

Galway Cultural Development & Activity CLG
Annual Report and Audited Financial Statements
for the financial year ended 31 December 2020

OMB Accountants Ltd
Chartered Accountants & Registered Auditors
Steamship House
Dock Street
Galway
Ireland

Company Number: 576394
Charity Number: CHY22448

Galway Cultural Development & Activity CLG

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Galway Cultural Development & Activity CLG

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	Arthur Lappin (Chairperson) Claire McColgan Catherine Cullen Lisa Clancy (Resigned 25 September 2020) Leon Butler (Resigned 25 September 2020) Enda Newton (Resigned 21 August 2020) Christopher Greene Caroline Loughnane Brendan McGrath Finbarr Bradley (Resigned 31 August 2020) Iwona Kwiek Moling Ryan Michael Cubbard James Charity (Appointed 17 June 2020) Jim Cullen (Appointed 23 April 2021) Kevin Kelly (Resigned 23 April 2021) James McClearn (Resigned 17 June 2020)
Company Secretary	Brendan McGrath
Charity Number	CHY22448
Company Number	576394
Registered Office	Unit 15, The Cornstore, Middle Street Galway Galway
Auditors	OMB Accountants Ltd Chartered Accountants & Registered Auditors Steamship House Dock Street Galway Ireland
Bankers	AIB Lynch's Castle Galway
Solicitors	Ronan Daly Jermyn, Aengus House Dock Street Galway

Galway Cultural Development & Activity CLG

DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

The directors present their Directors' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the financial year ended 31 December 2020.

The financial statements are prepared in accordance with the Companies Act 2014, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Directors' Report contains the information required to be provided in the Directors' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The directors of the company are also charity trustees for the purpose of charity law and under the company's constitution are known as members of the board of trustees.

In this report the directors of Galway Cultural Development & Activity CLG present a summary of its purpose, governance, activities, achievements and finances for the financial year 2020.

The charity is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Act 2014 and, although not obliged to comply with the Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the organisation has implemented its recommendations where relevant in these financial statements.

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

On 23 December 2020 the European Parliament and the Council of the European Union (Decision No. 445/2014/EU) formally approved a prolongation to the designation for European Capitals of Cultures for the year 2020 to 2033 in the context of a response to the COVID-19 pandemic.

This prolongation provided the Company with an opportunity to extend its delivery of cultural programming activities through to 30 April 2021. In order to maximise the investment made by the Company in cultural programming, and in consultation with stakeholders it was agreed that the delivery of the Galway 2020 cultural programming would continue through to 30 April 2021.

As a response to this adjustment in scheduling the Company therefore extended the business operations and management functions required to support the delivery of the cultural programme through to 30 June 2021.

Mission, Objectives and Strategy

Mission Statement

To carry out the creation, organisation, promotion and sustainable development of artistic and cultural activities as a result of the European Capital of Culture 2020 in Galway City, County and wider community through a series of Flagship Projects, each containing elements that will renew, disrupt, transform and celebrate our culture.

Structure, Governance and Management

Structure

The liability of the members is limited. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding €50.

The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association and managed by a Board of Directors.

Financial Review

The results for the financial year are set out on page 11 and additional notes are provided showing income and expenditure in greater detail.

Financial Results

At the end of the financial year the charity has assets of €2,711,377 (2019 - €1,528,943) and liabilities of €2,711,377 (2019 - €1,528,943). The net liabilities of the charity have increased by €0.

Galway Cultural Development & Activity CLG

DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

Directors and Secretary

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

Arthur Lappin (Chairperson)
Claire McColgan
Catherine Cullen
Lisa Clancy (Resigned 25 September 2020)
Leon Butler (Resigned 25 September 2020)
Enda Newton (Resigned 21 August 2020)
Christopher Greene
Caroline Loughnane
Brendan McGrath
Finbarr Bradley (Resigned 31 August 2020)
Iwona Kwiek
Moling Ryan
Michael Cubbard
James Charity (Appointed 17 June 2020)
Jim Cullen (Appointed 23 April 2021)
Kevin Kelly (Resigned 23 April 2021)
James McClearn (Resigned 17 June 2020)

In accordance with the Constitution, the directors retire by rotation and, being eligible, offer themselves for re-election.

