

Company Number: 403432

Carlow Arts Centre Limited
Annual Report and Financial Statements
for the financial year ended 31 December 2022

Carlow Arts Centre Limited
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Carlow Arts Centre Limited
DIRECTORS AND OTHER INFORMATION

Directors

Brian Jackson
Kathleen Holohan
Fiona Kearney
Tadhg O'Sullivan
Derek Coyle
Tom O'Neill
Ken Murnane
Emma Geoghegan
Michael Brennan (Appointed 5 September 2022)

Company Secretary

Fiona O'Neill (Appointed 5 September 2022)
Michael Brennan (Resigned 5 September 2022)

Company Number

403432

Registered Office

County Offices
Athy Road
Carlow

Business Address

VISUAL
Old Dublin Road
Carlow

Auditors

Harney Nolan Business Advisors
Chartered Accountants and Statutory Audit Firm
Equity House
Deerpark Business Complex
Dublin Road
Carlow
Ireland

Bankers

AIB Bank
36/37 Tullow Street
Carlow

Solicitors

Ronald J. Clery & Co
3 Centaur Street
Carlow

Carlow Arts Centre Limited DIRECTORS' REPORT

for the financial year ended 31 December 2022

The directors present their report and the audited financial statements for the financial year ended 31 December 2022.

Principal Activity and Review of the Business

VISUAL is one of Ireland's leading contemporary art spaces and theatre. It is a place where people, art and ideas meet to celebrate and think about the world that we share. We work with others to make and show art from Ireland and around the world that reflects our lives today and inspires our thinking about tomorrow. We believe in a world where everyone has the opportunities to think and live creatively. Our ambition is to be at the heart of our local community and connected with the world. We are a place for art and ideas; where artists, makers, creators, individuals, and communities enjoy coming together to share knowledge and experiences, and to think in creative ways.

In 2022 we were able to return to a full programme of activities post covid. Audiences to live events were slow to return. Research by Theatre Forum revealed that ticket sales and attendance at live events were down 30% nationally, on pre covid figures. By the winter season, October to December the appetite for attendance had greatly improved and that there was momentum on ticket sales for 2023.

Despite the challenging financial landscape of 2022, with additional support of its shareholder, Carlow County Council, VISUAL delivered on its remit to deliver an engaging, high-quality arts and entertainment programme.

Achievements and activities included:

- All full-time and part-time staff were retained despite the financial impact of the energy crisis.
- 31,240 people attended 3 seasons of theatre, events, exhibitions, and corporate activity.
- 5,584 children, young people, families have participated in our learning and engagement programme.
- Arts Council Funding levels were retained with an increase of 14% on 2021.
- Our position as a venue of strategic importance for the Arts Council of Ireland was retained scoring 5.5/6 as part of our annual assessment.
- Awarded the inaugural Children's Commission Grant from the Arts Council (€16,500) to commission an interactive public sculpture for children, young people, and families.
- As part of a developing corporate programme major national events were delivered for; The Arts Council of Ireland, The Aldi Community Games and Volkswagen Ireland. Local corporate events were delivered for The Chamber of Commerce, KCLR, Carlow Arts Festival, Carlow County Council and The Local Enterprise Office.
- After a thorough consultation process in 2021 the framework for new strategic plan was developed and approved by the Board of Directors. This new Strategic Plan 2023- 2026 will be finalised and published in 2023.

Governance

The Board held meetings in February, March, July, August, September, November, and December of 2022 where the impact of the energy crisis on the organisation's capacity and functions were discussed.

Artistic Programme

We continued to programme for excellence, leading the way with visual arts programming. We supported art practitioners in the making of new work through the payment of fair artist fees and sharing of resources. VISUAL's Learning Programme continues to develop and create opportunities for all ages to take part. In 2022 we introduced a new strand of programming called Sustainable Futures. This a research, learning and commissioning platform focused on climate change.

Notable projects for 2022 included:

Exhibitions

I see Earth was a major retrospective of the work of Irish architect Tom dePaor, co-commissioned by VISUAL Carlow and The Irish Architecture Foundation

One Hundred Steps a new film work by Irish and international practice Wagner and de Burca was co-commissioned by Manifesta 13 (Marseille) and VISUAL and shown nationally and internationally.

