

Company Number: 403432

**Carlow Arts Centre Limited**  
**Annual Report and Financial Statements**  
**for the financial year ended 31 December 2019**

**Carlow Arts Centre Limited gratefully acknowledges the support of our funders Carlow County Council and the Arts Council of Ireland, and the continued support of the Department of Culture, Heritage and the Gaeltacht.**

C A R L O W  
C O U N T Y C O U N C I L

COMHAIRLE CHONTAE CHEATHARLOCHA



An Roinn Cultúir,  
Oidhreacht agus Gaeltachta  
Department of Culture,  
Heritage and the Gaeltacht

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

<b>Directors</b>	Brian O'Donoghue (Resigned 2 August 2019) Bernie O' Brien Kathleen Holohan Karan Thompson (Resigned 2 August 2019) Denis Foley (Resigned 2 August 2019) Declan Doyle (Resigned 2 August 2019) Catriona Crowe (Resigned 2 August 2019) Fiona Kearney Fergus Cronin (Resigned 2 August 2019) Tadhg O'Sullivan Rachel Doyle (Resigned 2 August 2019) Derek Coyle Tom O'Neill (Appointed 2 August 2019) Ken Murnane (Appointed 2 August 2019)
<b>Company Secretary</b>	Michael Brennan
<b>Company Number</b>	403432
<b>Registered Office</b>	County Offices Athy Road Carlow
<b>Business Address</b>	VISUAL Old Dublin Road Carlow
<b>Auditors</b>	Harney Nolan Business Advisors Chartered Accountants and Statutory Audit Firm Equity House Deerpark Business Complex Dublin Road Carlow Ireland
<b>Bankers</b>	AIB Bank 36/37 Tullow Street Carlow
<b>Solicitors</b>	Ronald J. Clery & Co 3 Centaur Street Carlow

# **Carlow Arts Centre Limited**

## **DIRECTORS' REPORT**

for the financial year ended 31 December 2019

The directors present their report and the audited financial statements for the financial year ended 31 December 2019.

### **Principal Activity and Review of the Business**

The principal activity of the company is to promote, develop and enhance the appreciation of the Arts in County Carlow.

There has been no significant change in these activities during the financial year ended 31 December 2019.

In 2019, the company continued to provide a wide-ranging and expansive offering to the community at large.

### **Visual Art Programme**

In 2019 we staged 13 exhibitions featuring local, national and international artists working across a variety of artistic practices. 41,040 patrons visited the exhibitions in 2019.

#### **Spring Season: 8th Feb to 21st May**

Main Gallery and Foyer: Stephen McKenna: Works from 1958 to 2016 and The Barrow Book

Link Gallery: Legacies: Adam Bohanna, Eithne Jordan, Stephen Loughman, William McKeown, Isabel Nolan and Mairead O'hEocha

Digital Gallery: Ailbhe Ni Bhriain: Inscriptions (One Here Now)

Foyer Gallery: 9 Stones Artists: The Book Project

#### **Summer Season: 4th June to 8th September**

Main Gallery & Link Gallery: ARTWORKS 2019: Dearly Beloved

Link Gallery: Dearly Beloved, We Are Gathered Here Today by Tom Watt & Tadhg McSweeney

Digital Gallery: You Are Seeing Things, three films by BaÁrbara Wagner and Benjamin de Burca

Lobby Gallery: A Collaborative Love Song by Clare Breen, Colm O'Neill, Richard Breen

#### **Autumn Winter:**

Main Gallery & Link Gallery: 'Close Encounter: Meetings with Remarkable Buildings' presented by the Irish Architecture Foundation, featuring the work of 16 Irish architect teams.

Link and Lobby Gallery: 'Elemental' - a Superprojects Exhibition with artists Caoimhe Kilfeather, Karl Burke and Anne Bradley

Digital Gallery: 'Silver House' by Laura Gannon

Studio Gallery: 'Useful Structures' (September to November) archival library containing material from VISUAL's decade long history and work loaned from the Carlow Art Collection.

