

Company Number: 654958

Kilkenny Arts Festival Company Limited by Guarantee

Annual Report and Financial Statements

for the financial year ended 31 December 2021

Kilkenny Arts Festival Company Limited by Guarantee

CONTENTS

	Page
Directors and Other Information	3
Directors' Report	4 - 7
Directors' Responsibilities Statement	8
Independent Auditor's Report	9 - 10
Appendix to the Independent Auditor's Report	11
Statement of Financial Activities	12
Balance Sheet	13
Reconciliation of Members' Funds	14
Cash Flow Statement	15
Information on Government Grants	16
Notes to the Financial Statements	17 - 22
Supplementary Information on Trading Statement	24 - 26

Kilkenny Arts Festival Company Limited by Guarantee DIRECTORS AND OTHER INFORMATION

Directors	Thomas O'Toole Emer Foley Conor Langton Lorelei Harris Brian Fennelly Michael O'Toole Christine Monk Mairead Meagher (Appointed 4 March 2021) Conor McAndrew (Appointed 14 September 2021) Cathal Smyth (Appointed 22 February 2022)
Company Secretary	Thomas O'Toole
Company Chairperson	Emer Foley
Festival Director	Olga Barry
Company Number	654958
Registered Office	11 Patricks Court Patrick Street Kilkenny
Auditors	O'Neill Foley Unlimited Company Chartered Accountants and Statutory Auditors Patrick's Court Patrick Street Kilkenny Ireland
Bankers	AIB Bank - Kilkenny 3-4 High Street Kilkenny St. Cancies Credit Union Limited High Street Kilkenny
Solicitors	Poe Kiely Hogan Lanigan 21 Patrick Street Kilkenny

Kilkenny Arts Festival Company Limited by Guarantee

DIRECTORS' REPORT

for the financial year ended 31 December 2021

The directors present their report and the audited financial statements for the financial year ended 31 December 2021.

The reports and results of the company are presented in a form that complies with the requirements of the Companies Act 2014 and are in compliance with FRS 102. The company has adopted the Statement of Recommended Practice, Charity SORP (FRS 102) - Accounting and Reporting by Charities 2015.

Mission Statement

The main objective for which the Company is established is to organise and manage an Arts Festival, which takes place every August in Kilkenny City and its environs for the benefit of the public. The Artistic Policy of the festival is:

- Create an integrated, bespoke programme of world-class artistic experiences over the festival period, continuing to grow audiences in a variety of ways through differing levels of engagement.
- Bring together international and Irish artists of world stature for unique residencies, premieres and collaborations.
- Work with other leading Irish arts organisations and artists to strengthen the position of arts and culture in Irish society.
- Showcase the special atmosphere and acoustics of Kilkenny's medieval buildings and gardens.
- Positively project Kilkenny on the global stage and be a key driver of its reputation for arts, culture, creativity and heritage.

Structure, Governance and Management

Kilkenny Arts Festival CLG (formally known as Kilkenny Arts Week Ltd T/A Kilkenny Arts Festival) transitioned from a friendly society to a Company Limited by Guarantee in August 2019. Kilkenny Arts Festival as a CLG was formed under a Memorandum of Association which establishes the objects and powers of the company and is governed under its constitution and managed by a Board of Directors. Directors work in a voluntary capacity and do not receive any remuneration in respect of their service to the festival. The minimum number of serving directors is 5 and maximum is 9. A quorum of 5 people is required for a General Meeting.

In 2019, Kilkenny Arts Festival CLG established a finance sub-committee consisting of Olga Barry (Festival Director) Brian Fennelly (Board Member) and Tom O'Toole (Secretary) who meet 3-5 times per year to project and review the company's financial performance.

The Board and Staff of Kilkenny Arts Festival are committed to compliance with The Governance Code and Guiding Principles for Fundraising.

Principal Activity

Following a challenging year in 2020 due to Covid-19, planning for the 2021 festival was similarly subject to volatile rates of infection in the general population and consequential public health measures issued by the Irish government. Scenario-planning was more familiar territory to the board and team at the festival in year two of the pandemic, but remained challenging due to a number of key factors such as instigating restricted (and costly) rehearsal schedules while the national vaccine programme was in the early stages of rollout as well as the speed of changes in the public health guidelines for attendances at public events.