The secretary who served throughout the financial year was Brendan McGrath.

Compliance with Sector-Wide Legislation and Standards

The charity engages pro-actively with legislation, standards and codes which are developed for the sector. Galway Cultural Development & Activity CLG subscribes to and is compliant with the following:

- The Companies Act 2014
- The Charities SORP (FRS 102)

Taxation Status

The company has been granted Charitable Status under section 207 of the Taxes Consolidation Act 1997, Charity No. CHY 22448 and is registered with the Charities Regulatory Authority.

Post Balance Sheet Events

From March 2020 the global economy started to feel the effect of the Covid-19 pandemic. The Company has taken measures to ensure that they are minimally impacted by such effects.

Auditors

The auditors, OMB Accountants Ltd have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

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 Unit 15, The Cornstore, Middle Street, Galway, Galway.

Approved by the Board of Directors on 25 June 2021 and signed on its behalf by:

Arthur Lappin (Chairperson)
Director

Brendan McGrath
Director

Galway Cultural Development & Activity CLG

DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2020

The directors are responsible for preparing 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 charity as at the financial year end date and of the net income or expenditure of the charity 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 and apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, 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 charity will continue in operation.

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

The directors are responsible for ensuring that the charity keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the charity, enable at any time the assets, liabilities, financial position and net income or expenditure of the charity to be determined with reasonable accuracy, enable them to ensure that the financial statements and the Directors' Annual Report comply with Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the charity 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 charity's auditor in connection with preparing the auditor's report) of which the charity's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Approved by the Board of Directors on 25 June 2021 and signed on its behalf by:

Arthur Lappin (Chairperson)
Director

Brendan McGrath
Director

INDEPENDENT AUDITOR'S REPORT

to the Members of Galway Cultural Development & Activity CLG

Report on the audit of the financial statements

Opinion

We have audited the charity financial statements of Galway Cultural Development & Activity CLG for the financial year ended 31 December 2020 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the 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", applying Section 1A of that Standard and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the charity as at 31 December 2020 and of its surplus 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", as applied in accordance with the provisions of the Companies Act 2014 and having regard to the Charities SORP; 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 charity 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 3 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Matter of Attention

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the economic downturn caused by the Covid-19 pandemic. The financial statements have been prepared on a going concern basis, details of which are set out in note 19. Our opinion is not qualified in this respect.

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.

INDEPENDENT AUDITOR'S REPORT

to the Members of Galway Cultural Development & Activity CLG

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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 charity were sufficient to permit the financial statements to be readily and properly audited. In our opinion 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 charity and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Annual 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 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, 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 charity'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 charity or to cease operations, 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.

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 charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 charity'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 charity 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.

INDEPENDENT AUDITOR'S REPORT

to the Members of Galway Cultural Development & Activity CLG

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

Our report is made solely to the charity's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the charity's members 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 charity and the charity's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John O'Beirn F.C.A.

for and on behalf of

OMB ACCOUNTANTS LTD

Chartered Accountants & Registered Auditors

Steamship House

Dock Street

Galway

Ireland

25 June 2021

Galway Cultural Development & Activity CLG

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)
for the financial year ended 31 December 2020

	Notes	Unrestricted Funds 2020 €	Total 2020 €	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total 2019 €
Income						
Other trading activities	4.1	14,976	14,976	21,204	-	21,204
Other income	4.2	6,832,336	6,832,336	7,331,807	36,334	7,368,141
Total income		6,847,312	6,847,312	7,353,011	36,334	7,389,345
Expenditure						
Raising funds	5.1	79,310	79,310	477,729	-	477,729
Charitable activities	5.2	6,425,557	6,425,557	6,619,835	36,334	6,656,169
Other expenditure	5.3	342,445	342,445	255,447	-	255,447
Total Expenditure		6,847,312	6,847,312	7,353,011	36,334	7,389,345
Net income/(expenditure)		-	-	-	-	-
Transfers between funds		-	-	-	-	-
Balances carried forward at 31 December 2020		-	-	-	-	-

The Statement of Financial Activities includes all gains and losses recognised in the financial year.
All income and expenditure relate to continuing activities.