Speech Sounds, Artworks 2022, VISUAL and Carlow Arts Festival Annual Open Submission. Curated by VISUAL and guest curator Iarlaith Ni Fhearois. 23 artists were commissioned, invited, and chosen from an open call, and works were borrowed from the Arts Council Collection. Exhibiting artists included Irish and international practices, and included diverse representations of age, gender, race and intellectual and physical abilities.

The palpable bump at the bridge of the nose was a solo exhibition of local artist Elizabeth Cope, showcasing 50+ years of work in a major survey exhibition that includes almost 100 paintings from throughout her career. A new publication with texts by Benjamin Stafford, Aidan Dunne and William Laffan was published by Gandon Editions to coincide with the exhibition and was launched at VISUAL in November.

Carlow Arts Centre Limited **DIRECTORS' REPORT**

for the financial year ended 31 December 2022

Sustainable Futures

Future Light from Distant Stars was funded by the ESB Brighter Future Arts Fund. Initiated by artist David Beattie, this project is taking place over an 18-month period from June 2022 – December 2023. The focal point of the project is a large greenhouse which works as a growing environment, a meeting and a workshop space.

County Carlow Environmental Network Film Festival presented a series of events combining film, public conversations on climate change and demonstrations.

Learning and Engagement

Art workshops, social evenings and family days were coordinated for Ukrainian people living in Carlow.

Ongoing weekly activities included sensory, messy play workshops for 2-4 year olds; daily tours and workshops for primary school up to third level; Philosophy for Young People (P4C) workshops for secondary schools responded to the themes of our exhibitions. We continued to work with our local partner at Carlow College to provide space for their BA Humanities students facilitating lectures and workshops in our theatre and galleries. A successful programme of workshops for adults these included painting, botanical drawing, embroidery, plant-based photography, dance, ceramics, and yoga.

Finance

The company received an increase in its annual subvention of €498,000 from Carlow County Council of €86,867. In addition, Carlow County Council granted funding for aspects of our arts programme, Learning & Engagement and Residencies Programme, Live & Local Programme, Ukrainian Support Programmes through CCCC and CYPC, Parent and Toddler Programme, Cruinniu na nOg, Culture night, and Live and Local events.

Arts Council programme funding for 2022 was €210,000. In addition to this, other Arts Council funding was received for the Touring of Artworks, and YPCE Commission of new work with and for children and young people. VISUAL also received €26,000 from the Arts Council under their Energy Support Scheme.

A challenging year with rising energy costs and inflation was supported by the increased subvention from Carlow County Council, the Energy Support from the Arts Council and a cash reserve release from reserves alleviating the cash challenges of the business.

Principal Risks and Uncertainties

The directors believe that they are prudent on all risks to which the company is exposed. The directors review and agree policies for the management of these risks as follows:

Commercial Risk

The company is also dependent on the support of the general public to generate adequate revenue to support the viability of VISUAL. The directors work closely with the company's customers to ensure that as much as possible all customer and consumer requirements are addressed. The directors maintain a strong commercial focus on purchasing and cost improvement to manage and mitigate these risks and also to ensure that spending is in line with income.

Operational Risk

The directors mitigate operational risk through robust planning and implementing strict budgetary controls in all aspects of operations. This has involved the re-negotiation of supplier and service contracts, initiating co-productions to share costs and building strategic partnerships to access benefit in kind and/or funding support. The company applies a strict policy to identify, manage and mitigate both existing and future risks as far as possible. This includes changes in Government regulations and schemes that may adversely affect the company.

The health and safety policy of the company is to ensure the health and welfare of employees by maintaining safe places and systems at work. The company is committed to a programme of continuous staff training in all aspects of health and safety for staff and customers.

Credit Risk

The directors have implemented various internal control procedures to eliminate as much as possible the risk of customer bad debts.

Financial risk

The directors have implemented a strategy for the management of the exposure to financial risk and the resultant impact on reported profitability.

Liquidity and cash flow risk

The directors have implemented policies to ensure that sufficient resources are available either from cash balances, cash flows or other liquid assets to ensure that finance obligations can be met when they fall due.

Results and Dividends

The loss for the financial year after providing for depreciation amounted to €575,996 (2021 - €278,502 loss).