As an organisation that principally delivers its core mission and artistic objective through a festival taking place in late summer, the directors took a number of key steps towards reducing exposure to an 'all or nothing' outcome in August; seeking opportunities to present work outside of the main festival period where appropriate, to leverage existing, and seek new partners to enable risk-sharing particularly in the outdoor space with particular resonance to Kilkenny citizens, and by supporting/commissioning work where further opportunities for artists and audiences might exist through different media.

Highlights include:

In March 2021, in full partnership with Butler Gallery, the Festival received Arts Council funding of €97,187 to present the Irish premieres of Richard Mosse works from 2016-2018; including the ground-breaking *Incoming* and for the first time anywhere, an LED presentation of *Grid Moria*. Presented in June, this meant audiences could see some of this work through the whole summer, ending on the festival main dates.

The Festival partnered (as associate producers) for the first time with Irish National Opera, to present the first Irish production of Strauss' *Elektra*; taking the opportunity to present an iconic work outdoors in a familiar venue to festival audiences but where access and closure of the Yard building was negotiated in a once-off 'opportunity' due to the businesses within it being closed.

With regular partners, the Irish Chamber Orchestra, the Festival commissioned six composers/arrangers to work with sean-nós singer Muireann Nic Amhlaoibh on a project that could thrive even if a premiere performance to an audience wasn't possible via TV broadcast and CD release of *Róisín ReImagined*.

The Festival co-produced a second major site-specific response piece with the young artist, Peter Power, as a promenade, night-time, multi-sensory experience at the then, unfinished Abbey Quarter site in *The City is Never Finished*.

Kilkenny Arts Festival Company Limited by Guarantee

DIRECTORS' REPORT

for the financial year ended 31 December 2021

Commissioning new partners Dumbworld to make a projection piece with intimate audio experience via headphones for the new Skate Park, *Carnival of Shadows*.

Partnering with regular collaborators Rough Magic Theatre Company to present *Tonic* outdoors, which transferred to the Dublin Fringe Festival in September; as well as investing in the development of an ensemble cast for a 2022 production of *The Tempest*.

Produced a work in progress with the artist Karan Casey - *I Walked into my Head* in partnership with the Watergate Theatre.

Produced a new series of Secret Garden Music online with Laoise Kelly, Francesco Turrisi, Barry O Halpin, Nell Ní Chrónín and Chamber Choir Ireland.

The Festival also invested once-off significant resources to create a bespoke, new Festival Gallery space at St. Kieran's College, presenting a major exhibition by Helen Comerford, *The Nineteen*.

Development:

It was not possible to present some work planned for 2021 due to public health guidelines, but further work for 2022 and beyond were commissioned.

Engagement:

At a time when the world continued to look to the arts sector for both solace and entertainment, KAF's attendance figures reflect both the new ways of engaging with the arts, as well as KAF's achievement in pivoting to a successful hybrid model of engagement. In 2021, despite some peculiarly more restrictive measures in place, the festival welcomed more in-person attendances that was possible in 2020 which remains its key objective for the public.

Audience figures:

- 136 physical and online events were presented over the ten day period
- 1979 patrons attended physical events
- 16,674 patrons attended physical exhibitions
- 38,049 'attendance' at online events
- Overall attendance figure of 56,702 over the ten-day period of the festival.
- Through partnership with TG4 over Christmas 2021, an additional 59,371 people watched the broadcast of *Róisín Reimagined* on TV and online.

Total live audience online, broadcast and in-person - 116,073.

Kilkenny Arts Festival entered the 2021 season having been awarded €479,027 from the Arts Council, with €26,300 of this amount in relation to specific Covid related costs for 2021. This represented a 13% increase in Arts Council core funding for 2021; the festival enters 2022 with an award of €550,000 from the Arts Council under strategic funding.

Conditions remain challenging and the board of KAF continues to engage closely with funders and strictly manage all financial risks involved.

Principal risks and uncertainties

The directors believe that they are prudent on all risks to which the company is exposed. At present some risk and uncertainty still remains around Covid-19. The directors continue to monitor and evaluate the ongoing situation, reviewing and agreeing policies for the management of this and all other risks.

