b>Net funds at 1 January 2018</b>		188,065	(16,728)
<b>Net funds at 31 December 2018</b>		<u>147,586</u>	<u>188,065</u>

**Galway Arts Festival C.L.G.**  
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**Notes to the financial statements**  
**for the year ended 31 December 2018**

**1. Statement of accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

**1.1. Basis of preparation**

The audited financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act 2014. They comply with the financial reporting standards of the Accounting Standards Board.

The audited financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention.

**1.2. Income**

The total income of the company is comprised of the proceeds of sale of tickets and merchandise through the Festival Box Office and other outlets, income from touring, sponsorship and fundraising generated directly by the company and its management, together with grants receivable from the Arts Council, local authorities and other institutions.

**1.3. Unrestricted funds**

Unrestricted funds are grants, sponsorship, box office sales and other incoming resources generated for the general objects of the organisation.

**1.4. Restricted funds**

Restricted funds are incoming resources to be used for specific purposes as laid down by the donor. Expenditure directly relating to such purposes is charged to the fund.

**1.5. Tangible fixed assets and depreciation**

Tangible fixed assets are recorded at historic cost. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less residual value, of each asset systematically over its expected useful life, as follows:

Fixtures and Equipment	-	20% Straight Line
Computer Equipment & Website	-	33.33% Straight Line

**1.6. Taxation**

The company is a registered charity within the meaning of Sections 76 and 78 Taxes Consolidation Act, 1997. This registration exempts the company from any liability to Corporation Tax on surpluses arising from ordinary activities

**1.7. Government grants**

Capital grants received and receivable are treated as deferred income and amortised to the income and expenditure account annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the income and expenditure account when received.

**Galway Arts Festival C.L.G.**  
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**Notes to the financial statements**  
**for the year ended 31 December 2018**

..... continued

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in euro, which is the company's functional and presentation currency and is denoted by the symbol "€".

**1.8. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions, during the year, which are denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. The resulting exchange differences are dealt with in the income and expenditure account.

**1.9. Resources Expended**

Resources expended are analysed between marketing and box office, production costs, programme costs and overheads. Where costs cannot be directly attributable, they are allocated on a basis consistent with the use of resources.

**1.10. Pensions**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. Annual contributions payable to the company's pension scheme are charged to the income and expenditure account in the period to which they relate.

Brand development expenditure is written off in equal annual instalments over its estimated useful economic life of three years.

**1.11. Stock**

Stock is valued at the lower of cost and net realisable value.

Net realisable value is based on normal selling price, less further costs expected to be incurred to completion and disposal.

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of the policies and reported amounts of assets and liabilities, income and expenses.

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements within the next year.

**Galway Arts Festival C.L.G.**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**Notes to the financial statements**  
**for the year ended 31 December 2018**

..... continued

**2. Income**

The whole of the company's income is attributable to its market in the Republic of Ireland, the UK and the US and is derived from the principal activity of promotion and organisation of the highly acclaimed annual Arts Festival in Galway.

**3. Provisions Available For Small Entities**

In common with many other businesses of our size and nature we use the assistance of our auditors to prepare and submit grant applications and with the preparation of the Financial Statements.

**4. Movement in Total Funds for the Year**

	<b>2018</b>	<b>2017</b>
	€	€
Net Incoming/(Outgoing) Resources are stated after charging:		
Depreciation and other amounts written off intangible assets	-	21,991
Depreciation and other amounts written off tangible assets	29,863	67,852
Loss on disposal of tangible fixed assets	-	1,752
Auditors' remuneration	3,500	3,500
	<u>          </u>	<u>          </u>
and after crediting:		
Amortisation of government grants	-	44,609
	<u>          </u>	<u>          </u>

**5. Interest payable and similar charges**

	<b>2018</b>	<b>2017</b>
	€	€
On bank loans and overdrafts	2,023	1,208
	<u>          </u>	<u>          </u>

**6. Grants and Donations**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
	€	€	€
Arts Council Annual Revenue Grant	537,000	-	537,000
Local Authority Funding	57,400	-	57,400
Failte Ireland Funding	-	300,000	300,000
Sponsorship and Friends	489,765	-	489,765
Non Irish State Funding	6,500	-	6,500
Income from Touring	8,552	-	8,552
	<u>          </u>	<u>          </u>	<u>          </u>
	1,099,217	300,000	1,399,217
	<u>          </u>	<u>          </u>	<u>          </u>

**Galway Arts Festival C.L.G.**  
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**Notes to the financial statements**  
**for the year ended 31 December 2018**

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**7. Employees and Remuneration**

**Number of employees**

The average monthly numbers of employees during the year were:	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Management and Administration	8	8

In addition 95 people were employed over the period of the festival as Production crew, Invigilators, box office and merchandising staff.