Carlow Arts Centre Limited DIRECTORS' REPORT

for the financial year ended 31 December 2022

The directors do not recommend payment of a dividend.

At the end of the financial year, the company has assets of €12,283,723 (2021 - €12,660,820) and liabilities of €8,460,130 (2021 - €8,261,231). The net assets of the company have decreased by €575,996.

However, the directors believe it is worth highlighting the effect of significant non-cash expenses being incurred annually when considering the trading performance of the company. On elimination of depreciation, deemed interest (applied in line with FRS 102 and the Companies Act 2014), and capital grant amortisation, the company achieved a profit of €1,495 (2021: €15,910 profit). The Board believes that the company remains in a solid financial position with overall net assets of €3,823,593 at year end.

Based on the scale of the achievements of the company in the year, the directors are satisfied with the underlying financial performance in 2022 and continue to strive for efficiencies and savings so as to ensure continued value for money into 2023 and beyond.

As set out in note 3 to the financial statements, the directors continue to consider the risks and uncertainties that may affect the company on an ongoing basis. Carlow County Council provided core operational support of €584,867 (2021: €498,000) during the year and the company is highly dependent on this continuing support in order that it can continue to operate the exhibition areas and the theatre at existing levels. For 2023, committed operational support amounts to €650,000. There is no indication that continued support will be withdrawn in the foreseeable future.

The directors are satisfied that the company will continue to generate sufficient cashflows to continue in operational existence for the foreseeable future.

Directors and Secretary

The directors who served throughout the financial year, except as noted, were as follows:

Brian Jackson
Kathleen Holohan
Fiona Kearney
Tadhg O'Sullivan
Derek Coyle
Tom O'Neill
Ken Murnane
Emma Geoghegan
Michael Brennan (Appointed 5 September 2022)

The secretaries who served during the financial year were:

Fiona O'Neill (Appointed 5 September 2022)
Michael Brennan (Resigned 5 September 2022)

The directors and company secretaries had no direct beneficial interest in the shares of the company at the beginning or end of the financial year.

There were no changes in shareholdings between 31 December 2022 and the date of signing the financial statements.

Future Developments

The Board of Directors does not expect to make any significant changes in the nature of the activities of Carlow Arts Centre Limited in the near future. Employees are kept as fully informed as practicable about developments within the business.

Post Balance Sheet Events

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

Auditors

The auditors, Harney Nolan Business Advisors, (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

Statement on Relevant Audit Information

In accordance with section 330 of the Companies Act 2014, so far as each of the persons who are directors at the time this report is approved are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

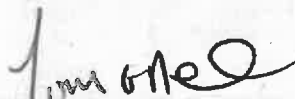
Carlow Arts Centre Limited
DIRECTORS' REPORT

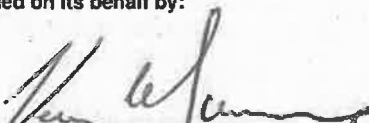
for the financial year ended 31 December 2022

Accounting Records

To ensure that adequate accounting records are kept in accordance with sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at VISUAL, Old Dublin Road, Carlow.

Approved by the board on 29th March 2023 and signed on its behalf by:


Tom O'Neill
Director


Ken Murnane
Director

Carlow Arts Centre Limited
DIRECTORS' RESPONSIBILITIES STATEMENT
for the financial year ended 31 December 2022

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard, issued by the Financial Reporting Council. 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 profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

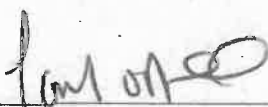
The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. 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.


Disclosure of Information to Auditor

Each persons who are directors at the date of approval of this report confirms that:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is 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 auditor is aware of that information.

Approved by the board on 29th March 2023 and signed on its behalf by:


Tom O'Neill
Director


Ken Murnane
Director

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Carlow Arts Centre Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Carlow Arts Centre Limited ('the company') for the financial year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Shareholders' Funds, the Cash Flow Statement and the related notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", issued in the United Kingdom by the Financial Reporting Council, applying Section 1A of that Standard.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2022 and of its loss for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard; 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 described below 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 the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the Provisions Available for Audits of Small Entities, in the circumstances set out in note 4 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

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

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

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

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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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

In our opinion, based 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
- the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are 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 and the financial statements are in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Carlow Arts Centre Limited

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 requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that 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, if applicable, matters related to 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 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 contained in the appendix to this report, located at page 11, which is to be read as an integral part of our report.

