

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 2017

Registration Number: 110897

Charity Number: CHY 10298

Charities Regulatory Authority Number: CRA 20026196

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

Contents

	Page
Directors and Other Information	1
Directors' Annual Report	2 - 4
Statement of Directors' Responsibilities	5
Independent Auditors' Report to the Members	6 - 8
Appendix to the Independent Auditor's Report	9
Income and Expenditure Account	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements Including Statement of Accounting Policies	13 - 26

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

Directors	Padraic Brennan (Chairperson) Gary Joyce Maccon M Keane Martina Moloney Martin Mackin Maria Mahon Patrick Dawson Patrick Lonergan Kevin Rafter	Resigned 31st December 2017 Resigned 22nd June 2017 Resigned 9th July 2017 Appointed 22nd June 2017 Appointed 3rd February 2018
Secretary	Martina Moloney Patrick Lonergan	Resigned 23rd October 2017 Appointed 23rd October 2017
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	

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 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017. 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 2017 the Festival, the 40th Annual Festival, took place from the 17th to 30th July and featured 200 performances at 33 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 2017.

In overall terms total income has increased by €413,451 to €2,838,285 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 €89,822 (2016 - €56,580).

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 2017

..... continued

Principal Risks and Uncertainties

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

The board committee 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 €120,000 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 €167,452.

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 - Appointed 22nd June 2017
Kevin Rafter - Appointed 3rd February 2018

Maccon M Keane resigned as Director on 22nd June 2017, Martina Moloney resigned as Director on 9th July 2017, Gary Joyce resigned as Director on 31st December 2017.

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 2017.

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 2017

..... 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

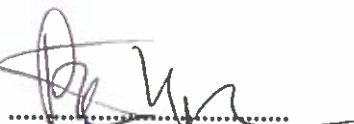
The Company has been granted charitable status by the Revenue Commissioners.

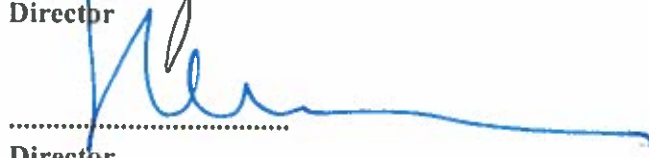
Independent Auditors

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.

CAG Chartered Accountants & Registered Auditors resigned as auditors during the year and the directors appointed OMB Chartered Accountants to fill the vacancy.

This report was approved by the Board on 9th May 2018 and signed on its behalf by:


.....
Director


.....
Director

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

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.

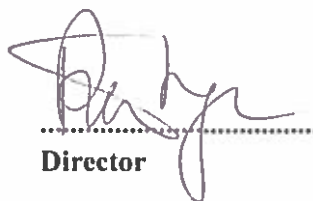
In so far as the directors are aware:

- 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:

.....

Director



.....

Director

Date:

**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 2017 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 2017 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)
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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.

 **F.C.A.**

John O'Beirn, F.C.A.

For and on behalf of:

**OMB Chartered Accountants &
Registered Auditors
Steamship House
Dock Street
Galway**

Date: 9 May 2018



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 2017

	Notes	Continuing operations			Total Funds 2016 €
		Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	
Incoming Resources					
<i>Incoming Resources from Generated Funds</i>					
<i>Voluntary Income</i>					
Grants and Donations		1,011,489	319,609	1,331,098	1,249,659
<i>Activities for Generating Funds</i>					
Commercial Trading Operations		157,928	-	157,928	125,047
		<u>1,169,417</u>	<u>319,609</u>	<u>1,489,026</u>	<u>1,374,706</u>
<i>Incoming Resources from Charitable/Company Activities</i>					
Box Office		1,349,259	-	1,349,259	1,050,128
<i>Other Incoming Resources</i>					
Interest Income		-	-	-	-
		<u>1,349,259</u>	<u>-</u>	<u>1,349,259</u>	<u>1,050,128</u>
Total Incoming Resources	2	<u><u>2,518,676</u></u>	<u><u>319,609</u></u>	<u><u>2,838,285</u></u>	<u><u>2,424,834</u></u>
Resources Expended					
<i>Cost of Generating Funds</i>					
Publicity/Marketing		274,446	196,819	471,265	449,207
Fundraising & Merchandising Costs		81,691	-	81,691	61,215
<i>Charitable Activities</i>					
Artistic Programme		1,221,268	48,589	1,269,857	1,056,725
Production Costs		480,025	20,431	500,456	398,783
Management Costs		377,530	47,663	425,193	402,324
Total Resources Expended		<u><u>2,434,960</u></u>	<u><u>313,502</u></u>	<u><u>2,748,462</u></u>	<u><u>2,368,254</u></u>
Net Incoming/(Outgoing)					
Resources for the year	4 - 11	83,716	6,107	89,823	56,580
Funds at the Beginning of the Year		<u>101,102</u>	<u>5,960</u>	<u>107,062</u>	<u>50,482</u>
Funds at the end of the Year	20	<u><u>184,818</u></u>	<u><u>12,067</u></u>	<u><u>196,885</u></u>	<u><u>107,062</u></u>