The staff costs comprise:	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Wages and salaries	555,882	483,421
Social welfare costs	59,597	51,027
Other pension costs	10,044	10,043
	<u>625,523</u>	<u>544,491</u>

**No directors were employed by the company during the year.**  
**There were no fees paid to the directors during the year.**

**8. Salary Range**

The number of employees whose total employee benefits for the reporting period fell within the bands below were:

<u>Employment Benefit Range</u>	<u>Number of Employees</u>
€50,000 -€60,000	2
€60,001 - €70,000	-
€70,001 - €80,000	1
€80,001 - €90,000	1

There were no employees whose remuneration was greater than €90,000.

**Galway Arts Festival C.L.G.**  
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**Notes to the financial statements**  
**for the year ended 31 December 2018**

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**9. Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs amounted to €10,044 (2017 - €10,043).

There were contributions of €196 outstanding at 31st December 2018 (2017 - €198)

**10. Incorporation**

Galway Arts Festival C.L.G. is a Company Limited by Guarantee and, as such has no issued share capital. In addition, the Company is a Registered Charity, reference number CHY 10298.

**11. Taxation**

The company is a registered charity within the meaning of Sections 76 and 78 Taxes Consolidation Act, 1997. This registration exempts the company from any liability to Corporation Tax on surpluses arising from ordinary activities.

**12. Intangible fixed assets**

	<b>Brand Development</b>	<b>Total</b>
	€	€
<b>Cost</b>		
At 1 January 2018	65,969	65,969
At 31 December 2018	65,969	65,969
<b>Provision for diminution in value</b>		
At 1 January 2018	65,969	65,969
At 31 December 2018	65,969	65,969
At 31 December 2018	-	-

**Galway Arts Festival C.L.G.**  
(A Company Limited by Guarantee and not having a Share Capital)

**Notes to the financial statements  
for the year ended 31 December 2018**

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**13. Tangible fixed assets - Current Year**

	<b>Festival Big Top &amp; Website</b>	<b>Computer Equipment</b>	<b>Fixtures and Equipment</b>	<b>Total</b>
<b>Cost</b>	€	€	€	€
At 1 January 2018	450,989	81,164	21,679	553,832
Additions	-	14,404	18,551	32,955
Disposals	-	(2,227)	(3,658)	(5,885)
At 31 December 2018	<u>450,989</u>	<u>93,341</u>	<u>36,572</u>	<u>580,902</u>
<b>Depreciation</b>				
At 1 January 2018	450,989	64,273	10,903	526,165
On disposals	-	(2,227)	(3,658)	(5,885)
Charge for the year	-	19,571	10,292	29,863
At 31 December 2018	<u>450,989</u>	<u>81,617</u>	<u>17,537</u>	<u>550,143</u>
<b>Net book values</b>				
At 31 December 2018	<u>-</u>	<u>11,724</u>	<u>19,035</u>	<u>30,759</u>
At 31 December 2017	<u>-</u>	<u>16,891</u>	<u>10,776</u>	<u>27,667</u>

**13. Tangible fixed assets - Prior Year**

	<b>Festival Big Top &amp; Website</b>	<b>Computer Equipment</b>	<b>Fixtures and Equipment</b>	<b>Total</b>
<b>Cost</b>	€	€	€	€
<b>Cost or valuation</b>				
At 1 January 2017	450,989	63,239	20,117	534,345
Additions	-	17,925	7,023	24,948
Disposals	-	-	(5,460)	(5,460)
At 31 December 2017	<u>450,989</u>	<u>81,164</u>	<u>21,680</u>	<u>553,833</u>
<b>Depreciation</b>				
At 1 January 2017	405,618	46,547	9,857	462,022
On disposals	-	-	(3,708)	(3,708)
Charge for the year	45,371	17,726	4,754	67,851
At 31 December 2017	<u>450,989</u>	<u>64,273</u>	<u>10,903</u>	<u>526,165</u>
<b>Net book values</b>				
At 1 January 2017	<u>-</u>	<u>16,891</u>	<u>10,777</u>	<u>27,668</u>
At 31 December 2017	<u>45,371</u>	<u>16,692</u>	<u>10,260</u>	<u>72,323</u>

**Galway Arts Festival C.L.G.**  
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**Notes to the financial statements**  
**for the year ended 31 December 2018**

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<b>14. Stocks</b>	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Stock for resale	1,019	8,399
	<u>1,019</u>	<u>8,399</u>

The replacement costs of all categories of stocks did not differ significantly from the figures shown.

<b>15. Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Trade debtors	150,819	8,426
Other debtors	-	847
Prepayments and accrued income	63,844	154,528
	<u>214,663</u>	<u>163,801</u>

There are no amounts included in the above falling due after more than one year.