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

Our report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.


Tony Harley FCA
for and on behalf of
HARNEY NOLAN BUSINESS ADVISORS
Chartered Accountants and Statutory Audit Firm
Equity House
Deerpark Business Complex
Dublin Road
Carlow
Ireland

Date: 29-03-2023

Carlow Arts Centre Limited

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 a going concern. 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 a going concern.
- 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.

Carlow Arts Centre Limited
PROFIT AND LOSS ACCOUNT
for the financial year ended 31 December 2022

	Notes	2022 €	2021 €
Turnover		1,155,127	1,046,137
Cost of sales		(344,916)	(467,132)
Gross profit		810,211	579,005
Administrative expenses		(1,241,985)	(1,133,790)
Other operating income		70,590	481,552
Operating loss	5	(361,184)	(73,233)
Interest payable and similar expenses	6	(214,812)	(205,269)
Loss before taxation		(575,996)	(278,502)
Tax on loss		-	-
Loss for the financial year		(575,996)	(278,502)
Total comprehensive income		(575,996)	(278,502)

Approved by the board on 29th March 2023 and signed on its behalf by:


Tom O'Neill
Director


Ken Murnane
Director

Carlow Arts Centre Limited
BALANCE SHEET
as at 31 December 2022

	Notes	2022 €	2021 €
Fixed Assets			
Intangible assets	8	9,150	12,200
Tangible assets	9	11,867,927	12,242,079
		<u>11,877,077</u>	<u>12,254,279</u>
Current Assets			
Stocks	10	15,808	13,601
Debtors	11	33,304	97,847
Cash and cash equivalents		357,534	295,093
		<u>406,646</u>	<u>406,541</u>
Creditors: amounts falling due within one year	13	<u>(417,198)</u>	<u>(361,549)</u>
Net Current (Liabilities)/Assets		<u>(10,552)</u>	<u>44,992</u>
Total Assets less Current Liabilities		<u>11,866,525</u>	<u>12,299,271</u>
Creditors: amounts falling due after more than one year	14	<u>(8,042,932)</u>	<u>(7,899,682)</u>
Net Assets		<u><u>3,823,593</u></u>	<u><u>4,399,589</u></u>
Capital and Reserves			
Called up share capital presented as equity		3,000,002	3,000,002
Other reserves		7,490,907	7,490,907
Retained earnings		(6,667,316)	(6,091,320)
Equity attributable to owners of the company		<u><u>3,823,593</u></u>	<u><u>4,399,589</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

Approved by the board on 29th March 2023 and signed on its behalf by:


Tom O'Neill
Director


Ken Murnane
Director

Carlow Arts Centre Limited
RECONCILIATION OF SHAREHOLDERS' FUNDS
as at 31 December 2022

	Called up share capital €	Retained earnings €	Capital contribution reserve €	Total €
At 1 January 2021	3,000,002	(5,812,818)	7,560,067	4,747,251
Loss for the financial year	-	(278,502)		(278,502)
Capital contribution returned			(69,160)	(69,160)
At 31 December 2021	3,000,002	(6,091,320)	7,490,907	4,399,589
Loss for the financial year	-	(575,996)		(575,996)
At 31 December 2022	3,000,002	(6,667,316)	7,490,907	3,823,593

Carlow Arts Centre Limited
CASH FLOW STATEMENT
for the financial year ended 31 December 2022