Approved by the Board of Directors on 25 June 2021 and signed on its behalf by:

Arthur Lappin (Chairperson)
Director

Brendan McGrath
Director

Galway Cultural Development & Activity CLG

BALANCE SHEET

as at 31 December 2020

	Notes	2020 €	2019 €
Fixed Assets			
Tangible assets	10	88,348	112,695
		<hr/>	<hr/>
Current Assets			
Debtors	11	54,918	221,786
Cash at bank and in hand		2,568,111	1,194,462
		<hr/>	<hr/>
		2,623,029	1,416,248
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	12	(2,623,029)	(1,416,248)
		<hr/>	<hr/>
Total Assets less Current Liabilities		88,348	112,695
		<hr/>	<hr/>
Grants receivable	13	(88,348)	(112,695)
		<hr/>	<hr/>
Net Liabilities		-	-
		<hr/>	<hr/>
Funds			
Total funds		-	-
		<hr/>	<hr/>

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 of Directors on 25 June 2021 and signed on its behalf by:

Arthur Lappin (Chairperson)
Director

Brendan McGrath
Director

Galway Cultural Development & Activity CLG

STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2020

	Notes	2020 €	2019 €
Cash flows from operating activities			
Adjustments for:			
Depreciation		27,836	22,830
Amortisation of capital grants received		(27,836)	(22,830)
		<u>-</u>	<u>-</u>
Movements in working capital:			
Movement in debtors		166,868	(162,748)
Movement in creditors		1,206,781	806,557
		<u>1,373,649</u>	<u>643,809</u>
Cash generated from operations		<u>1,373,649</u>	<u>643,809</u>
Cash flows from investing activities			
Payments to acquire tangible assets		(3,489)	(41,508)
		<u>(3,489)</u>	<u>(41,508)</u>
Cash flows from financing activities			
Grants receivable		3,489	41,508
		<u>3,489</u>	<u>41,508</u>
Net increase in cash and cash equivalents		1,373,649	643,809
Cash and cash equivalents at 1 January 2020		1,194,462	550,653
		<u>1,194,462</u>	<u>550,653</u>
Cash and cash equivalents at 31 December 2020	16	<u>2,568,111</u>	<u>1,194,462</u>

Galway Cultural Development & Activity CLG

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

1. GENERAL INFORMATION

Galway Cultural Development & Activity CLG is a company limited by guarantee incorporated in the Republic of Ireland. The registered office of the company is Unit 15,, The Cornstore,, Middle Street, Galway, Galway which is also the principal place of business of the company. 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 charity's financial statements.

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

The charity has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland. These are the first set of financial statements prepared by the Charity in accordance with the SORP, and there has been no changes to comparative figures as a result of the adoption of the SORP.

As permitted by the Companies Act 2014, the the charity has varied the standard formats in that act for the Statement of Financial Activities and the Balance Sheet. Departures from the standard formats, as outlined in the Companies Act 2014, are to comply with the requirements of the Charities SORP and are in compliance with section 4.7, 10.6 and 15.2 of that SORP.

Statement of compliance

The financial statements of the charity for the year ended 31 December 2019 have been prepared on the going concern basis and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)" and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

Fund accounting

The following are the categorises of funds maintained:

Restricted funds

Restricted funds represent income received which can only be used for particular purposes, as specified by the donors. Such purposes are within the overall objectives of the charity.

Unrestricted funds

Unrestricted funds consist of General and Designated funds.

- General funds represent amounts which are expendable at the discretion of the board, in furtherance of the objectives of the charity.

- Designated funds comprise unrestricted funds that the board has, at its discretion, set aside for particular purposes. These designations have an administrative purpose only, and do not legally restrict the board's discretion to apply the fund.

Galway Cultural Development & Activity CLG

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

Income

Income is recognised by inclusion in the Statement of Financial Activities only when the charity is legally entitled to the income, performance conditions attached to the item(s) of income have been met, the amounts involved can be measured with sufficient reliability and it is probable that the income will be received by the charity.