**Galway Arts Festival C.L.G.**  
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**Notes to the financial statements**  
**for the year ended 31 December 2018**

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<b>16. Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
<i>Loans &amp; other borrowings</i>		
Credit Card	-	(3,673)
<i>Other creditors</i>		
Trade creditors	18,386	9,149
Capital grants - Deferred Income (Note 18)	-	-
Grant/Income in Advance	50,540	116,641
Accruals	42,065	44,137
<i>Taxation creditors</i>		
PAYE/PRSI	16,396	14,383
VAT	17,759	-
	<u>145,146</u>	<u>180,637</u>
	<u><u>145,146</u></u>	<u><u>180,637</u></u>
<b>17. Creditors: amounts falling due after more than one year</b>	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
<i>Other creditors</i>		
Loan - GIAF Production Fund	85,000	75,000
	<u>85,000</u>	<u>75,000</u>
	<u><u>85,000</u></u>	<u><u>75,000</u></u>

**Galway Arts Festival C.L.G.**  
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**Notes to the financial statements**  
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<b>18.</b>	<b>Deferred Income Capital Grants</b>	<b>2018</b>	<b>2017</b>
		€	€
	<b>Capital grants received and receivable</b>		
	At 1 January 2018	450,000	450,000
	Received in year	-	-
		<u>450,000</u>	<u>450,000</u>
	<b>Amortisation</b>		
	At 1 January 2018	(450,000)	(405,390)
	Amortised in year	-	(44,610)
		<u>(450,000)</u>	<u>(450,000)</u>
	<b>Net Grant</b>		
	At 31 December 2018	-	-
		<u>-</u>	<u>-</u>
	At 1 January 2018	-	44,610
		<u>-</u>	<u>44,610</u>
	Included under creditors:		
	- amounts falling due within one year	-	-
	- amounts falling due between 2-5 years	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

The Capital Grant has been amortised, and released to revenue, at the same rate as the depreciation rate on the assets to which the grant relates.

<b>19.</b>	<b>Reconciliation of movements in members' funds</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
		<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
		€	€	€
	Surplus for the year	56,507	(11,249)	45,258
	Opening members' funds	190,924	5,960	196,884
		<u>247,431</u>	<u>(5,289)</u>	<u>242,142</u>
	Closing members' funds	<u>247,431</u>	<u>(5,289)</u>	<u>242,142</u>

**Galway Arts Festival C.L.G.**  
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**Notes to the financial statements**  
**for the year ended 31 December 2018**

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<b>20. General Reserves</b>	<b>Capital Unrestricted Reserve</b>	<b>Funds</b>	<b>Restricted Funds</b>	<b>Total</b>
	€	€	€	€
<b>At 1 January 2018</b>	6,739	184,817	12,067	203,623
Incoming Resources	-	3,286,570	300,000	3,586,570
Resources Expended	-	(3,230,063)	(311,249)	(3,541,312)
<b>At 31 December 2018</b>	<u>6,739</u>	<u>241,324</u>	<u>818</u>	<u>248,881</u>

  

<b>21. Statement of Funds</b>	<b>Opening Funds</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Closing Funds</b>
	€	€	€	€
<b>General Reserve</b>	167,452	3,253,618	3,210,505	210,565
<b>Designated Funds</b>				
Fixed Asset Fund	<u>17,365</u>	<u>32,952</u>	<u>19,558</u>	<u>30,759</u>
<b>Total Unrestricted Funds</b>	<u>184,817</u>	<u>3,286,570</u>	<u>3,230,063</u>	<u>241,324</u>
<b>Restricted Funds</b>				
Fixed Assets	1,640	-	-	1,640
Income and Expenditure	<u>10,427</u>	<u>300,000</u>	<u>311,249</u>	<u>(822)</u>
<b>Total Restricted Funds</b>	<u>12,067</u>	<u>300,000</u>	<u>311,249</u>	<u>818</u>

The General Reserve represents the free funds of the company which are not designated for particular purposes.

The Fixed Asset fund represents the net book value of tangible and intangible fixed assets except for those assets which have been purchased from Restricted funds and Deferred Income - Capital Grants.

**Galway Arts Festival C.L.G.**  
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**Notes to the financial statements**  
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**22. Gross cash flows**

	<b>2018</b>	<b>2017</b>
	€	€
<b>Returns on investments and servicing of finance</b>		
Interest paid	(2,023)	(1,208)
	<u>          </u>	<u>          </u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(32,954)	(24,948)
	<u>          </u>	<u>          </u>
<b>Financing</b>		
New long term loan	10,000	10,000
	<u>          </u>	<u>          </u>

**23. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	€	€	€
Cash at bank and in hand	259,392	(24,677)	234,715
Bank overdraft & credit card	3,673	(5,802)	(2,129)
	<u>          </u>	<u>          </u>	<u>          </u>
Debt due after one year	(75,000)	(10,000)	(85,000)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net funds</b>	<u>188,065</u>	<u>(40,479)</u>	<u>147,586</u>

**24. Controlling interest**

The company is ultimately controlled by the Members in general meeting.

**Galway Arts Festival C.L.G.**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**Notes to the financial statements**  
**for the year ended 31 December 2018**

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**25. Status**

The Company is limited by guarantee not having a share capital. In addition, the Company is a Registered Charity, reference CHY 10298.

The Charities Regulatory Authority Number is CRA 20026196.

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members or within one year thereafter for the payment of the debts and liabilities of the company contracted before they ceased to be members and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves such an amount as may be required, not exceeding €1.27.

**26. Accounting Periods**

The current accounts are for a full year. The comparative accounts are for a full year.

**27. Approval of financial statements**

The board of directors approved these financial statements for issue on 30th May 2019.