	Notes	2022 €	2021 €
Cash flows from operating activities			
Loss for the financial year		(575,996)	(278,502)
Adjustments for:			
Interest payable and similar expenses		214,812	205,269
Depreciation		434,241	443,783
Amortisation of government grants		(70,590)	(70,590)
		<u>2,467</u>	<u>299,960</u>
Movements in working capital:			
Movement in stocks		(2,207)	2,109
Movement in debtors		64,543	(62,601)
Movement in creditors		55,649	205,299
		<u>120,452</u>	<u>444,767</u>
Cash generated from operations			
Interest paid		(972)	-
		<u>119,480</u>	<u>444,767</u>
Cash flows from investing activities			
Payments to acquire intangible assets		-	(15,250)
Payments to acquire tangible assets		(57,039)	(95,264)
		<u>(57,039)</u>	<u>(110,514)</u>
Net cash used in investment activities			
		<u>(57,039)</u>	<u>(110,514)</u>
Cash flows from financing activities			
Long term loan movements		-	(281,000)
Government grants		-	2,500
		<u>-</u>	<u>(278,500)</u>
Net cash generated from/(used in) financing activities			
		<u>-</u>	<u>(278,500)</u>
Net increase in cash and cash equivalents		62,441	55,753
Cash and cash equivalents at beginning of financial year		295,093	239,340
Cash and cash equivalents at end of financial year	12	<u>357,534</u>	<u>295,093</u>

Carlow Arts Centre Limited

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

1. General Information

Carlow Arts Centre Limited is a company limited by shares incorporated in the Republic of Ireland. County Offices, Athy Road, Carlow is the registered office. VISUAL, Old Dublin Road, Carlow is the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. Summary of Significant 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.

Statement of compliance

The financial statements of the company for the year ended 31 December 2022 have been prepared in accordance with the provisions of FRS 102 Section 1A (Small Entities) and the Companies Act 2014.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, issued by the Financial Reporting Council.

The company qualifies as a small company as defined by section 280A of the Companies Act 2014 in respect of the financial year, and has applied the rules of the 'Small Companies Regime' in accordance with section 280C of the Companies Act 2014 and Section 1A of FRS 102.

Turnover

Turnover comprises the invoice value of goods and services supplied by the company, exclusive of trade discounts and value added tax. Income relating to future performances or events is deferred to the appropriate accounting period.

Intangible assets

Website Development

Website Development is valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 5 years.

Tangible assets and depreciation

Tangible assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible assets, less their estimated residual value, over their expected useful lives as follows:

Land and buildings leasehold	- 2% Straight line
Plant and machinery	- 5% - 12.5% Straight line
Fixtures, fittings and equipment	- 10% - 20% Straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks are determined on a first-in first-out basis. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

Carlow Arts Centre Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2022

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Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Borrowing costs

Borrowing costs are recognised initially at the transaction price (present value of cash payable to the lender, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Government grants

Capital grants received and receivable are treated as deferred income and amortised to the Profit and Loss Account annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the Profit and Loss Account when received or receivable, to the extent that all of the agreed terms and conditions for receipt of such grants have been satisfied prior to year end.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Profit and Loss Account.

Ordinary share capital

The ordinary share capital of the company is presented as equity.

3. Going concern

The directors continue to consider the risks and uncertainties that may affect the company on an ongoing basis.

The company incurred a significant loss of €575,996 (2020: €278,827 loss) in the year. It is worth highlighting the effect of significant non-cash expenses on the reported results. Before account is taken of depreciation, deemed interest (applied in line with FRS 102 and the Companies Act 2014) and capital grant amortisation, the company achieved a profit of €1,495 (2021: €15,910 profit). The Board believes that the company remains in a solid financial position with overall net assets of €3,823,593 at year end. Based on the scale of the achievements of the company in the year, the directors are satisfied with the underlying financial performance in 2022 and continue to strive for efficiencies and savings so as to ensure continued value for money into 2023 and beyond. Management have continued to implement strict budgetary controls in all areas to ensure that spending is in line with income. This has involved the re-negotiation of supplier and service contracts, initiating co-productions to share costs, and building strategic partnerships to access benefit in kind and/or funding support.

Carlow County Council holds 100% of the issued share capital of Carlow Arts Centre Limited. As set out in Note 16 to the financial statements, the shareholder provided core operational support of €584,867 (2021:

Carlow Arts Centre Limited
NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2022
 €498,000) during the year.

The company is highly dependent on this continuing support in order that it can continue to operate. In 2023, committed core operational support will amount to €650,000. There is no indication that continued support will be withdrawn in the foreseeable future.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. These financial statements do not include the adjustments that would be necessary if the company were unable to continue as a going concern.

4. Provisions Available for Audits of Small Entities

In common with many other businesses of our size and nature, we use our auditors to assist with the preparation of the financial statements.

