

National Sculpture Factory Cork Company Limited by Guarantee
Annual Report and Financial Statements
for the year ended 31 December 2019

National Sculpture Factory Cork Company Limited by Guarantee

CONTENTS

	Page
Directors and Other Information	3
Directors' Report	4
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 8
Appendix to the Independent Auditor's Report	9
Income and Expenditure Account	10
Balance Sheet	11
Reconciliation of Members' Funds	12
Cash Flow Statement	13
Notes to the Financial Statements	14 - 16
Supplementary Information on Income and Expenditure Account	18 - 19

National Sculpture Factory Cork Company Limited by Guarantee DIRECTORS AND OTHER INFORMATION

Directors	Oisin Creagh Patricia Brennan Anne O'Leary Cllr Kieran McCarthy Sean Taylor Aideen Barry Cllr Chris O'Leary Sarah Moran Dr Niall Smith.
Company Secretary	Patricia Brennan
Company Number	144344
Charity Number	CHY9881
Registered Office	Albert Road, Cork
Business Address	Albert Road Cork
Auditors	Andrew Guerin & Associates Certified Public Accountants and Registered Auditors 19 White Street Georges Quay Cork
Bankers	AIB 66 South Mall, Cork
Solicitors	Timothy J. Hegarty & Son 58 South Mall, Cork

National Sculpture Factory Cork Company Limited by Guarantee

DIRECTORS' REPORT

for the year ended 31 December 2019

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

Principal Activity

The purpose of the company is the provision of large scale working facility for sculptors and mixed media artists which will give them access to machinery, technical expertise, construction and other processes not available in a normal studio. The factory also provides a collective working environment where artists have the opportunity to share ideas, explore new media and find a critical context for their work. A secondary range of services in the areas of sculpture maintenance, marketing and training is also provided. The company operates on a breakeven basis as the majority of their expenditure is funded by grants.

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

Financial Results

The (deficit)/surplus for the year after providing for depreciation amounted to €(5,847) (2018 - €21,320).

At the end of the year, the company has assets of €195,147 (2018 - €258,490) and liabilities of €174,920 (2018 - €232,416). The net assets of the company have decreased by €(5,847).

Directors and Secretary

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

Oisin Creagh
Patricia Brennan
Anne O'Leary
Cllr Kieran McCarthy
Sean Taylor
Aideen Barry
Cllr Chris O'Leary
Sarah Moran
Dr Niall Smith

The secretary who served throughout the year was Patricia Brennan.

There were no changes in shareholdings between 31 December 2019 and the date of signing the financial statements.

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

Post Balance Sheet Events

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

Auditors

The auditors, Andrew Guerin & Associates, (Certified Public Accountants) have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

National Sculpture Factory Cork Company Limited by Guarantee

DIRECTORS' REPORT

for the year ended 31 December 2019

Accounting Records

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

Signed on behalf of the board

Sarah Moran
Director



Patricia Brennan
Director



1 May 2020

National Sculpture Factory Cork Company Limited by Guarantee

DIRECTORS' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2019

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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.

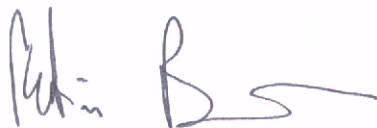
The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy and 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.

Signed on behalf of the board

Sarah Moran
Director



Patricia Brennan
Director



1 May 2020

INDEPENDENT AUDITOR'S REPORT

to the Members of National Sculpture Factory Cork Company Limited by Guarantee

Report on the audit of the financial statements

Opinion

We have audited the financial statements of National Sculpture Factory Cork Company Limited by Guarantee ('the company') for the year ended 31 December 2019 which comprise the Income and Expenditure Account, the Balance Sheet, the Reconciliation of Members' Funds, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its deficit for the 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 further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the Provisions Available for Audits of Small Entities, in the circumstances set out in note 4 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

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

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

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

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

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

to the Members of National Sculpture Factory Cork Company Limited by Guarantee

Respective responsibilities

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 9, which is to be read as an integral part of our report.

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.



Andrew Guerin

for and on behalf of

ANDREW GUERIN & ASSOCIATES

Certified Public Accountants and Registered Auditors

19 White Street

Georges Quay

Cork

1 May 2020

National Sculpture Factory Cork 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.