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 and signed on its behalf by:

.....
Director

.....
Director

The notes on pages 13 to 26 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 2017

	Notes	2017		2016	
		€	€	€	€
Fixed assets					
Intangible assets	12		-		21,991
Tangible assets	13		27,668		72,322
			<u>27,668</u>		<u>94,313</u>
Current assets					
Stocks	14	8,399		12,459	
Debtors	15	163,801		185,359	
Cash at bank and in hand		263,065		49,200	
			<u>435,265</u>	<u>247,018</u>	
Creditors: amounts falling due within one year	16		<u>184,310</u>	<u>162,530</u>	
Net current assets			<u>250,955</u>		<u>84,488</u>
Total assets less current liabilities			278,623		178,801
Creditors: amounts falling due after more than one year	17		<u>(75,000)</u>		<u>(65,000)</u>
Net assets			<u>203,623</u>		<u>113,801</u>
Financed by					
Capital and Reserves					
Capital reserves and funds	20		6,739		6,739
Opening funds			107,062		50,482
Net incoming resources	20		89,822		56,580
Closing Funds	20		<u>203,623</u>		<u>113,801</u>

The financial statements were approved by the Board on 9 May 2018 and signed on its behalf by:

.....
Director

.....
Director

The notes on pages 13 to 26 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)

Cash flow statement
for the year ended 31 December 2017

	Notes	2017 €	2016 €
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		91,030	58,038
Depreciation and loss on disposal of fixed assets		69,603	66,325
Decrease in stocks		4,060	334
Decrease in debtors		21,557	(107,779)
Increase in creditors		67,317	24,859
Amortisation of intangible assets		21,991	21,988
Government grant released		(44,609)	(46,079)
Net cash inflow from operating activities		<u>230,949</u>	<u>17,686</u>
Cash flow statement			
Net cash inflow from operating activities		230,949	17,686
Returns on investments and servicing of finance	22	(1,208)	(1,458)
Capital expenditure	22	(24,948)	(18,280)
		<u>204,793</u>	<u>(2,052)</u>
Financing	22	10,000	65,000
Increase in cash in the year		<u>214,793</u>	<u>62,948</u>
Reconciliation of net cash flow to movement in net funds (Note 23)			
Increase in cash in the year		214,793	62,948
Cash outflow from decrease in debt		(10,000)	(65,000)
Change in net funds resulting from cash flows		<u>204,793</u>	<u>(2,052)</u>
Net debt at 1 January 2017		(16,728)	(14,676)
Net funds at 31 December 2017		<u>188,065</u>	<u>(16,728)</u>

Galway Arts Festival C.L.G.
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Notes to the financial statements
for the year ended 31 December 2017

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:

Festival Big Top	-	10% Straight Line
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 2017

..... continued

1.8. Functional and Presentation Currency

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 "€".

1.9. 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.

1.10. 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.

1.11. 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.

1.12. Brand Development

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

1.13. 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.