The area of public funding and general economic conditions in Ireland will continue to pose ongoing challenges across the festival model. This financial risk is managed by the board and its finance committee through cost control, financial reporting procedures and budgetary measures and by ensuring public funders are kept fully aware of the company requirements and circumstances.

Going Concern

The Company is economically dependent on funding from Public Bodies and this economic dependency is underpinned by agreements between the Public Body and the Company. Accordingly, the financial statements have been prepared on a going concern basis.

Financial Results

The surplus for the financial year amounted to €19,059 (2020 - €28,753).

At the end of the financial year, the company has assets of €303,939 (2020 - €199,946) and liabilities of €278,775 (2020 - €193,841). The net assets of the company have increased by €19,059.

Kilkenny Arts Festival Company Limited by Guarantee

DIRECTORS' REPORT

for the financial year ended 31 December 2021

Directors and Secretary

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

Thomas O'Toole
Emer Foley
Conor Langton
Lorelei Harris
Brian Fennelly
Michael O'Toole
Christine Monk
Mairead Meagher (Appointed 4 March 2021)
Conor McAndrew (Appointed 14 September 2021)

The secretary who served throughout the financial year was Thomas O'Toole.

In accordance with the Constitution, Christine Monk, Emer Foley and Thomas O'Toole retire by rotation and, being eligible, offer themselves for re-election.

Meetings

During 2021 the Board of Directors met 5 times; a table setting out the attendance of directors at meetings of the Board is given below.

	Joined the Board	Retired from the Board	Meetings attended in 2021 (possible meetings)
Emer Foley	2019		5 (5)
Thomas O'Toole	2019		5 (5)
Brian Fennelly	2019		5 (5)
Lorelei Harris	2019		2 (5)
Michael O'Toole	2019		3 (5)
Conor Langton	2019		2 (5)
Christine Monk	2019		5 (5)
Mairead Meagher	2021		5 (5)
Conor McAndrew	2021		0 (1)

Future Developments

Given the lessening impact of the worldwide Covid-19 pandemic, the directors are planning for a significant increase in the level of activities and engagement for the 2022 Kilkenny Arts Festival. The directors are monitoring the situation around Covid-19 and while there still remains uncertainty, the directors are planning for 2022 festival activity to return to near pre-Covid-19 festival levels. Strategic funding from the Arts Council (the festival's principal funder) has increased, which is enabling the company management and directors plan towards the 2022 festival and beyond. In addition the Arts Council (Music Commissions Grant) and the Department of Foreign Affairs (Contribution to Roisin Reimagined) have made available additional funding streams. While these additional supports were awarded in 2021, they will be recognised as income in 2022 accounts when the related expenditure is incurred. Operating conditions should become less challenging, and the directors and management will continue to engage closely with funders and strictly manage all financial risks involved.

Post Balance Sheet Events

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

Political Contributions

The company did not make any disclosable political donations in the current financial year.

Auditors

The auditors, O'Neill Foley Unlimited Company, (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.

Kilkenny Arts Festival Company Limited by Guarantee DIRECTORS' REPORT

for the financial year ended 31 December 2021

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 11 Patricks Court, Patrick Street, Kilkenny.

Signed on behalf of the board

Thomas O'Toole

Thomas O'Toole (Jul 8, 2022 12:46 GMT+1)

Thomas O'Toole
Director

2 June 2022

Emer Foley

Emer Foley (Jul 8, 2022 12:43 GMT+1)

Emer Foley
Director

2 June 2022

Kilkenny Arts Festival Company Limited by Guarantee DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2021

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" 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 surplus or deficit 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 surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditor

Each persons who is a director at the date of approval of this report confirms that:

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

Signed on behalf of the board

Thomas O'Toole

Thomas O'Toole [Jul 8, 2022 12:46 GMT+1]

Thomas O'Toole
Director

2 June 2022

Emer Foley

Emer Foley [Jul 8, 2022 12:43 GMT+1]

Emer Foley
Director

2 June 2022

INDEPENDENT AUDITOR'S REPORT

to the Members of Kilkenny Arts Festival Company Limited by Guarantee

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kilkenny Arts Festival Company Limited by Guarantee ('the company') for the financial year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Reconciliation of Members' Funds, the Cash Flow Statement, the information on Government Grants – in accordance with Circular 13/2014 and the related notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued in the United Kingdom by the Financial Reporting Council.