Studio Gallery: 'Light Therapy' by Apolonija Sustersic. The studio gallery was transformed into a Light therapy room to combat seasonal affective disorder (SAD).

### **Performing Arts Programme**

In 2019 VISUAL hosted 130 events in the theatre, with 24,194 patrons attending over the year.

Key highlights included;

Sell out shows David O'Doherty's ULTRASOUND (comedy), Jon Kenny's Crowman, (theatre), Ballet Ireland's Swan Lake, (dance), Spliced, (theatre) VISUAL off site performed in Tinryland GAA Hall and Madhouse by Una McKeivitt & PJ Gallagher.

### **Community/Engagement activities**

108 engagement and learning events were delivered in 2019, with 6,294 participants. Clare Breen (artist in residence) and Local artist Siobhan Jordan provided a significant boost for toddlers' and children's workshops in the visual art programme.

Social inclusion remains a key focus, with 28% of theatre ticket sales going to targeted social groups including children, students and senior citizens.

Other initiatives undertaken throughout 2019 included:

The Bee's Needs, county wide schools programme supported by the Rural Towns and Villages Scheme. (Art and the Environment)

The Trigger Project, 'A Dance Film Featuring Women from Carlow's Rohingya Community, supported by Carlow County Development Partnership.

A day long architecture conference was produced by the Irish Architecture Foundation, selected architects and VISUAL.

# **Carlow Arts Centre Limited**

## **DIRECTORS' REPORT**

for the financial year ended 31 December 2019

The Politics of Context' by Fiona Woods, workshop for artists in partnership with Create- The National Development Agency for Collaborative Arts Practice.

Arts Council, Creative Schools held 2 workshops in the galleries. 2 days of CPD for art teachers.

Supported Carlow County Arts Office's successful application to the Arts Council for a project under the invitation to collaborate scheme.

VISUAL continued as a partner in the AHEH project, this project brings together 14 partners from across 7 EU member states to improve the entrepreneurial capacity of A&H students. Erasmus +

Minister for Culture, Heritage and the Gaeltacht Josepha Madigan visited in April 2020. The Chinese Ambassador He Xiangdong visited in May 2019.

### **Staffing**

A recruitment process for the appointment of a new CEO/Artistic Director took place in February 2019. Curator Emma Lucy O' Brien, stood in as interim CEO and Artistic Director in April 2019. She was appointed to the role in December 2019.

### **Governance**

The Board held meetings in 2019 on 23<sup>rd</sup> January, 30<sup>th</sup> May, 31<sup>st</sup> July, 30<sup>th</sup> September, 23<sup>rd</sup> October, 4<sup>th</sup> December, 16<sup>th</sup> December, when progress on the implementation of the Strategic Plan 2017 - 2021 and other matters were discussed. The Finance Committee met regularly to review operating budgets, management accounts and any other matters pertaining to the financial management and controls of the centre and reported on same to the Board. The Corporate Governance Working Group also met to discuss the company's governance and audit process and reported on same to the Board.

### **Results and Dividends**

The loss for the financial year after providing for depreciation amounted to €(680,534) (2018 - €(591,341)).

The directors do not recommend payment of a dividend.

At the end of the financial year, the company has assets of €13,260,348 (2018 - €13,726,854) and liabilities of €8,093,941 (2018 - €7,879,913). The net assets of the company have decreased by €(680,534).

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, interest and deemed interest (applied in line with FRS 102 and the Companies Act 2014) and capital grant amortisation, the company achieved a loss of €61,153 (2018: €33,564 loss). The Board believes that the company remains in a solid financial position with overall net assets of €5,166,407 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 2019 and continue to strive for efficiencies and savings so as to ensure continued value for money into 2020 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 €498,000 (2018: €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 2020, committed operational support amounts to €498,000 and 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.