5. Operating loss	2022	2021
	€	€
Operating loss is stated after charging/(crediting):		
Amortisation of intangible assets	3,050	3,050
Depreciation of tangible assets	431,191	440,733
Government grants received	-	(129,962)
Amortisation of Government grants	(70,590)	(70,590)

6. Interest payable and similar expenses	2022	2021
	€	€
Interest	214,812	205,269
Total interest expense using effective rate of return	213,840	205,269

7. Employees

The average monthly number of employees, including directors, during the financial year was:

	2022	2021
	Number	Number
Administration	20	18

8. Intangible assets

	Website Development
	€
Cost	
At 1 January 2022	15,250
At 31 December 2022	15,250
Provision for diminution in value	
At 1 January 2022	3,050
Charge for financial year	3,050
At 31 December 2022	6,100
Net book value	
At 31 December 2022	9,150
At 31 December 2021	12,200

Carlow Arts Centre Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2022

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9. Tangible assets

	Land and buildings leasehold €	Plant and machinery €	Fixtures, fittings and equipment €	Total €
Cost				
At 1 January 2022	14,302,350	2,616,467	422,324	17,341,141
Additions	40,020	-	17,019	57,039
At 31 December 2022	14,342,370	2,616,467	439,343	17,398,180
Depreciation				
At 1 January 2022	3,117,104	1,664,224	317,734	5,099,062
Charge for the financial year	287,188	123,617	20,386	431,191
At 31 December 2022	3,404,292	1,787,841	338,120	5,530,253
Net book value				
At 31 December 2022	10,938,078	828,626	101,223	11,867,927
At 31 December 2021	11,185,246	952,243	104,590	12,242,079

The lands are held on a sublease from Carlow County Council for the term of 99 years commencing on 1st September 2007. Carlow County Council in turn holds the lands on a sub-lease from the Trustees of Carlow College for the term of 150 years commencing on 1st January 2007.

In respect of loans given to the company, a charge on the lands in favour of Carlow County Council was created on 4th January 2013.

In consideration for grants received, the company has given a covenant to the Minister for Arts, Sport, and Tourism to continue to use the premises for the current purposes for a term of 22 years from the date of the last payment by the Minister of any grant payment. The last grant payment was received on 12th October 2009. The grants are repayable if the covenant is breached but it is the Board of Directors' intention to fully honour the commitment given in the covenant to the Minister. In addition a charge on the lands in favour of the Minister for Arts, Sport, and Tourism was created on 4th January 2008.

The directors have considered the carrying value of fixed assets and, taking into consideration the net book value of the new premises and associated fit-out costs of the Centre, and the grants and shareholder's loans associated with same, which are included as long-term creditors, the directors consider that the effective net book value of the assets compares favourably with the current value of the assets operating as an Arts Centre and Theatre. Accordingly, no impairment is considered necessary.

10. Stocks	2022 €	2021 €
Finished goods and goods for resale	15,808	13,601

The replacement cost of stock did not differ significantly from the figures shown.

11. Debtors	2022 €	2021 €
Trade debtors	25,795	48,875
Other debtors	4,390	46,533
Prepayments	3,119	2,439
	33,304	97,847

Carlow Arts Centre Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2022

continued

12. Cash and cash equivalents	2022	2021
	€	€
Cash and bank balances	308,030	193,259
Cash equivalents	49,504	101,834
	<u>357,534</u>	<u>295,093</u>
13. Creditors	2022	2021
Amounts falling due within one year	€	€
Trade creditors	34,593	80,813
Taxation	60,528	37,768
Accruals	322,077	242,968
	<u>417,198</u>	<u>361,549</u>
14. Creditors	2022	2021
Amounts falling due after more than one year	€	€
Carlow County Council Loan	5,559,833	5,345,993
Government grants (Note 15)	2,483,099	2,553,689
	<u>8,042,932</u>	<u>7,899,682</u>
Loans		
Repayable in five years or more	<u>5,559,833</u>	<u>5,345,993</u>

In prior years, the company obtained interest-free loans totalling €10,829,998 from Carlow County Council to finance the construction of VISUAL. FRS 102 (Section 11) requires that all financial assets and liabilities are recognised at their fair value. The company estimates the fair value of interest free loans issued by calculating the present value of all future cash receipts, discounted using the prevailing rates of interest for similar instruments. Upon initial recognition, the company recognised the loan as €3,339,091. The difference between the nominal amount of the loan and the initial fair value was €7,490,907. As this was not a financial liability, the company viewed it as a capital contribution from Carlow County Council and has included it as such in reserves.