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 2021 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"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the Provisions Available for Audits of Small Entities, in the circumstances set out in note 5 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

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

INDEPENDENT AUDITOR'S REPORT

to the Members of Kilkenny Arts Festival Company Limited by Guarantee

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 11, which is to be read as an integral part of our report.

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

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Walsh

for and on behalf of

O'NEILL FOLEY UNLIMITED COMPANY

Chartered Accountants and Statutory Auditors

Patrick's Court

Patrick Street

Kilkenny

Ireland

2 June 2022

Kilkenny Arts Festival Company Limited by Guarantee

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.

Kilkenny Arts Festival Company Limited by Guarantee

STATEMENT OF FINANCIAL ACTIVITIES

for the financial year ended 31 December 2021

	2021 Unrestricted Funds €	2021 Restricted funds €	Total 31 Dec 2021 €	Total 31 Dec 2020 €
Income				
Incoming resources from generated fund:				
Grant and Donations	38,200	692,589	730,789	521,095
Government Covid Grants	-	16,467	16,467	37,540
Support in kind	70,000	-	70,000	70,000
Incoming resources from company activities:				
Operation of Arts Festival	40,903	-	40,903	8,182
Total Income	149,103	709,056	858,159	636,817
Expenditure				
Cost of Generating funds:				
Publicity/Marketing	2,130	51,226	53,356	48,235
Charitable activities:				
Artistic programme	71,636	433,329	504,965	271,664
Management costs	-	210,779	210,779	218,165
Support in kind	70,000	-	70,000	70,000
Total Expenditure	143,766	695,334	839,100	608,064
Net Income/(Expenditure) and net movement in funds for the year	5,337	13,722	19,059	28,753

The Statement of Financial Activities includes all gains and losses recognised in the year. All the income and expenditure derive from continuing operations.

The financial statements were approved by the board on 2 June 2022 and signed on its behalf by:

Thomas O'Toole
Thomas O'Toole (Jul 8, 2022 12:46 GMT+1)
Thomas O'Toole
 Director

Emer Foley
Emer Foley (Jul 8, 2022 12:43 GMT+1)
Emer Foley
 Director

Kilkenny Arts Festival Company Limited by Guarantee

BALANCE SHEET

as at 31 December 2021

	Notes	2021 €	2020 €
Fixed Assets			
Tangible assets	10	22,583	6,106
Current Assets			
Debtors	11	25,575	8,318
Cash and cash equivalents		255,781	185,522
		281,356	193,840
Creditors: amounts falling due within one year	12	(262,307)	(179,895)
Net Current Assets		19,049	13,945
Total Assets less Current Liabilities		41,632	20,051
Creditors: amounts falling due after more than one year	13	(16,468)	(13,946)
Net Assets		25,164	6,105
Reserves			
Income and expenditure account		25,164	6,105
Members' Funds		25,164	6,105

The financial statements have been prepared in accordance with the provisions applicable to company's 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 2 June 2022 and signed on its behalf by:

Thomas O'Toole
Thomas O'Toole (Jul 8, 2022 12:46 GMT+1)
Thomas O'Toole
Director

Emer Foley
Emer Foley (Jul 8, 2022 12:43 GMT+1)
Emer Foley
Director

Kilkenny Arts Festival Company Limited by Guarantee
RECONCILIATION OF MEMBERS' FUNDS

as at 31 December 2021

	Restricted funds	Unrestricted funds	Total
	€	€	€
At 31 December 2020	20,716	(14,611)	6,105
Surplus for the financial year	13,722	5,337	19,059
At 31 December 2021	34,438	(9,274)	25,164