Income from charitable activities

Income from charitable activities include income earned from the supply of services under contractual arrangements and from performance related grants which have conditions that specify the provision of particular services to be provided by the charity. Income from government and other co-funders is recognised when the charity is legally entitled to the income because it is fulfilling the conditions contained in the related funding agreements. Where a grant is received in advance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, it is accrued in debtors.

Grants from governments and other co-funders typically include one of the following types of conditions:

- Performance based conditions: whereby the charity is contractually entitled to funding only to the extent that the core objectives of the grant agreement are achieved. Where the charity is meeting the core objectives of a grant agreement, it recognises the related expenditure, to the extent that it is reimbursable by the donor, as income.

-Time based conditions: whereby the charity is contractually entitled to funding on the condition that it is utilised in a particular period. In these cases the charity recognises the income to the extent it is utilised within the period specified in the agreement.

In the absence of such conditions, assuming that receipt is probable and the amount can be reliably measured, grant income is recognised once the charity is notified of entitlement.

Grants received towards capital expenditure are credited to the Statement of Financial Activities when received or receivable, whichever is earlier.

Expenditure

Expenditure is analysed between costs of charitable activities and raising funds. The costs of each activity are separately accumulated and disclosed, and analysed according to their major components. Expenditure is recognised when a legal or constructive obligation exists as a result of a past event, a transfer of economic benefits is required in settlement and the amount of the obligation can be reliably measured. Support costs are those functions that assist the work of the charity but cannot be attributed to one activity. Such costs are allocated to activities in proportion to staff time spent or other suitable measure for each activity.

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:

Fixtures, fittings and equipment	-	12.5% Straight line
Office equipment	-	20% Straight line

Leasing

Rentals payable under operating leases are dealt with in the income and expenditure account as incurred over the period of the rental agreement.

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Income recognised by the charity from government agencies and other co-funders, but not yet received at year end, is included in debtors.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months notice of withdrawal.

Galway Cultural Development & Activity CLG

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

Taxation and deferred taxation

No current or deferred taxation arises as the charity has been granted charitable exemption. Irrecoverable valued added tax is expensed as incurred.

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 income 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.

3. PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES

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

4. INCOME

4.1 OTHER TRADING ACTIVITIES	Unrestricted Funds €	Restricted Funds €	2020 €	2019 €
Box Office Income	14,976	-	14,976	21,204

4.2 OTHER INCOME	Unrestricted Funds €	Restricted Funds €	2020 €	2019 €
Other income	348,411	-	348,411	11,915
Government Grants	4,839,729	-	4,839,729	5,121,185
Local Authority Grants	1,191,464	-	1,191,464	1,764,397
Sponsorship	425,150	-	425,150	447,814
Amortisation of capital grants	27,582	-	27,582	22,830
	<u>6,832,336</u>	<u>-</u>	<u>6,832,336</u>	<u>7,368,141</u>

5. EXPENDITURE

5.1 RAISING FUNDS	Direct Costs €	Other Costs €	Support Costs €	2020 €	2019 €
Raising funds	69,294	-	10,016	79,310	477,729

5.2 CHARITABLE ACTIVITIES	Direct Costs €	Other Costs €	Support Costs €	2020 €	2019 €
Expenditure on charitable activities	4,302,347	-	2,034,951	6,337,298	6,486,919
Governance Costs (Note 5.4)	-	-	88,259	88,259	169,250
	<u>4,302,347</u>	<u>-</u>	<u>2,123,210</u>	<u>6,425,557</u>	<u>6,656,169</u>

5.3 OTHER EXPENDITURE	Direct Costs €	Other Costs €	Support Costs €	2020 €	2019 €
Other expenditure	-	170,756	171,689	342,445	255,447

