

Company Number: 99142

Kilkenny Art Gallery Society Company Limited by Guarantee
Annual Report and Financial Statements
for the financial year ended 31 December 2019

Kilkenny Art Gallery Society Company Limited by Guarantee

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Kilkenny Art Gallery Society Company Limited by Guarantee DIRECTORS AND OTHER INFORMATION

Directors

Ian Coulter
Aideen Barry
Kathleen Moran (Appointed 22 May 2019)
Eamonn Carroll (Appointed 22 May 2019)
Emily-Ann Gilligan (Appointed 22 May 2019)
Emer Foley (Resigned 22 May 2019)
Catherine Marshall (Resigned 22 May 2019)
Chloe O'Connor
Seán Ó'hArgáin
Beatrice Kelly

Company Secretary

Ian Coulter

Company Chairperson

Beatrice Kelly

Company CEO

Anna O'Sullivan

Company Number

99142

Charity Number

CHY12922

Registered Office

Butler Gallery
Kilkenny Castle
Kilkenny

Business Address

Butler Gallery
Kilkenny Castle
Kilkenny

Auditors

O'Neill Foley Unlimited Company
Chartered Accountants
Patrick's Court
Patrick Street
Kilkenny
Ireland

Bankers

Allied Irish Banks plc
3 High Street
Kilkenny

St. Cancies Credit Union Limited
High Street
Kilkenny

Kilkenny Art Gallery Society Company Limited by Guarantee

DIRECTORS' REPORT

for the financial year ended 31 December 2019

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

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 as a registered charity has adopted the Statement of Recommended Practice, Charity SORP (FRS 102) - Accounting and Reporting by Charities 2015.

Mission Statement

The Butler Gallery programmes excellent, contemporary work of local, national and international visual artists in a living way, through exhibition, collection and education projects for the benefit of the widest possible audience. The gallery is committed to playing a central role locally and nationally in developing and for advocating the visual arts through its programme and associated activities.

Structure, Governance and Management: The Kilkenny Art Gallery Society Limited (a company limited by guarantee, without a share capital) is known as the Butler Gallery; reference to company herewith noted as Butler Gallery. The organisation is governed by a Board of Directors who work in a voluntary capacity. Directors do not receive any remuneration in respect of their services to the charity.

The Board of Directors meets six times per year. The minimum number of serving Directors is 5 and maximum is 9. A quorum of four people is required for Board Meetings; a quorum of five people is required for General Meetings. In 2019, three new members, Kathleen Moran, Eamonn Carroll and Emily-Ann Gilligan joined the Board of Directors. The Butler Gallery maintains three sub-committees of the Board: the Exhibition Programming Sub-Committee meets bi-annually and includes board member Aideen Barry, Anna O'Sullivan (CEO) and one external member, an invited Visual Arts Expert; the New Build Sub-Committee meets 3-5 times annually, or as needed, and includes Beatrice Kelly (Chair) and board members Kathleen Moran, Emily-Ann Gilligan, Sean O'hArgain and Anna O'Sullivan (CEO); the Audit Sub-Committee meets 3-5 times annually and includes Beatrice Kelly (Chair), Ian Coulter (Secretary) and board member Eamonn Carroll.

The Board and Staff of Butler Gallery are committed to compliance with The Governance Code and Guiding Principles for Fundraising. A Timeline for the full implementation of The Governance Code has been developed.

Principal Activity

Under the Butler Gallery Strategic Plan 2018-2024, our aims are to:

1. *To develop a new venue for the Butler Gallery.*

In 2010, the Butler Gallery acquired from Kilkenny County Council a leasehold interest in a property known as 'Evans Home' situated in Barrack Lane, John Street, Kilkenny. The Butler Gallery intends to relocate to this property by the summer of 2020. In 2007 a grant of €2 million was awarded to the Butler Gallery through ACCESS II from the Department of Arts, Heritage and the Gaeltacht towards the cost of this development. Full planning permission was granted by the Kilkenny County Council for the development in June 2011. A grant request by Kilkenny County Council to Fáilte Ireland was successful in 2017 and €1,135,000 was awarded. Kilkenny County Council committed the shortfall of c. €3,000,000 to make the development viable. The construction contract was signed on 21st May, 2018. All funding bodies have approved the contract and construction began in June 2018, with a 19 month development period. Butler Gallery agreed to enter into a ten-year contractual arrangement with Kilkenny County Council in order for the council to drawdown grants from public bodies. A 99 year lease will be extended to Butler Gallery following this period. We are very grateful for the active support of Kilkenny County Council in this regard.