Kilkenny Arts Festival Company Limited by Guarantee

CASH FLOW STATEMENT

for the financial year ended 31 December 2021

	Notes	2021 €	2020 €
Cash flows from operating activities			
Surplus for the financial year		19,059	28,753
Adjustments for:			
Depreciation		6,084	1,572
Amortisation of government grants		(4,470)	(470)
		<u>20,673</u>	<u>29,855</u>
Movements in working capital:			
Movement in debtors		(17,257)	58,826
Movement in creditors		83,729	106,203
		<u>87,145</u>	<u>194,884</u>
Cash flows from investing activities			
Payments to acquire tangible assets		(22,561)	(1,530)
		<u>(22,561)</u>	<u>(1,530)</u>
Cash flows from financing activities			
Repayment of short term loan		(14,325)	(13,811)
Government grants		20,000	-
		<u>5,675</u>	<u>(13,811)</u>
Net cash generated from/(used in) financing activities		<u>5,675</u>	<u>(13,811)</u>
Net increase in cash and cash equivalents		70,259	179,543
Cash and cash equivalents at beginning of financial year		185,522	5,979
Cash and cash equivalents at end of financial year	17	<u>255,781</u>	<u>185,522</u>

Kilkenny Arts Festival Company Limited by Guarantee
INFORMATION RELATING TO GOVERNMENT GRANTS – IN
ACCORDANCE WITH CIRCULAR 13/2014

for the financial year ended 31 December 2021

Name of Grantor	Name of Grant	Purpose	Term	Amount Awarded	Amount taken as income 2021	Cash received	Prepayment/ (Accrual) Movement during year
				€	€	€	€
The Arts Council	Strategic Funding 2021 Purpose Revenue Funding	Festival Funding	2021 – 1 year	452,727	452,727	452,727	-
The Arts Council	Strategic Funding 2022 Purpose Revenue Funding	Festival Funding	2022 – 1 year	550,000	-	137,500	(137,500)
Failte Ireland	2021 Strategic Festival Investment Plan	Festival Funding	2021 – 1 year	37,500	37,500	37,500	-
Kilkenny County Council	Festival and Events Assistance Scheme	Festival Funding	2021 – 1 year	52,000	52,000	52,000	-
The Arts Council	Traditional Arts – Commissions 2020	Festival Funding	2020 – 1 year	18,000	18,000	14,400	3,600
The Arts Council	Capacity Building Support Scheme	Festival funding	2020 – 1 year	20,000	20,000	2,000	18,000
The Arts Council	Covid 19 related funding	Festival funding	2021 – 1 year	26,300	26,300	26,300	
The Arts Council	Brightening Air	Festival funding	2021 – 1 year	97,187	97,187	97,187	
The Arts Council	Funding capacity grant	Festival funding	2021 – 1 year	8,875	8,875	7,100	1,775
The Arts Council	Music Commissions grant	Festival funding	2021 – 1 year	12,000	-	-	

Grant income received is applied to the purpose for which it is received as detailed above.

The company holds a valid tax clearance certificate and is compliant with Circular 44/2006 "Tax Clearance Procedures Grants, Subsidies and Similar Type Payments".

Kilkenny Arts Festival Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2021

1. General Information

Kilkenny Arts Festival Company Limited by Guarantee is a company limited by guarantee incorporated in the Republic of Ireland. 11 Patricks Court, Patrick Street, Kilkenny is the registered office, which is also 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 2021 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014 and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

The company has adopted the Statement of Recommended Practice, Charity SORP (FRS 102) - Accounting and Reporting by Charities 2015.

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" 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.

Income

Income is recognised by inclusion in the Statement of Financial Activities (including Income and Expenditure Account) only when the company is legally entitled to the income, receipt is probable and the amounts involved can be measured with sufficient reliability.

Income from charitable activities

Grants from governments and other co-funders

Grants from governments and institutional donors, are recognised as income when the activities which they are intended to fund have been undertaken or offer of funding has been communicated to the company, the related expenditure incurred, and there is reasonable probability of receipt.

Income due to the company from governments and institutional sources but not yet received at year end is included in debtors in the balance sheet, and funds already received but not yet utilised are shown in creditors.