The original Carlow County Council loans are made under Section 66(2) of the Local Government Act, 2001 and are secured by way of a charge on the company's property.

Carlow Arts Centre Limited
NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

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15. Government Grants Deferred	2022 €	2021 €
Capital grants received and receivable		
At 1 January 2022	3,308,681	3,306,181
Increase in financial year	-	2,500
	<u>3,308,681</u>	<u>3,308,681</u>
At 31 December 2022	3,308,681	3,308,681
Amortisation		
At 1 January 2022	(754,992)	(684,402)
Amortised in financial year	(70,590)	(70,590)
	<u>(825,582)</u>	<u>(754,992)</u>
At 31 December 2022	(825,582)	(754,992)
Net book value		
At 31 December 2022	<u>2,483,099</u>	<u>2,553,689</u>
At 1 January 2022	<u>2,553,689</u>	<u>2,621,779</u>

Department of Arts, Sport, and Tourism capital grants in the amount of €3,173,982 are secured by a lien over the VISUAL Centre for Contemporary Art and the George Bernard Shaw Theatre, land and all buildings on or to be erected on said land.

16. State Funding

Government agency	Carlow County Council
Grant programme	Arts services-core funding
Total grant awarded	€584,867
Term	12 months
Recognised as income in the financial year	€584,867
Received in the financial year	€584,867
Fund deferred or due at financial year start	€0
Expenditure in the financial year	€584,867
Fund deferred or due at financial year end	€0
Capital Grant	No
Restriction on use	Core support for operating costs
Government agency	Carlow County Council
Grant programme	Arts services
Total grant awarded	€43,160
Term	12 months
Recognised as income in the financial year	€38,258
Received in the financial year	€43,160
Fund deferred or due at financial year start	€0
Expenditure in the financial year	€38,258
Fund deferred or due at financial year end	€4,902 deferred to 2023
Capital Grant	No
Restriction on use	Support for specific arts programmes
Government agency	The Arts Council
Grant programme	Annual Programme 2022
Total grant awarded	€210,000
Term	12 months
Recognised as income in the financial year	€176,198
Received in the financial year	€157,500
Fund deferred or due at financial year start	€52,500 (2022 funding received in advance in 2021)
Expenditure in the financial year	€176,198
Fund deferred or due at financial year end	€33,802 deferred to 2023
Capital Grant	No
Restriction on use	Unrestricted Funding for Core and Artistic Purposes

Carlow Arts Centre Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2022

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Government agency	The Arts Council
Grant programme	Capacity Building Support Scheme
Total grant awarded	€19,950
Term	12 months
Recognised as income in the financial year	€0
Received in the financial year	€0
Fund deferred or due at financial year start	€3,990 due to the company
Expenditure in the financial year	€0
Fund deferred or due at financial year end	€3,990 due to the company
Capital Grant	No
Restriction on use	Capacity Building Support Scheme

Government agency	The Arts Council
Grant programme	Brightening Air
Total grant awarded	€125,940
Term	12 months
Recognised as income in the financial year	€0
Received in the financial year	€25,188
Fund deferred or due at financial year start	€25,188 due to company
Expenditure in the financial year	€0
Fund deferred or due at financial year end	€0
Capital Grant	No
Restriction on use	Support for Brightening Air Project

Government agency	The Arts Council
Grant programme	Arts Centre Funding Touring 2021
Total grant awarded	€2,000
Term	12 months
Recognised as income in the financial year	€0
Received in the financial year	€1,600
Fund deferred or due at financial year start	€2,000 due to the company
Expenditure in the financial year	€0
Fund deferred or due at financial year end	€400 due to the company
Capital Grant	No
Restriction on use	Touring of Art Work

Government agency	The Arts Council
Grant programme	Arts Centre Funding Touring 2022
Total grant awarded	€43,545
Term	12 months
Recognised as income in the financial year	€27,494
Received in the financial year	€34,836
Fund deferred or due at financial year start	€0
Expenditure in the financial year	€27,494
Fund deferred or due at financial year end	€7,342 deferred to 2023
Capital Grant	No
Restriction on use	Touring of Art Work