2. *To retain financial stability and grow income for the gallery programme.*

The Butler Gallery retains stability through the securement of grants, sponsorship, membership fees and sales of artwork from exhibitions. Our continued aim is to develop and grow income generation through our Friends and Patrons and our Corporate Sponsorship programme and grants through local, national and international public funding agencies. The gallery was successful in securing a match-funding grant from the Arts Council to hire a Development Director to maximise all revenue resources and increase our sustainability. Rebecca Reynolds has been working with the team since April, 2019 and is involved in raising funds for us to fit-out the new venue and fulfil our fundraising goal of €250,000 over the next three years. As part of this three-year plan the gallery held two art auctions in 2019: 'The Butler Gallery Benefit Sale of Contemporary Art', at Whyte's Auction House on 16th September and at the Picture Gallery, Kilkenny Castle on 29th November. Our annual Members Party took place at Sullivan's Brewery on 25th August.

Kilkenny Art Gallery Society Company Limited by Guarantee

DIRECTORS' REPORT

for the financial year ended 31 December 2019

3. To reinforce the gallery's role as a leading contemporary arts programmers in the country.

The Butler Gallery presents 4-5 exhibitions of contemporary art annually that reflect the constantly changing nature of visual art practice. In 2019, the Butler Gallery presented five exhibitions and one short exhibition run that included, Eva O'Leary: *Spitting Image* (12 January-3 March); Sam Reveles: *Poulaphouca-New Paintings & Works on Paper* (May 12-July 29); Adam Fearon: *Relief* (25 May-28 July); Amy Cutler: *Colloquies* (10 August-6 October); The Sean & Rosemarie Mulcahy Collection Bequest (12-29 October); Selva Collective: *A Most Favourable Soil* (9 November-1 March 2020). Throughout the year we continued to highlight works from the Permanent Collection in the kitchen corridor of Kilkenny Castle. Our visitor numbers for 2019 were 34,500.

4. To maintain Museum Accreditation through best practice in care of the collection and exhibitions.

The gallery continues to uphold standards achieved by Full Museum Accreditation and was last awarded a certificate for 'Maintenance of Accreditation' by the Heritage Council of Ireland in 2018. The company owns and administers an important Permanent Collection that it is committed to safeguarding for the future. Works of art in the Permanent Collection are not for resale.

- During 2019, the gallery received a donation of a suite of 15 works from the Sean & Rosemarie Mulcahy Collection for our new venue.

5. To continue to develop Butler Gallery's innovative, dynamic and accessible Learning and Public Engagement Programmes.

Butler Gallery provides a comprehensive Learning and Public Engagement Programme for Children and Families, Schools and Third Level, Adult Engagement, Disability Access and Community Engagement. The gallery continued to develop accessible and engaging on-site and off-site learning and public programmes. Grant funding enabled us to continue to programme events (National Drawing Day, Culture Night) and programmes targeting specific audience-populations (Children's Programme, Culture Club, Azure).

- We participated in Crinniu na nOg for the first time in 2019, and partnered with Creative Schools to deliver a programme at a local gaelscoil.
- Working with Arts & Disability Ireland, in early 2019, Butler Gallery hosted live audio description training using our collection and led by Mind's Eye, a UK based organisation. This led to the development of live audio described tours for people with a visual impairment.
- We partnered with Encounters UK to deliver Art of Invitation, bespoke training for creative practitioners and community organisations exploring creative ways to engage communities in projects that are considerate of our environment.