National Sculpture Factory Cork Company Limited by Guarantee

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2019

	Notes	2019 €	2018 €
Income		375,738	402,354
Expenditure		(381,585)	(381,034)
(Deficit)/surplus for the year		(5,847)	21,320
Total comprehensive income		(5,847)	21,320

National Sculpture Factory Cork Company Limited by Guarantee

BALANCE SHEET

as at 31 December 2019

	Notes	2019 €	2018 €
Fixed Assets			
Tangible assets	7	167,997	212,074
Current Assets			
Debtors	8	18,968	8,914
Cash and cash equivalents		8,182	37,502
		27,150	46,416
Creditors: Amounts falling due within one year	9	(16,822)	(31,200)
Net Current Assets		10,328	15,216
Total Assets less Current Liabilities		178,325	227,290
Amounts falling due after more than one year	10	(158,098)	(201,216)
Net Assets		20,227	26,074
Reserves			
Income and expenditure account		20,227	26,074
Equity attributable to owners of the company		20,227	26,074

The financial statements have been prepared in accordance with the small companies' regime.

Approved by the board on 1 May 2020 and signed on its behalf by:

Sarah Moran
Director



Patricia Brennan
Director



National Sculpture Factory Cork Company Limited by Guarantee
RECONCILIATION OF MEMBERS' FUNDS
as at 31 December 2019

	Retained surplus	Total
	€	€
At 1 January 2018	4,754	4,754
Surplus for the year	21,320	21,320
At 31 December 2018	26,074	26,074
Deficit for the year	(5,847)	(5,847)
At 31 December 2019	20,227	20,227

National Sculpture Factory Cork Company Limited by Guarantee

CASH FLOW STATEMENT

for the year ended 31 December 2019

	Notes	2019 €	2018 €
Cash flows from operating activities			
(Deficit)/surplus for the year		(5,847)	21,320
Adjustments for:			
Depreciation		46,272	47,268
Amortisation of government grants		(43,118)	(43,118)
		<u>(2,693)</u>	<u>25,470</u>
Movements in working capital:			
Movement in debtors		(10,054)	9,380
Movement in creditors		(11,785)	6,943
		<u>(24,532)</u>	<u>41,793</u>
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(2,195)	(12,200)
		<u>(2,195)</u>	<u>(12,200)</u>
Net (decrease)/increase in cash and cash equivalents		(26,727)	29,593
Cash and cash equivalents at beginning of financial year		34,090	4,497
		<u>34,090</u>	<u>4,497</u>
Cash and cash equivalents at end of financial year	11	7,363	34,090

National Sculpture Factory Cork Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. GENERAL INFORMATION

National Sculpture Factory Cork Company Limited by Guarantee is a company limited by guarantee incorporated in the Republic of Ireland

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 December 2019 have been prepared 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. These are the company's first set of financial statements prepared in accordance with FRS 102.

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.

Income

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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:

Long leasehold property	- 6.67% Straight line
Fixtures, fittings and equipment	- 10% Straight Line
Motor vehicles	- 20% Straight Line

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

Trade and other debtors

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

Borrowing costs

Borrowing costs 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.

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.

Employee benefits

The company operates a PRSA pension scheme in respect of certain employees.

National Sculpture Factory Cork Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2019

Taxation

The company is exempt from Corporation Tax under the Charities Act Ireland. Charity number CY9881 applies.

Government grants

Capital grants received and receivable are treated as deferred income and amortised to the Income and Expenditure Account annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the Income and Expenditure Account when received.

3. GOING CONCERN

The future of the National Sculpture Factory Limited is largely reliant on receipt of Arts Council Funding. Funding has been confirmed for 2019. The board of directors have a reasonable expectation that the company will receive funding after this and has adequate resources to continue operational existence for the foreseeable future. Therefore the board of directors continue to adopt the going concern basis in preparing the financial statements.

4. PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES

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

5. OPERATING (DEFICIT)/SURPLUS

	2019 €	2018 €
Operating (deficit)/surplus is stated after charging/(crediting):		
Depreciation of tangible fixed assets	46,272	47,268
Amortisation of Government grants	(43,118)	(43,118)

6. EMPLOYEES

The average number of employees during the year 2019 was 7. (2018 -7)

	2019 Number	2018 Number
Office & administration	7	7

7. TANGIBLE FIXED ASSETS

	Long leasehold property €	Fixtures, fittings and equipment €	Motor vehicles €	Total €
Cost or Valuation				
At 1 January 2019	851,623	379,249	7,850	1,238,722
Additions	-	2,195	-	2,195
At 31 December 2019	851,623	381,444	7,850	1,240,917
Depreciation				
At 1 January 2019	668,155	350,643	7,850	1,026,648
Charge for the year	40,925	5,347	-	46,272
At 31 December 2019	709,080	355,990	7,850	1,072,920
Net book value				
At 31 December 2019	142,543	25,454	-	167,997
At 31 December 2018	183,468	28,606	-	212,074

National Sculpture Factory Cork Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

continued

8. DEBTORS	2019	2018
	€	€
Trade debtors	8,934	8,914
Other debtors	5,149	-
Prepayments	4,885	-
	<u>18,968</u>	<u>8,914</u>
9. CREDITORS	2019	2018
Amounts falling due within one year	€	€
Amounts owed to credit institutions	819	3,412
Trade creditors	2,916	2,652
Taxation	5,024	3,181
Pension accrual	750	6,500
Accruals	7,313	15,455
	<u>16,822</u>	<u>31,200</u>
10. CREDITORS	2019	2018
Amounts falling due after more than one year	€	€
Government grants	<u>158,098</u>	<u>201,216</u>
11. CASH AND CASH EQUIVALENTS	2019	2018
	€	€
Cash and bank balances	8,182	37,502
Bank overdrafts	(819)	(3,412)
	<u>7,363</u>	<u>34,090</u>

12. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 1 May 2020.

NATIONAL SCULPTURE FACTORY CORK COMPANY LIMITED BY GUARANTEE

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOT COVERED BY THE REPORT OF THE AUDITORS

THE FOLLOWING PAGES DO NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

National Sculpture Factory Cork Company Limited by Guarantee
SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 December 2019

	2019 €	2018 €
Income		
Arts Council Funding	282,000	282,000
C.C.C grant	15,000	15,000
Rentals-Artists Bays	12,466	12,462
Membership	685	890
Workshops	2,775	7,077
Misc Income	585	7,414
Commissions & Consultancy	10,993	4,393
Cork Conversations	-	30,000
Kiln Income	1,116	-
Amortisation of government grants	43,118	43,118
Donations	5,000	-
Midsummer-Toyotaya	2,000	-
	375,738	402,354
Expenditure		
Wages and salaries	176,462	158,876
Social welfare costs	18,928	17,209
Workshops	3,977	8,429
Lectures	335	1,415
Resource/Publication/Library	-	57
Residencies	-	600
Factory/Studio facility expenses	12,681	17,383
Special projects	261	12,702
Cork Conversations	-	24,982
Carom Project	(1,276)	6,113
Commissions and Consultancy	2,848	2,546
Guerilla Science	15,172	-
Mountrath (Percent for Art)	3,614	-
Film Festival/Technical	14,509	-
Curating Architecture	2,661	-
Midsummer	2,620	-
Midwinter	4,778	-
St Columba's (Percent for Art)	1,872	-
Staff pension costs	3,337	13,673
Staff training	1,332	205
Board	1,204	1,082
Rent & Rates	10,114	10,340
Service charges	102	-
Insurance	12,187	11,412
Light and heat	6,430	10,640
Repairs and maintenance	4,203	3,904
Security expenses	1,178	-
Stationary & printing	1,407	1,544
Telephone	5,845	7,811
Advertising	95	120
Computer costs	4,408	3,171
Vat recovery	(897)	-
Travelling expenses	7,463	5,916
Recruitment costs	459	2,277
Legal and professional	8,342	3,936
Bank charges	832	882
Admin (misc)	3,631	2,907
Subscriptions	755	190

National Sculpture Factory Cork Company Limited by Guarantee
SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS
DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 December 2019

	2019 €	2018 €
Auditor's remuneration	3,444	3,444
Depreciation	46,272	47,268
	<u>381,585</u>	<u>381,034</u>
Net (deficit)/surplus	<u>(5,847)</u>	<u>21,320</u>