# **Carlow Arts Centre Limited**

## **DIRECTORS' REPORT**

for the financial year ended 31 December 2019

### **Directors and Secretary**

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

Brian O'Donoghue (Resigned 2 August 2019)  
Bernie O' Brien  
Kathleen Holohan  
Karan Thompson (Resigned 2 August 2019)  
Denis Foley (Resigned 2 August 2019)  
Declan Doyle (Resigned 2 August 2019)  
Catriona Crowe (Resigned 2 August 2019)  
Fiona Kearney  
Fergus Cronin (Resigned 2 August 2019)  
Tadhg O'Sullivan  
Rachel Doyle (Resigned 2 August 2019)  
Derek Coyle  
Tom O'Neill (Appointed 2 August 2019)  
Ken Mumane (Appointed 2 August 2019)

The secretary who served throughout the financial year was Michael Brennan.

The directors 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 2019 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**

At the time of approving the financial statements, the Board is aware of the potential effects of the Covid-19 pandemic which may result in a significant reduction in services provision income if the restrictions are to be pro-longed. In planning its future activities, the Board will seek to continue to develop the activities of Carlow Arts Centre Limited whilst managing the financial effects of Covid-19.

### **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 2019

**Accounting Records**

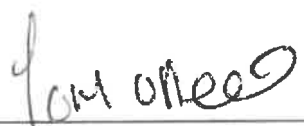
To ensure that adequate accounting records are kept in accordance with sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's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

**Signed on behalf of the board**



Director:

Date: 18/9/2020



Director:

Date: 18/9/2020



# Carlow Arts Centre Limited

## DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2019

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.

In so far as the directors are aware:

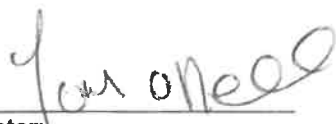
- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit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

Signed on behalf of the board



Director:

Date: 18/9/2020



Director:

Date: 18/9/2020

# **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 2019 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 a 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", 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 2019 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 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 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**

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.

#### **Emphasis of Matter - Going Concern**

There is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 3 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a significant loss of €680,534 during the year ended 31 December 2019 (2018: €591,341 loss) and is reliant on the continued financial support of its sole shareholder in order that it can continue to operate.

These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

#### **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.

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.

# **INDEPENDENT AUDITOR'S REPORT**

## **to the Shareholders of Carlow Arts Centre Limited**

### **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:

- in our opinion, 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**

#### **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 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 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.

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**Tony Harney 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: \_\_\_\_\_

## **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 2019

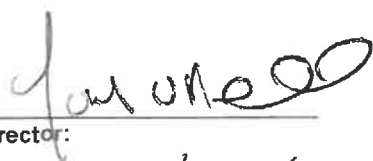
	Notes	2019 €	2018 € as restated
Turnover		1,011,953	938,187
Cost of sales		(332,331)	(222,241)
<b>Gross profit</b>		<b>679,622</b>	<b>715,946</b>
Administrative expenses		(1,179,852)	(1,194,586)
Other operating income		70,090	70,090
<b>Operating loss</b>	5	<b>(430,140)</b>	<b>(408,550)</b>
Interest payable and similar expenses	6	(250,394)	(182,791)
<b>Loss before taxation</b>		<b>(680,534)</b>	<b>(591,341)</b>
Tax on loss		-	-
<b>Loss for the financial year</b>		<b>(680,534)</b>	<b>(591,341)</b>

Approved by the board on \_\_\_\_\_ and signed on its behalf by:



Director:

Date: 18/9/2020



Director:

Date: 18/9/2020

**Carlow Arts Centre Limited**  
**BALANCE SHEET**  
as at 31 December 2019


	Notes	2019 €	2018 € as restated
<b>Fixed Assets</b>			
Tangible assets	9	<u>12,984,517</u>	<u>13,376,644</u>
<b>Current Assets</b>			
Stocks	10	3,692	3,692
Debtors	11	77,457	39,012
Cash and cash equivalents		194,682	307,506
		<u>275,831</u>	<u>350,210</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>(459,401)</u>	<u>(365,386)</u>
<b>Net Current Liabilities</b>		<u>(183,570)</u>	<u>(15,176)</u>
<b>Total Assets less Current Liabilities</b>		<u>12,800,947</u>	<u>13,361,468</u>
<b>Creditors</b>			
Amounts falling due after more than one year	13	<u>(7,634,540)</u>	<u>(7,514,527)</u>
<b>Net Assets</b>		<u>5,166,407</u>	<u>5,846,941</u>
<b>Capital and Reserves</b>			
Called up share capital presented as equity		3,000,002	3,000,002
Other reserves		7,490,907	7,490,907
Profit and Loss Account		<u>(5,324,502)</u>	<u>(4,643,968)</u>
<b>Equity attributable to owners of the company</b>		<u>5,166,407</u>	<u>5,846,941</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 \_\_\_\_\_ and signed on its behalf by:

  
\_\_\_\_\_  
Director:

Date: 18/9/2020

  
\_\_\_\_\_  
Director:

Date: 18/9/2020

**Carlow Arts Centre Limited**  
**RECONCILIATION OF SHAREHOLDERS' FUNDS**

as at 31 December 2019

	Share capital	Retained earnings	Capital contribution reserve	Total
	€	€	€	€
<b>At 1 January 2018</b>				
as previously stated	3,000,002	(4,002,665)	7,490,907	6,488,244
Prior financial year error correction (Note 8)	-	(49,962)	-	(49,962)
	<u>3,000,002</u>	<u>(4,052,627)</u>	<u>7,490,907</u>	<u>6,438,282</u>
<b>At 1 January 2018</b>				
Loss for the financial year	-	(591,341)	-	(591,341)
	<u>-</u>	<u>(591,341)</u>	<u>-</u>	<u>(591,341)</u>
<b>At 31 December 2018</b>				
as previously stated	3,000,002	(4,570,486)	7,490,907	5,920,423
Prior financial year error correction (Note 8)	-	(73,482)	-	(73,482)
	<u>3,000,002</u>	<u>(4,643,968)</u>	<u>7,490,907</u>	<u>5,846,941</u>
<b>At 31 December 2018</b>				
Loss for the financial year	-	(680,534)	-	(680,534)
	<u>-</u>	<u>(680,534)</u>	<u>-</u>	<u>(680,534)</u>
<b>At 31 December 2019</b>				
	<u><b>3,000,002</b></u>	<u><b>(5,324,502)</b></u>	<u><b>7,490,907</b></u>	<u><b>5,166,407</b></u>

**Carlow Arts Centre Limited**  
**CASH FLOW STATEMENT**  
for the financial year ended 31 December 2019

	Notes	2019 €	2018 € as restated
<b>Cash flows from operating activities</b>			
Loss for the financial year		(680,534)	(591,341)
Adjustments for:			
Interest payable and similar expenses		250,394	182,791
Depreciation		439,077	445,076
Amortisation of government grants		(70,090)	(70,090)
		<u>(61,153)</u>	<u>(33,564)</u>
Movements in working capital:			
Movement in debtors		(38,445)	(2,776)
Movement in creditors		94,015	19,874
		<u>(5,583)</u>	<u>(16,466)</u>
Cash used in operations		(60,291)	-
Interest paid		(60,291)	-
		<u>(65,874)</u>	<u>(16,466)</u>
Net cash used in operating activities		<u>(65,874)</u>	<u>(16,466)</u>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		(46,950)	(89,197)
<b>Cash flows from financing activities</b>			
Capital element of contracts		-	(395)
Government grants		-	40,000
		<u>-</u>	<u>39,605</u>
Net cash generated from financing activities		<u>-</u>	<u>39,605</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(112,824)</b>	<b>(66,058)</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>307,506</b>	<b>373,564</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>19</b>	<b>194,682</b>	<b>307,506</b>



# Carlow Arts Centre Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

### 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 2019 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.

#### Tangible fixed assets and depreciation

Tangible fixed 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 fixed 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.

#### 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.

# Carlow Arts Centre Limited

## NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2019

### 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 €680,534 (2018: €591,341 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, interest and deemed interest (applied in line with FRS 102 and the Companies Act 2014) and capital grant amortisation, the loss was €61,153 (2018: €33,564 loss). The Board believes that the company remains in a solid financial position with overall net assets of €5,166,407 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 2019 and continue to strive for efficiencies and savings so as to ensure continued value for money into 2020 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 20 to the financial statements, the shareholder provided core operational support of €498,000 (2018: €498,000) during the year. The company is highly dependent on this continuing support in order that it can continue to operate. In 2020, committed core operational support will amount to €498,000 and 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.