6. To develop strategic and meaningful partnerships in the arts with organisations locally, nationally and internationally which are of mutual and lasting benefit.

On-going partnerships with local organisations have been maintained, including collaborations; with the Kilkenny Education Centre for teacher-training, with Barnstorm Theatre through Culture Club multi-generational programme at Kilkenny Arts Festival; with local primary, post-primary schools and adult education providers in offering tailored Gallery-tours and special engagement projects including a new Young Curators programme with Gaelscoil Osraí through Creative Schools, with local arts and community arts organisations such as the Tony O'Malley Studio; with St. Gabriel's Alzheimer's and Dementia Ward at St. Canice's Hospital; with Kilkenny Arts Office and independent curator Orlaith Treacy to deliver Art of Invitation and the Heritage Office to deliver Crinniu na nOg. Nationally, Butler Gallery's collaborations with Age & Opportunity, Arts & Disability Ireland and Azure Network members have continued. The Director attended the Irish Museums Association's Annual Conference in Cork in March 2019. Internationally, we remain in touch with past partners and have developed new ones via our Exhibition Programme and our inclusion of American artists and curators in our programme.

Principal Risks and Uncertainties

The directors believe that they are prudent on all risks to which the company is exposed. At present (May 2020) there is considerable risk and uncertainty 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.

There is always a risk that funding maybe difficult to maintain at operational levels due to changes in the economy. This risk is managed by cost control and budgetary measures and by ensuring through the close relationship with funders that they are kept fully aware of the company requirements and circumstances.

The company has budgetary and financial reporting procedures to manage ongoing financial risk.

Kilkenny Art Gallery Society Company Limited by Guarantee

DIRECTORS' REPORT

for the financial year ended 31 December 2019

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 after providing for depreciation amounted to €16,672 (2018 - €19,289).

At the end of the financial year, the company has assets of €2,148,093 (2018 - €2,058,996) and liabilities of €507,159 (2018 - €434,734). The net assets of the company have increased by €16,672.

This surplus included €27,250 being the value of paintings donated to the gallery collection during the year. Both the level of business and the year end financial position were as expected and the directors view the coming year with confidence.

At the year end, the company's fundraising activities in relation to the Evans Home fit-out had raised €67,887. These funds are held in a separate bank account and accrued as deferred income in the accounts.

Directors and Secretary

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

Ian Coulter
Aideen Barry
Kathleen Moran (Appointed 22 May 2019)
Eamonn Carroll (Appointed 22 May 2019)
Emily-Ann Gilligan (Appointed 22 May 2019)
Emer Foley (Resigned 22 May 2019)
Chloë O'Connor
Seán Ó hArgáin
Beatrice Kelly

The secretary who served throughout the financial year was Ian Coulter.

In accordance with the Constitution, Beatrice Kelly, Chloë O'Connor and Seán Ó hArgáin retire by rotation at the 2020 AGM and, shall be eligible for re-election.

Meetings

During 2019, the Board of Directors met 6 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 2019 (possible meetings)
Beatrice Kelly	28 June 2014		6 (6)
Ian Coulter	13 April 2016		6 (6)
Aideen Barry	03 November 2016		4 (6)
Seán Ó hArgáin	04 February 2015		4 (6)
Chloë O'Connor	28 September 2011		3 (6)
Emer Foley	07 May 2003	22 May 2019	3 (3)
Catherine Marshall	07 June 2007	22 May 2019	0 (3)
Eamonn Carroll	22 May 2019		3 (4)
Emily-Ann Gilligan	22 May 2019		3 (4)
Kathleen Moran	22 May 2019		4 (4)

Kilkenny Art Gallery Society Company Limited by Guarantee

DIRECTORS' REPORT

for the financial year ended 31 December 2019

Future Developments

The Butler Gallery/company plans to continue its present activities and current trading levels. It is the gallery's aim to maintain excellence and continue to present original and ambitious work and to develop audiences. The Butler Gallery/company continues work on making our move to Evan's Home a reality, which has been scheduled for Summer 2020.