Galway Arts Festival C.L.G.
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Notes to the financial statements
for the year ended 31 December 2017

..... continued

1.14. Significant Judgements and key sources of Estimation Uncertainty

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 2017

..... 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

	2017	2016
	€	€
Net Incoming/(Outgoing) Resources are stated after charging:		
Depreciation and other amounts written off intangible assets	21,991	21,988
Depreciation and other amounts written off tangible assets	67,851	66,326
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	46,079
	<u> </u>	<u> </u>

5. Interest payable and similar charges

	2017	2016
	€	€
On bank loans and overdrafts	1,208	1,458
	<u> </u>	<u> </u>

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 2017

..... continued

6. Grants and Donations

	Unrestricted Funds €	Restricted Funds €	Total Funds €
Arts Council Annual Revenue Grant	530,000	-	530,000
Local Authority Funding	46,900	-	46,900
Failte Ireland Funding	-	275,000	275,000
Creative Ireland Funding	15,000	-	15,000
Sponsorship and Friends	365,464	-	365,464
Non Irish State Funding	2,000	-	2,000
Capital Grant Amortisation	-	44,609	44,609
Income from Touring	52,125	-	52,125
	<u>1,011,489</u>	<u>319,609</u>	<u>1,331,098</u>

7. Employees and Remuneration

Number of employees

The average monthly numbers of employees during the year were:

	2017 Number	2016 Number
Management and Administration	<u>8</u>	<u>7</u>

In addition 75 people were employed over the period of the festival as Production crew, Invigilators, box office and merchandising staff.

	2017 €	2016 €
The staff costs comprise:		
Wages and salaries	483,421	447,976
Social welfare costs	51,027	47,266
Other pension costs	10,043	10,045
	<u>544,491</u>	<u>505,287</u>

No directors were employed by the company during the year.
There were no fees paid to the directors during the 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 2017

..... continued

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	1
€70,001 - €80,000	1

There were no employees whose remuneration was greater than €80,000.

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 (2016 - €10,045).

There were contributions of €198 outstanding at 31st December 2017 (2016 - €201)

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.

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 2017

..... continued

12. Intangible fixed assets	Brand Development €	Total €
Cost		
At 1 January 2017	65,969	65,969
At 31 December 2017	<u>65,969</u>	<u>65,969</u>
Provision for diminution in value		
At 1 January 2017	43,978	43,978
Charge for year	21,991	21,991
At 31 December 2017	<u>65,969</u>	<u>65,969</u>
Net book values		
At 31 December 2017	<u>-</u>	<u>-</u>
At 31 December 2016	<u>21,991</u>	<u>21,991</u>

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 2017

..... continued

13. Tangible fixed assets - Current Year

	Festival Big Top	Computer Equipment & Website	Fixtures and Equipment	Total
Cost	€	€	€	€
At 1 January 2017	450,989	63,239	20,116	534,344
Additions	-	17,925	7,024	24,949
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>
Depreciation				
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>
Net book values				
At 31 December 2017	<u>-</u>	<u>16,891</u>	<u>10,777</u>	<u>27,668</u>
At 31 December 2016	<u>45,371</u>	<u>16,692</u>	<u>10,259</u>	<u>72,322</u>

13. Tangible fixed assets - Prior Year

	Festival Big Top	Computer Equipment & Website	Fixtures and Equipment	Total
Cost	€	€	€	€
Cost or valuation				
At 1 January 2016	450,989	51,420	22,157	524,566
Additions	-	15,481	2,799	18,280
Disposals	-	(3,662)	(4,840)	(8,502)
At 31 December 2016	<u>450,989</u>	<u>63,239</u>	<u>20,116</u>	<u>534,344</u>
Depreciation				
At 1 January 2016	359,485	33,356	11,358	404,199
On disposals	-	(3,662)	(4,840)	(8,502)
Charge for the year	46,133	16,853	3,339	66,325
At 31 December 2016	<u>405,618</u>	<u>46,547</u>	<u>9,857</u>	<u>462,022</u>
Net book values				
At 1 January 2016	<u>45,371</u>	<u>16,692</u>	<u>10,259</u>	<u>72,322</u>
At 31 December 2016	<u>91,504</u>	<u>18,064</u>	<u>10,799</u>	<u>120,367</u>

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 2017

..... continued

14. Stocks	2017	2016
	€	€
Stock for resale	8,399	12,459

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

15. Debtors	2017	2016
	€	€
Trade debtors	8,426	18,230
Other debtors	847	-
Prepayments and accrued income	154,528	167,129
	<u>163,801</u>	<u>185,359</u>