Rental income

Rental income is recognised once the company is legally entitled to the income, receipt is probable, and the amounts can be measured with sufficient reliability

Income from donations and legacies

Income from donations and legacies, which consists of monetary donations from the public (including legacies), and from corporate and major donors, together with related tax refunds, is recognised in the period in which the organisation is entitled to the resource, receipt is probable, and when the amount can be measured with sufficient reliability. In the case of monetary donations from the public this income is generally recognised when the donations are received; with legacies it is when the client receives confirmation of unconditional entitlement to the bequest, the activities which it is intended to fund have been undertaken and the related expenditure incurred.

Income from other trading activities

Income from other trading activities is recognised once the company is legally entitled to the income, receipt is probable, and the amounts can be measured with sufficient reliability. Other trading activities of the company include but are not limited to fundraising.

Kilkenny Arts Festival Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2021

Income from investments

Income from investments is recognised once the company is legally entitled to the income, receipt is probable, and the amounts can be measured with sufficient reliability.

Other income

Income from sources not defined above is recognised once the company is legally entitled to the income, receipt is probable, and the amounts can be measured with sufficient reliability.

Fund Accounting

Restricted Funds

Restricted funds represent funding, grants, donations and sponsorships received which can only be used for particular purposes specified by the donors and binding on the directors. Such purposes are within the overall aims of the charity.

Unrestricted Funds

Unrestricted funds represent amounts which may be spent or applied at the discretion of the Directors in furtherance of the objectives of the company. They may include designated reserves which are earmarked by the directors for specific projects.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. It is probable that settlement will be required and the amount measured reliably. Expenditure is classified under the following activity headings:

Cost of raising funds.

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Tangible assets and depreciation

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

Plant and machinery	-	7 years
Fixtures, fittings and equipment	-	7 years
Motor vehicles	-	4 years

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.

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

There is no charge to corporation tax as the company is a designated "not for profit" organisation under the relevant tax laws.

Government grants

Grants are recognised using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the profit and loss account over the expected useful life of the related assets, by equal annual instalments. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Kilkenny Arts Festival Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2021

Financial Instruments

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.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

3. Significant accounting judgements and key sources of estimation uncertainty

The company has made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the company's accounting policies. Estimates and judgements are continually evaluated and are based in historical experience and other factors that are considered to be reasonable under the circumstances.

The directors are of the assumption that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of Trade Debtors

The company trades with a varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The company uses estimates based on historical experience and current information in determining the level of debts for which an impairment charge is required. The level of impairment required is reviewed on an ongoing basis. The total amount of trade debtors is €20,275 (2020: €3,018).

Useful Lives of Tangible and Intangible Fixed Assets

Long-lived assets comprising primarily of leasehold property, artwork and fixtures, fitting and equipment represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the financial year. The net book value of Tangible Fixed Assets subject to depreciation at the financial year end date was €22,583 (2020: €6,106).

4. Departure from Companies Act 2014 Presentation

The directors have elected to present a Statement of Financial Activities instead of a Profit and Loss Account in these financial statements as this company is a not-for-profit entity.

5. 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.

6. Share Capital

In 2019, the Kilkenny Arts Festival transitioned from an Industrial and Provident Society to a Company Limited by Guarantee. The issued share capital in the Industrial Provident Society has been reallocated to accruals, with the original subscriber amounts repayable to the members on demand.

Kilkenny Arts Festival Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2021

7. Going Concern

Given the on-going social and economic impact of the Covid-19 pandemic, there still remains uncertainty in general regarding future public funding and future trading performance across the festival model.

The financial statements have been prepared on a going concern basis. The validity of this assumption is dependent on continued public funding and further improved trading and cashflow performance for the 2022 festival.

The company is economically dependent on funding from Public Bodies and this economic dependency is underpinned by agreements between the Public Body and the Company. The 2022 festival will take place at increased engagement levels, and the company's overall level of public funding will increase. The directors will apply these funds to discharge wages, fixed overheads, and 2022 programme fees. Bank loan repayments will continue to be made in full and company is expected to generate a moderate trading surplus for 2022.

On the basis of the above, the directors consider it appropriate to prepare financial statements on a going concern basis. The financial statements do not contain any adjustments that would arise if adequate funding was not available or in relation to any additional costs and liabilities which may arise should the going concern basis no longer be applicable.