The directors are monitoring developments around Covid-19 and while there is uncertainty, the directors continue to evaluate the situation in order to respond to the resulting challenges.

Post Balance Sheet Events

The company's operations have been affected after year end by the global outbreak of Covid-19. The directors, in line with government directives, have made decisions which, in their opinion, protect the health and safety of their employees and the company's underlying activities. The directors are confident their decisions, together with the company's sound financial position and continued government funding will ensure the future sustainability of the company.

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.

Taxation Status

The company is registered with Charities Regulatory Authority and it's CRA number is 20038977. The company has exemption from tax under CHY 12922.

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.

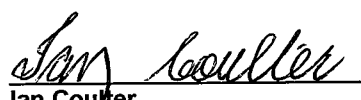
Accounting Records

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 Butler Gallery, Kilkenny Castle, Kilkenny.

Signed on behalf of the board


Beatrice Kelly
Director

Date: 27th May 2020


Ian Coulter
Director

Date: 27th May 2020

Kilkenny Art Gallery Society Company Limited by Guarantee

DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2019

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

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

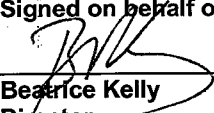
- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify 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.

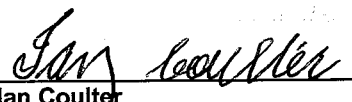
In so far as the directors are aware:

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

Signed on behalf of the board


Beatrice Kelly
Director

Date: 27th May 2020


Ian Coulter
Director

Date: 27th May 2020

INDEPENDENT AUDITOR'S REPORT

to the Members of Kilkenny Art Gallery Society Company Limited by Guarantee

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kilkenny Art Gallery Society Company Limited by Guarantee ('the company') for the financial year ended 31 December 2019 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 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 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 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 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

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 Kilkenny Art Gallery Society 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 going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

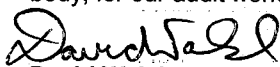
Auditor's responsibilities for the audit of the financial statements

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

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

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

Our report is made solely to the company's 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

Patrick's Court

Patrick Street

Kilkenny

Ireland

Date: 27th May 2020

Kilkenny Art Gallery Society 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.

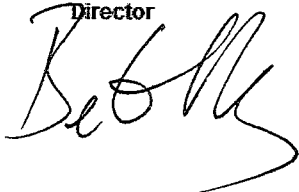
Kilkenny Art Gallery Society Company Limited by Guarantee
STATEMENT OF FINANCIAL ACTIVITIES
for the financial year ended 31 December 2019

	Notes	2019 Unrestricted funds €	2019 Restricted funds €	Total 31 December 2019 €	Total 31 December 2018 €
Income					
Charitable activities					
Grants	6	7,000	307,859	314,859	278,283
Donations & Membership					
Donations & Gifts	6	27,250		27,250	10,650
Membership Subscriptions		17,202		17,202	16,034
Sponsorship			10,776	10,776	32,671
Other Trading Activities					
Professional Fees		12,262		12,262	7,549
Art Sales Commissions		-		-	2,680
Books, Catalogues & Merchandise		-		-	551
Other Income					
Interest Income		1		1	1
Total Income		63,715	318,635	382,350	348,419
Expenditure					
On Charitable Activities					
Art Gallery Expenses		47,043	318,635	365,678	329,130
Total Expenditure		47,043	318,635	365,678	329,130
Net Income/(Expenditure)		16,672	-	16,672	19,289
Total Comprehensive Income/(Expenditure)		16,672	-	16,672	19,289

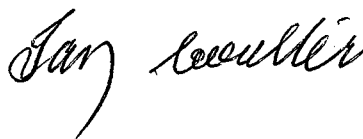
The Statement of Financial Activities includes all gains and losses recognised in the year. All the income and expenditure derive from continuing operations.