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

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for the financial year ended 31 December 2019

**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.

<b>5. OPERATING LOSS</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
<b>Operating loss is stated after charging/(crediting):</b>		
Depreciation of tangible fixed assets	<b>439,077</b>	<b>445,076</b>
Amortisation of Government grants	<b>(70,090)</b>	<b>(70,090)</b>
	<u><u>          </u></u>	<u><u>          </u></u>

<b>6. INTEREST PAYABLE AND SIMILAR EXPENSES</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Interest	<b>250,394</b>	<b>182,791</b>
	<u><u>          </u></u>	<u><u>          </u></u>
Total interest expense using effective rate of return	<b>190,103</b>	<b>182,791</b>
	<u><u>          </u></u>	<u><u>          </u></u>

**7. EMPLOYEES**

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Administration	<b>20</b>	<b>22</b>
	<u><u>          </u></u>	<u><u>          </u></u>

**8. PRIOR FINANCIAL YEAR ADJUSTMENT**

The Revenue Commissioners have undertaken a review into the company's operation of the Capital Goods Scheme, as provided for under Section 63 VAT Consolidation Act 2010. This review has resulted in probable adjustments arising in respect of a portion of the VAT reclaimed on the initial construction of the company's trading premises and also on subsequent VAT reclaimed on trading expenses in subsequent periods.

The directors consider that these adjustments can be reliably measured and, therefore, these financial statements include a realistic estimate of the additional VAT liability that exists. The net effect of these adjustments, insofar as they pertain to prior years, has resulted in a cumulative reduction of €73,482 in company retained reserves, an increase in the carrying value of fixed assets of €91,428, and an increase in "Creditors: Amounts falling due within one year" of €164,910.

**9. TANGIBLE FIXED ASSETS**

	<b>Land and buildings leasehold</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings and equipment</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Cost</b>				
At 1 January 2019	14,203,324	2,616,467	338,520	17,158,311
Additions	30,476	-	16,474	46,950
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2019	14,233,800	2,616,467	354,994	17,205,261
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation</b>				
At 1 January 2019	2,259,790	1,274,112	247,765	3,781,667
Charge for the financial year	283,442	138,905	16,730	439,077
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2019	2,543,232	1,413,017	264,495	4,220,744
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net book value</b>				
At 31 December 2019	<b>11,690,568</b>	<b>1,203,450</b>	<b>90,499</b>	<b>12,984,517</b>
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
At 31 December 2018	11,943,534	1,342,355	90,755	13,376,644
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

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

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for the financial year ended 31 December 2019

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.

<b>10. STOCKS</b>	<b>2019</b>	<b>2018</b>
	€	€
Finished goods and goods for resale	<u>3,692</u>	<u>3,692</u>

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

<b>11. DEBTORS</b>	<b>2019</b>	<b>2018</b>
	€	€
Trade debtors	73,633	34,228
Other debtors	30	-
Prepayments	3,794	2,784
Accrued income	-	2,000
	<u>77,457</u>	<u>39,012</u>

<b>12. CREDITORS</b>	<b>2019</b>	<b>2018</b>
<b>Amounts falling due within one year</b>	<b>€</b>	<b>€</b>
Trade creditors	7,056	50,239
Taxation	288,851	175,933
Accruals	163,494	139,214
	<u>459,401</u>	<u>365,386</u>

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

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for the financial year ended 31 December 2019

13. CREDITORS	2019	2018
Amounts falling due after more than one year	€	€
Carlow County Council Loan	4,942,671	4,752,568
Government grants (Note 14)	2,691,869	2,761,959
	<u>7,634,540</u>	<u>7,514,527</u>
<b>Loans</b>		
Repayable in five years or more	<u>4,942,671</u>	<u>4,752,568</u>

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 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.