Galway Cultural Development & Activity CLG

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

5.4	GOVERNANCE COSTS	Direct Costs €	Other Costs €	Support Costs €	2020 €	2019 €	
	Charitable activities - governance costs	-	-	88,259	88,259	169,250	
5.5	SUPPORT COSTS	Cost of Raising Funds €	Charitable Activities €	Other Expenditure €	Governance Costs €	2020 €	2019 €
	Accounting Support	-	-	-	1,182	1,182	17,605
	Auditors remuneration	-	-	-	8,441	8,441	8,189
	Legal fees	-	-	-	14,861	14,861	64,938
	Consultancy	-	30,605	-	21,144	51,749	42,205
	Monitoring & evaluation	-	76,989	-	-	76,989	49,703
	IT Professional fees	-	8,032	-	-	8,032	8,203
	Bank charges	-	-	-	2,930	2,930	2,301
	Foreign exchange variance	-	-	-	-	-	(1,188)
	Recruitment costs	-	-	-	-	-	19,732
	Promotional activities	-	684,711	-	-	684,711	755,672
	Depreciation	-	-	27,836	-	27,836	22,830
	Travel	-	143,126	-	-	143,126	171,491
	Wages	-	1,015,212	-	16,730	1,031,942	1,562,146
	Board expenses	-	-	-	14,868	14,868	21,398
	Establishment cost	-	12,345	143,853	8,103	164,301	141,339
	Partnerships	10,016	-	-	-	10,016	9,414
	Comms	-	62,571	-	-	62,571	343,737
	International Relations	-	1,360	-	-	1,360	15,232
		10,016	2,034,951	171,689	88,259	2,304,915	3,254,947

6. ANALYSIS OF SUPPORT COSTS

	Basis of Apportionment	2020 €	2019 €
Accounting Support	Accounting support	1,182	17,605
Auditors remuneration	Auditor's remuneration	8,441	8,189
Legal fees	Legal fees	14,861	64,938
Consultancy	Consultancy & External Advisors	51,749	42,205
Monitoring & evaluation	Monitoring & evaluation	76,989	49,703
IT Professional fees	IT Professional fees & Website	8,032	8,203
Bank charges	Bank, credit & currency charges	2,930	2,301
Foreign exchange variance	Foreign exchange variance	-	(1,188)
Recruitment costs	Recruitment costs	-	19,732
Promotional activities	PR Support & Advertising	684,711	755,672
Depreciation	Depreciation	27,836	22,830
Travel	Hotels, travelling & entertainment etc	143,126	171,491
Wages	Wages & PRSI contributions	1,031,942	1,562,146
Board expenses	Board expenses	14,868	21,398
Establishment cost	Rent, rates & utilities	164,301	141,339
Partnerships	Partnerships	10,016	9,414
Comms	Comms	62,571	343,737
International Relations	International relations	1,360	15,232
		2,304,915	3,254,947

Galway Cultural Development & Activity CLG

NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2020

7. NET INCOME	2020	2019
	€	€
Net Income is stated after charging/(crediting):		
Depreciation of tangible assets	27,836	22,830
(Surplus) on foreign currencies	-	(1,188)
Operating lease rentals		
- Land and buildings	86,593	79,101
Grants receivable received	(6,030,939)	(6,885,582)
Amortisation of grants receivable	(27,836)	(22,830)
	<u><u> </u></u>	<u><u> </u></u>

8. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed (including executive directors) during the financial year was as follows:

	2020	2019
	Number	Number
Creative	4	5
Volunteering	1	2
Box Office	1	1
Partnerships	2	2
International Relations	1	1
Administration	5	7
Comms	5	7
Production	1	1
	<u><u> </u></u>	<u><u> </u></u>
	20	26

The staff costs comprise:

	2020	2019
	€	€
Wages and salaries	950,871	1,436,236
Social security costs	81,071	125,910
	<u><u> </u></u>	<u><u> </u></u>
	1,031,942	1,562,146

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

	Number of	Number of
	Employees	Employees
€60,000 - €70,000	2	2
€70,001 - €80,000	-	1
€90,001 - €100,000	-	1
	<u><u> </u></u>	<u><u> </u></u>