The financial statements were approved by the Board on 27 May 2020 and signed on its behalf by

Beatrice Kelly
Director



Ian Coulter
Director



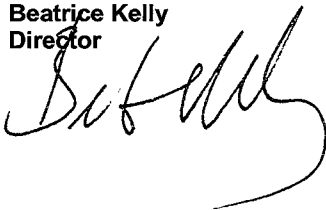
Kilkenny Art Gallery Society Company Limited by Guarantee
BALANCE SHEET
as at 31 December 2019

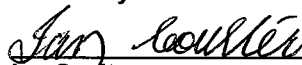
	Notes	2019 €	2018 €
Fixed Assets			
Tangible assets	9	2,010,206	1,986,816
Current Assets			
Debtors	10	10,495	25,287
Cash and cash equivalents		127,392	46,893
		137,887	72,180
Creditors: Amounts falling due within one year	11	(98,753)	(24,328)
Net Current Assets		39,134	47,852
Total Assets less Current Liabilities		2,049,340	2,034,668
Amounts falling due after more than one year	12	(408,406)	(410,406)
Net Assets		1,640,934	1,624,262
Reserves			
Revaluation reserve	16	1,319,718	1,319,718
Capital reserves and funds	16	65,953	65,953
Income and expenditure account		255,263	238,591
Members' Funds		1,640,934	1,624,262

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

Approved by the board on 27th May 2020 and signed on its behalf by:

Beatrice Kelly
Director




Ian Coulter
Director

Kilkenny Art Gallery Society Company Limited by Guarantee
RECONCILIATION OF MEMBERS' FUNDS
as at 31 December 2019

	Retained surplus	Revaluation reserve	Capital redemption reserve	Special reserve	Total
	€	€	€	€	€
At 1 January 2018	219,302	1,319,718	61,153	4,800	1,604,973
Surplus for the financial year	19,289	-	-	-	19,289
At 31 December 2018	238,591	1,319,718	61,153	4,800	1,624,262
Surplus for the financial year	16,672	-	-	-	16,672
At 31 December 2019	255,263	1,319,718	61,153	4,800	1,640,934

Kilkenny Art Gallery Society Company Limited by Guarantee
CASH FLOW STATEMENT
for the financial year ended 31 December 2019

	Notes	2019 €	2018 €
Cash flows from operating activities			
Surplus for the financial year		16,672	19,289
Adjustments for:			
Interest receivable and similar income		(1)	(1)
Depreciation		6,509	3,840
Amortisation of government grants		(2,000)	(2,000)
		<u>21,180</u>	<u>21,128</u>
Movements in working capital:			
Movement in debtors		14,792	(3,809)
Movement in creditors		74,425	13,049
		<u>110,397</u>	<u>30,368</u>
Cash flows from investing activities			
Interest received		1	1
Payments to acquire tangible fixed assets		(29,899)	(14,392)
		<u>(29,898)</u>	<u>(14,391)</u>
Net increase in cash and cash equivalents		80,499	15,977
Cash and cash equivalents at beginning of financial year		46,893	30,916
Cash and cash equivalents at end of financial year	20	<u>127,392</u>	<u>46,893</u>

**KILKENNY ART GALLERY SOCIETY COMPANY LIMITED BY
GUARANTEE**
**INFORMATION RELATING TO GOVERNMENT GRANTS – IN ACCORDANCE WITH
CIRCULAR 13/2014**

for the financial year ended 31 December 2019

Name of Grantor	Name of Grant	Purpose	Term	Amount taken as income 2019 €	Cash Received €	Prepayment/(Accrual) Movement During year €
The Arts Council	Regularly Funded Organisation Grant	Programming, Education, Salaries and Running Costs	2019 - 1 Year	270,000	270,000	-
The Arts Council	RAISE	Fund Development Manager position	2019 - 1 Year	30,000	30,000	-
Kilkenny County Council	Annual Funding	Programming and Events	2019 - 1 Year	7,000	7,000	-
Kilkenny County Council	National Drawing Day	Annual Free Family Event	2019 - 1 Year	700	700	-
Kilkenny County Council	Culture Night	Adult Critics Group	2019 - 1 Year	1,200	1,200	-
Office of Public Works	National Drawing Day	Annual Free Family Event	2019 - 1 Year	4,000	4,000	-
Kilkenny County Council	Creative Ireland Programming	Amy Cutler Exhibition	2019 - 1 Year	5,000	5,000	-
Kilkenny County Council	Yulefest Events	Art Auction	2019 - 1 Year	2,300	2,300	-

Grant income received is applied to the purpose it is received for as detailed above. The grantees confirm that they have adequate financial control systems in place to manage granted funds.