There are no amounts included in the above falling due after more than one 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 2017

..... continued

16. Creditors: amounts falling due within one year	2017	2016
	€	€
<i>Loans & other borrowings</i>		
Credit Card	-	928
<i>Other creditors</i>		
Trade creditors	9,149	11,671
Capital grants - Deferred Income (Note 18)	-	44,609
Grant/Income in Advance	116,641	58,505
Accruals	44,137	10,524
<i>Taxation creditors</i>		
PAYE/PRSI	14,383	16,702
VAT	-	19,591
	184,310	162,530
17. Creditors: amounts falling due after more than one year	2017	2016
	€	€
<i>Other creditors</i>		
Loan - GIAF Production Fund	75,000	65,000

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 2017

..... continued

18. Deferred Income Capital Grants	2017	2016
	€	€
Capital grants received and receivable		
At 1 January 2017	450,000	450,000
Received in year	-	-
	<u>450,000</u>	<u>450,000</u>
Amortisation		
At 1 January 2017	(405,390)	(359,312)
Amortised in year	(44,610)	(46,078)
	<u>(450,000)</u>	<u>(405,390)</u>
Net Grant		
At 31 December 2017	-	44,610
	<u>-</u>	<u>44,610</u>
At 1 January 2017	44,610	90,688
	<u>44,610</u>	<u>90,688</u>
Included under creditors:		
- amounts falling due within one year	-	44,610
- amounts falling due between 2-5 years	-	-
	<u>-</u>	<u>44,610</u>
	<u>-</u>	<u>44,610</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.

19. Reconciliation of movements in members' funds	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	€	€	€
Surplus for the year	83,715	6,107	89,822
Opening members' funds	101,102	5,960	107,062
	<u>101,102</u>	<u>5,960</u>	<u>107,062</u>
Closing members' funds	184,817	12,067	196,884
	<u>184,817</u>	<u>12,067</u>	<u>196,884</u>

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 2017

..... continued

20. General Reserves	Capital Unrestricted Reserve	Unrestricted Funds	Restricted Funds	Total
	€	€	€	€
At 1 January 2017	6,739	101,102	5,960	113,801
Incoming Resources	-	2,518,676	319,609	2,838,285
Resources Expended	-	(2,434,960)	(313,502)	(2,748,462)
At 31 December 2017	<u>6,739</u>	<u>184,818</u>	<u>12,067</u>	<u>203,624</u>

21. Statement of Funds	Opening Funds	Incoming Resources	Resources Expended	Closing Funds
	€	€	€	€
General Reserve	63,249	2,502,888	2,398,685	167,452
Designated Funds				
Fixed Asset Fund	37,853	15,787	36,275	17,365
Total Unrestricted Funds	<u>101,102</u>	<u>2,518,675</u>	<u>2,434,960</u>	<u>184,817</u>
Restricted Funds				
Fixed Assets	1,640	44,609	44,609	1,640
Income and Expenditure	4,320	275,000	268,893	10,427
Total Restricted Funds	<u>5,960</u>	<u>319,609</u>	<u>313,502</u>	<u>12,067</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.
(A Company Limited by Guarantee and not having a Share Capital)

Notes to the financial statements
for the year ended 31 December 2017

..... continued

22. Gross cash flows

	2017	2016
	€	€
Returns on investments and servicing of finance		
Interest paid	(1,208)	(1,458)
	<u> </u>	<u> </u>
Capital expenditure		
Payments to acquire tangible assets	(24,948)	(18,280)
	<u> </u>	<u> </u>
Financing		
New long term loan	10,000	65,000
	<u> </u>	<u> </u>

23. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	€	€	€
Cash at bank and in hand	49,200	210,192	259,392
Bank overdraft & credit card	(928)	4,601	3,673
	<u> </u>	<u> </u>	<u> </u>
Debt due after one year	(65,000)	(10,000)	(75,000)
	<u> </u>	<u> </u>	<u> </u>
Net funds	<u>(16,728)</u>	<u>204,793</u>	<u>188,065</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 2017

..... continued

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 9th May 2018.