Galway Cultural Development & Activity CLG

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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10. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment €	Office equipment €	Total €
Cost			
At 1 January 2020	44,953	108,179	153,132
Additions	280	3,209	3,489
	<u>45,233</u>	<u>111,388</u>	<u>156,621</u>
Depreciation			
At 1 January 2020	11,578	28,859	40,437
Charge for the financial year	5,647	22,189	27,836
	<u>17,225</u>	<u>51,048</u>	<u>68,273</u>
Net book value			
At 31 December 2020	<u>28,008</u>	<u>60,340</u>	<u>88,348</u>
At 31 December 2019	<u>33,375</u>	<u>79,320</u>	<u>112,695</u>
11. DEBTORS		2020	2019
		€	€
Trade debtors		25,868	184,139
Prepayments		29,050	37,647
		<u>54,918</u>	<u>221,786</u>
12. CREDITORS		2020	2019
Amounts falling due within one year		€	€
Trade creditors		328,244	680,463
Taxation and social security costs		9,354	137,137
Other creditors		2,015	10,661
Accruals		349,191	322,222
Deferred Income		1,934,225	265,765
		<u>2,623,029</u>	<u>1,416,248</u>

Galway Cultural Development & Activity CLG

NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2020

13. GRANTS RECEIVABLE	2020	2019
	€	€
Capital grants received and receivable		
At 1 January 2020	153,132	111,624
Increase in financial year	3,489	41,508
	<hr/>	<hr/>
At 31 December 2020	156,621	153,132
	<hr/>	<hr/>
Amortisation		
At 1 January 2020	(40,437)	(17,607)
Amortised in financial year	(27,836)	(22,830)
	<hr/>	<hr/>
At 31 December 2020	(68,273)	(40,437)
	<hr/>	<hr/>
Net book value		
At 31 December 2020	88,348	112,695
	<hr/>	<hr/>
At 1 January 2020	112,695	94,017
	<hr/>	<hr/>

14. STATUS

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

On 23 December 2020 the European Parliament and the Council of the European Union (Decision No. 445/2014/EU) formally approved a prolongation to the designation for European Capitals of Cultures for the year 2020 to 2033 in the context of a response to the COVID-19 pandemic.

This prolongation provided the Company with an opportunity to extend its delivery of cultural programming activities through to 30 April 2021. In order to maximise the investment made by the Company in cultural programming, and in consultation with stakeholders it was agreed that the delivery of the Galway 2020 cultural programming would continue through to 30 April 2021.

As a response to this adjustment in scheduling the Company therefore extended the business operations and management functions required to support the delivery of the cultural programme through to 30 June 2021.

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding € 50.

15. CONTINGENT LIABILITIES

During 2020 a claim was made for approximately €8,000. The company disputes this and the claim is ongoing.

16. CASH AND CASH EQUIVALENTS

	2020	2019
	€	€
Cash and bank balances	2,568,111	1,194,462
	<hr/>	<hr/>

Galway Cultural Development & Activity CLG

NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2020

17. DIRECTOR'S REMUNERATION

No director received any remuneration during the year (2019 :€nil).

Expenses reimbursed to directors relate to travel expenses necessary to carry out their duties as directors.

2020	2019
€	€
<u> </u>	<u> </u>

18. BASIS OF ACCOUNTING

The Directors are satisfied that the measures taken by the Company to deal with the effects of the economic downturn caused by the Covid-19 pandemic will allow the Company to continue to operate through the crisis and to recover in due course and accordingly have prepared the accounts on a going concern basis.

19. PUBLIC FUNDING

In line with the conditions laid out in the DPER circular 13/2014 the following sets out how public funds were used by the company during the year.

	2020	2019
	€	€
Opening deferred income	265,765	305,526
Received from: Department of Culture Heritage and the Gaeltacht	5,158,085	5,110,185
Received from: Galway City Council	744,600	625,000
Received from: Galway County Council	300,000	1,122,467
Paid to: Charitable Activity	(4,188,291)	(6,600,458)
Paid to: Other Expenditure	(342,445)	(255,447)
Transfer to Capital Grant	(3,489)	(41,508)
	<u>1,934,225</u>	<u>265,765</u>

The total figure represents the closing deferred income in the accounts.

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 25 June 2021.