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 Art Gallery Society Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

1. GENERAL INFORMATION

Kilkenny Art Gallery Society Company Limited by Guarantee is a company limited by guarantee incorporated in the Republic of Ireland. Butler Gallery, Kilkenny Castle, 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 2019 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

The company as a registered charity 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. 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. Certain comparative amounts have been reclassified to maintain comparability with current period disclosures. 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 resources

Incoming resources are recognised by inclusion in the statement of financial activities only when the company is legally entitled to the income, virtually certain of receipt and the amounts involved can be measured with sufficient reliability.

Incoming resources 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, the related expenditure incurred, and there is reasonable certainty 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.

Incoming resources from generated funds *Voluntary income*

Voluntary income, 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 virtually certain, 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 received confirmation of unconditional entitlement to the bequest; the activities which it is intended to fund have been undertaken and the related expenditure incurred; whereas, with tax refunds it is when claims are compiled and submitted to the revenue authorities for reimbursement.

Kilkenny Art Gallery Society Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

continued

Income from services

Service Income is recognised once the company is legally entitled to the income, virtually certain of receipt, and the amounts can be measured with sufficient reliability.

Commission

Commission is earned from the sale of paintings on behalf of artists. Such commission is included in the accounting period in which a deposit or full payment is received for the painting sold.

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 of the 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 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:

Artwork	-	nil (see note 8)
Land and buildings leasehold	-	nil (see note 8)
Fixtures, fittings and equipment	-	5 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.

Taxation

The company has a charitable tax exemption on its income under the provision of section 207 of the Taxes Consolidation Act 1997. The charity number is CHY 12922.

The company is registered with Charities Regulatory Authority and it's CRA number is 20038977.

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 Art Gallery Society Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

continued

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.

Cash and cash equivalents

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

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.

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:

Going Concern

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

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 €2,010,206 (2018: €1,986,816).

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.

Kilkenny Art Gallery Society Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

continued

6. INCOME

Information relating to Government Grants is outlined on page 16 of the accounts.

During 2019 the company received in kind support to the value of €89,100. In accordance with company accounting policy both the in kind support and related expenditure are excluded from the profit and loss account. Included in donations is €27,250 being the value of art work gifted to the gallery collection during the year.

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 Art Gallery.

7. OPERATING SURPLUS

	2019 €	2018 €
Operating surplus is stated after charging/(crediting):		
Depreciation of tangible fixed assets	6,509	3,840
Amortisation of Government grants	<u>(2,000)</u>	<u>(2,000)</u>

8. EMPLOYEES

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

	2019 Number	2018 Number
Administration	<u>5</u>	<u>4</u>

	2019 €	2018 €
The staff costs comprise:		
Wages and salaries	170,085	128,991
Social welfare costs	<u>16,637</u>	<u>13,666</u>
	<u>186,722</u>	<u>142,657</u>

During the financial year no employees were paid a salary of greater than €60,000.

Kilkenny Art Gallery Society Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

continued

9. TANGIBLE FIXED ASSETS

	Artwork €	Land and buildings leasehold €	Fixtures, fittings and equipment €	Total €
Cost				
At 1 January 2019	1,569,353	404,820	111,507	2,085,680
Additions	27,250	-	2,649	29,899
At 31 December 2019	1,596,603	404,820	114,156	2,115,579
Depreciation				
At 1 January 2019	-	-	98,864	98,864
Charge for the financial year	-	-	6,509	6,509
At 31 December 2019	-	-	105,373	105,373
Net book value				
At 31 December 2019	1,596,603	404,820	8,783	2,010,206
At 31 December 2018	1,569,353	404,820	12,643	1,986,816

Artwork

The company's permanent art collection has been revalued based on an internal valuation carried out by the directors in 2015. Periodic revaluation of the collection will be carried out. Paintings within the collection are not for resale, are included in the accounts at current valuation and are not depreciated.