8. GRANTS AND DONATIONS

	Unrestricted Funds €	Restricted Funds €	Total Funds €
Arts Council Annual Revenue Grant		452,727	452,727
Arts Council other grants		150,362	150,362
Local Authority Funding		52,000	52,000
Failte Ireland Funding		37,500	37,500
Sponsorship and Friends income	38,200		38,200
Earned Revenue – artistic	40,903		40,903
Government Covid Grants		16,467	16,467
Support in kind	70,000		70,000
	<u>149,103</u>	<u>710,056</u>	<u>858,159</u>

During 2021 the company received in kind support to the value of €70,000. In accordance with company accounting policy both the in kind support and related expenditure are included in the profit and loss account.

The whole of the company's income is attributable to its market in the Republic of Ireland and is derived from the principal activity of operating an Arts Festival.

Included in government grants received are the following supports received during the year:

- Employment Wage Subsidy Scheme

The company received €16,467 in the form of wage subsidy supports introduced by the Irish government in response to the ongoing Covid-19 pandemic. The company was entitled to the subsidy on the basis it met the qualifying criteria, namely a reduction in turnover from the previous period.

Kilkenny Arts Festival Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2021

9. Employees

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

	2021	2020
	Number	Number
Administration	<u>3</u>	<u>3</u>
The staff costs comprise:	2021	2020
	€	€
Wages and salaries	118,748	126,169
Social welfare costs	12,840	9,938
	<u>131,588</u>	<u>136,107</u>

During the financial year, one employee was paid a salary of greater than €60,000.

10. Tangible assets

	Plant and machinery	Fixtures, fittings and equipment	Computer Equipment & Website	Total
	€	€	€	€
Cost				
At 1 January 2021	47,181	48,830	105,480	201,491
Additions	-	-	22,561	22,561
At 31 December 2021	<u>47,181</u>	<u>48,830</u>	<u>128,041</u>	<u>224,052</u>
Depreciation				
At 1 January 2021	47,181	44,883	103,321	195,385
Charge for the financial year	-	955	5,129	6,084
At 31 December 2021	<u>47,181</u>	<u>45,838</u>	<u>108,450</u>	<u>201,469</u>
Net book value				
At 31 December 2021	<u>-</u>	<u>2,992</u>	<u>19,591</u>	<u>22,583</u>
At 31 December 2020	<u>-</u>	<u>3,947</u>	<u>2,159</u>	<u>6,106</u>

11. Debtors

	2021	2020
	€	€
Trade debtors	20,275	3,018
Prepayments	5,300	5,300
	<u>25,575</u>	<u>8,318</u>

12. Creditors

Amounts falling due within one year

	2021	2020
	€	€
Amounts owed to credit institutions	12,549	13,866
Trade creditors	39,531	93,607
Taxation	8,134	8,284
Accruals	202,093	64,138
	<u>262,307</u>	<u>179,895</u>

Kilkenny Arts Festival Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2021

13. Creditors	2021	2020
Amounts falling due after more than one year	€	€
Bank loan	-	13,008
Government grants	16,468	938
	<u>16,468</u>	<u>13,946</u>
Loans		
Repayable in one year or less, or on demand (Note 10)	12,549	13,866
Repayable between one and two years	-	13,008
	<u>12,549</u>	<u>26,874</u>

14. Status

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 € 1.

15. Capital commitments

The company had no material capital commitments at the financial year-ended 31 December 2021.

16. Post-Balance Sheet Events

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

17. Cash and cash equivalents	2021	2020
	€	€
Cash and bank balances	255,781	185,522
	<u>255,781</u>	<u>185,522</u>

18. Reconciliation of Net Cash Flow to Movement in Net Debt

	Opening balance	Cash flows	Other changes	Closing balance
	€	€	€	€
Long-term borrowings	(13,008)	-	13,008	-
Short-term borrowings	(13,866)	14,325	(13,008)	(12,549)
Total liabilities from financing activities	<u>(26,874)</u>	<u>14,325</u>	<u>-</u>	<u>(12,549)</u>
Total Cash and cash equivalents (Note 15)				<u>255,781</u>
Total net cash				<u><u>243,232</u></u>

19. Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 2 June 2022.