14. GOVERNMENT GRANTS DEFERRED	2019	2018
	€	€
<b>Capital grants received and receivable</b>		
At 1 January 2019	3,306,181	3,266,181
Increase in financial year	-	40,000
	<u>3,306,181</u>	<u>3,306,181</u>
At 31 December 2019	3,306,181	3,306,181
<b>Amortisation</b>		
At 1 January 2019	(544,222)	(474,132)
Amortised in financial year	(70,090)	(70,090)
	<u>(614,312)</u>	<u>(544,222)</u>
At 31 December 2019	(614,312)	(544,222)
<b>Net book value</b>		
At 31 December 2019	<u>2,691,869</u>	<u>2,761,959</u>
At 1 January 2019	<u>2,761,959</u>	<u>2,792,049</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.

15. CAPITAL COMMITMENTS	2019	2018
	€	€
Details of capital commitments at the accounting date are as follows:		
Approved but not yet contracted for	-	2,700
	<u>-</u>	<u>2,700</u>

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

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for the financial year ended 31 December 2019

**16. 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.

**17. 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 (2018: €10,829,998). As disclosed in Note 11, this loan has been restated in the financial statements at estimated fair value in accordance with FRS 102 (Section 11) and amounts to €4,941,671 at year end (2018: €4,752,568). This loan 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 €565,955 (2018: €534,000).

The company also traded with Carlow County Council during the year with sales of €250 (2018: €1,263) and purchases of €1,321 (2018: €1,455). As at year end there was a balance owed to the company of €1,076 and a balance owed by the company of €305 in respect of trading activity with Carlow County Council.

**18. POST-BALANCE SHEET EVENTS**

In 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish Government issued guidance and restrictions on the movement of people designed to slow the spread of the virus. On 28th March 2020, all "non-essential" businesses and services were ordered to close temporarily. Carlow Arts Centre Limited reacted to these conditions by closing our premises, continuing to operate with a combination of staff working from home and strictly controlled access to our building in line with national health guidelines.

Whilst this has resulted in the company remaining operational during the period of closure, there has been a reduction in operating levels as a result of Covid-19. Based on all currently available information, and a review of forecast financial performance, this reduction in operating levels will continue to the year end. Subject to the removal of all restrictions, the Company intends to return to full operations in 2021.

**19. CASH AND CASH EQUIVALENTS**

	2019 €	2018 €
Cash and bank balances	92,860	95,866
Cash equivalents	101,822	211,640
	<u>194,682</u>	<u>307,506</u>

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

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for the financial year ended 31 December 2019

**20. STATE FUNDING**

Government Agency Grant Programme Total Grant Expenditure Term Received year end	Carlow County Council Core funding €498,000 €498,000 12 months 31 December 2019
Capital grant Restriction on use costs	Nil Support for operating
Government Agency Grant Programme Total Grant Received Recognised as income Accrued grant at year end Expenditure Term Received year end	Carlow County Council Local arts services €67,955 €61,955 €67,955 €6,000 €67,955 12 months 31 December 2019
Capital grant Restriction on use project costs	Nil Support for specific
Government Agency Grant Programme 2019 Total Grant Received Recognised as income Accrued grant at year end Expenditure Term	The Arts Council Annual programming €108,000 €75,600 €108,000 €32,400 €108,000 12 months
Capital grant Restriction on use costs	Nil Support for operating
Government Agency Grant Programme Total Grant Received Expenditure Term	The Arts Council Travel grant 2019 €750 €750 €750 12 months
Capital grant Restriction on use costs	Nil Support for operating

The directors are satisfied that adequate financial control systems are in place to manage granted funds.

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

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for the financial year ended 31 December 2019

**21. EMPLOYEE SALARIES**

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

	2019	2018
	Number	Number
€60,001 - €70,000	0	1

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

The staff costs comprise:	2019	2018	
		€	€
Wages and salaries	421,173	426,550	
Social welfare costs	43,192	43,367	
Total	464,365	469,917	

**22. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the board of directors on

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