Land and Buildings Leasehold

These consist of professional fees incurred in relation to the "Evan's Home Project", and depreciation will be charged on an annual basis once the relocation is completed.

10. DEBTORS

	2019 €	2018 €
Trade debtors	10,495	14,461
Prepayments	-	10,826
	10,495	25,287

11. CREDITORS

Amounts falling due within one year

	2019 €	2018 €
Accruals	98,753	24,328

Included in accruals is €67,887 of net fundraising income in relation to the Evan's Home fit-out. This deferred income will be recognised when the relevant expenditure is incurred.

12. CREDITORS

Amounts falling due after more than one year

	2019 €	2018 €
Government grants	408,406	410,406

Kilkenny Art Gallery Society Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

continued

13. GOVERNMENT GRANTS DEFERRED

	2019 €	2018 €
Capital grants received and receivable		
At 1 January 2019	410,406	412,406
Increase in year	-	-
	<u>410,406</u>	<u>412,406</u>
At 31 December 2019	410,406	412,406
Amortisation		
Amortised in year	(2,000)	(2,000)
	<u>(2,000)</u>	<u>(2,000)</u>
Net book value		
At 31 December 2019	<u>408,406</u>	<u>410,406</u>

Deferred government grants includes €406,406 in capital grants received in 2010, 2011, 2012 and 2013 in respect of the professional fees incurred in relation to the "Evans Home" project. Such capital grants will be amortised to the profit and loss account on an annual basis once the relocation is completed. Capital grants of €10,000 were received during 2016 for new equipment. This grant is being amortised over the expected useful life of the related asset.

14. FINANCIAL INSTRUMENTS

The company has chosen to apply the provisions of Section 11 and 12 of FRS 102 to account for all of its financial instruments.

	2019 €	2018 €
Financial assets that are debt instruments measured at amortised cost		
Cash at bank and in hand	127,392	46,893
	<u>127,392</u>	<u>46,893</u>

15. 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 € 1.27.

16. RESERVES

Unrestricted Funds

Unrestricted Funds represent a retained surplus 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.

A specific Operating Reserve Fund is to be set aside in 2020 to facilitate the Company's relocation to Evan's Home.

Kilkenny Art Gallery Society Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

continued

Revaluation Reserve

Artwork

The directors previously revalued the paintings on 31 December 1994 based on a valuation carried out by Mr John Taylor of Taylor Galleries Dublin. The 1994 valuation resulted in an increase in value and revaluation reserve amounting to €585,084. In 2015 the directors carried out an internal valuation and valued the collection at €1,542,403, with the increase in value of €734,634, being credited to the revaluation reserve. The directors have over three decade's experience of assessing the value of works of art and refer to experts in particular areas where necessary.

Capital Redemption Reserve

Arising on takeover of assets and liabilities of Kilkenny Art Gallery Society.

Special Reserve

Arts Council joint purchases grants. The Arts Council has a lien entitling them to half the sale proceeds of any painting purchases under this scheme.

17. CAPITAL COMMITMENTS

The company had no material capital commitments at the year ended 31 December 2019.

18. RELATED PARTY TRANSACTIONS

No director was remunerated or received any other benefits or expenses from the company during the year.

19. POST-BALANCE SHEET EVENTS

The company's operations have been affected after year end by the global outbreak of Covid-19. The directors, in line with government directives, have made decisions which, in their opinion, protect the health and safety of their employees and the company's underlying activities. The directors are confident their decisions, together with the company's sound financial position and continued government funding will ensure the future sustainability of the company.

20. CASH AND CASH EQUIVALENTS

	2019 €	2018 €
Cash and bank balances	127,392	46,893
	<u>127,392</u>	<u>46,893</u>

21. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27th May 2020.