Government agency	The Arts Council
Grant programme	YPCE Commission Award
Total grant awarded	€16,500
Term	12 months
Recognised as income in the financial year	€5,500
Received in the financial year	€13,200
Fund deferred or due at financial year start	€0
Expenditure in the financial year	€5,500
Fund deferred or due at financial year end	€7,700 deferred to 2023
Capital Grant	No
Restriction on use	Commissioning New Work

Carlow Arts Centre Limited
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2022

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Government agency	The Arts Council
Grant programme	Energy Support Scheme 2022
Total grant awarded	€26,000
	12 months
Recognised as income in the financial year	€26,000
Received in the financial year	€26,000
Fund deferred or due at financial year start	€0
Expenditure in the financial year	€26,000
Fund deferred or due at financial year end	€0
Capital Grant	No
Restriction on use	Support for energy costs
Government agency	Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media
Grant programme	Live Performance Support Scheme 3 (LPSS 3)
Total grant awarded	€8,298
Term	6 months
Recognised as income in the financial year	€8,298
Received in the financial year	€8,298
Fund deferred or due at financial year start	€0
Expenditure in the financial year	€8,298
Fund deferred or due at financial year end	€0
Capital Grant	No
Restriction on use	As per Government LPSS3 programme
Government agency	Business to Arts and ESB
Grant programme	ESB Brighter Future Arts Fund
Total grant awarded	€40,000
Term	24 months
Recognised as income in the financial year	€22,822
Received in the financial year	€28,000
Fund deferred or due at financial year start	€0
Expenditure in the financial year	€22,822
Fund deferred or due at financial year end	€5,178 deferred to 2023
Capital Grant	No
Restriction on use	Future Light from Distant Starts project costs
Government agency	The Arts Council
Grant programme	Annual Programme 2023
Total grant awarded	€220,000
Term	12 months
Recognised as income in the financial year	€0
Received in the financial year	€73,500
Fund deferred or due at financial year start	€0
Expenditure in the financial year	€0
Fund deferred or due at financial year end	€73,500 (2023 funding received in advance in 2022)
Capital Grant	No
Restriction on use	Unrestricted Funding for Core and Artistic Purposes

17. Contingent liabilities

The company also has one known pay claim against it at the year end. The outcome of this claim is uncertain and any potential liability cannot be reasonably estimated and, as such, no provision has been made in the accounts. The directors are confident of a positive outcome for the company and do not see any material liability arising.

18. Related party transactions

Carlow County Council holds 100% of the issued share capital of the company.

The company received interest-free loans from Carlow County Council, under Section 66(2) of the Local Government Act 2001 as part of an agreement in respect of the original funding of the VISUAL project. The total cumulative loan balance, on an historic cost basis, was €10,829,998 at the year end (2021: €10,829,998).

Carlow Arts Centre Limited**NOTES TO THE FINANCIAL STATEMENTS**

continued

for the financial year ended 31 December 2022

These loans have been restated in the financial statements at estimated fair value in accordance with FRS 102 (Section 11) and amounted to €5,559,833 at year end (2021: €5,345,993). The original loan of €10,829,998 is not repayable within the next five years.

The company received core and other operating grants from Carlow County Council in the year that totalled €628,027 (2021: €633,069).

The company also traded with Carlow County Council during the year, earning income of €8,055 (2021: €14,140) and purchases of €1,560 (2021: €150). As at year end there was a balance owed to the company of €3,996 and a balance owed by the company of €346 in respect of trading activity with Carlow County Council.

19. Post-Balance Sheet Events

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

20. Employee salary costs

The directors did not receive any remuneration in respect of their services as directors in either the current or prior years.

The staff costs are comprised of:

	2022 €	2021 €
Wages and salaries	478,996	433,271
Social welfare costs	50,860	21,965
	<u>529,856</u>	<u>455,236</u>

21. Employee salary bands

The number of company employees whose emoluments amounted to over €60,000 in the year were as follows:

	2022 No	2021 No
€60,001 - €70,000	-	1

22. Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 29th March 2023.