

CRAWFORD ART GALLERY CORK

**REPORTS AND FINANCIAL STATEMENTS
(COMPANY LIMITED BY GUARANTEE AND NOT
HAVING A SHARE CAPITAL)**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

CRAWFORD ART GALLERY CORK

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CRAWFORD ART GALLERY CORK

DIRECTORS AND OTHER INFORMATION

DIRECTORS

John R Bowen (Chairman) - retired 15/03/2017
Rose McHugh (Chairman) - appointed 15/03/2017
Eamonn Maxwell - retired 16/05/2017
Barrie O'Connell - appointed 15/03/2017
Catherine Hammond - appointed 15/03/2017
Karen Kelly - appointed 15/03/2017
Gareth O'Callaghan - appointed 15/03/2017
Josephine Browne - appointed 15/03/2017
Frank Nyhan - appointed 15/03/2017 (retired 13/9/2018)
Ann Doherty - appointed 19/09/2014
Tim Brosnan - appointed 03/02/2016
Susan McCarthy - appointed 06/01/2016
Mary Hegarty - appointed 06/01/2016

SECRETARY

Peter Murray - resigned 28/04/2017
Norma Cuddihy - appointed 28/04/2017

GALLERY DIRECTOR

Peter Murray - resigned 28/04/2017
Norma Cuddihy - appointed 28/04/2017

COMPANY NUMBER

431177

REGISTERED OFFICE

Crawford Art Gallery
Emmet Place
Cork
T12 TNE6

BUSINESS ADDRESS

Emmet Place
Cork

BANKERS

Allied Irish Banks plc
66 South Mall
Cork

AUDITOR

Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1
D01 PF72

CRAWFORD ART GALLERY CORK

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

GOVERNANCE

The Board of Crawford Art Gallery was established under the Companies Act 2014. The functions of the Board are set out in section 905 of this Act. The Board is accountable to the Minister for Culture, Heritage and Gaeltacht and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of Crawford Art Gallery are the responsibility of the Gallery Director and the senior management team. The Gallery Director and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Gallery Director acts as a direct liaison between the Board and management of Crawford Art Gallery.

BOARD RESPONSIBILITIES

The work and responsibilities of the Board are set out in Schedule of Matters/Terms of Reference, which also contain the matters specifically reserved for Board decision. Standing items considered by the Board include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

Section 281 of the Companies Act 2014 requires the Board of Crawford Art Gallery to keep, in such form as may be approved by the Minister for Culture, Heritage and the Gaeltacht with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of Crawford Art Gallery is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

CRAWFORD ART GALLERY CORK

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with section 281 of the Companies Act 2014. The maintenance and integrity of the corporate and financial information on the Crawford Art Gallery's website is the responsibility of the Board.

The Company engages a third party service provider, Deloitte, to prepare the management accounts and assist in the preparation of the Financial Statements for the Gallery.

The Board is responsible for approving the annual plan and budget. The 2017 annual budget was approved on 30 November 2016 by the Board. The actual performance is measured against the budget on a bi-monthly basis by both the Board and the Finance and Legal Committee.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of Crawford Art Gallery give a true and fair view of the financial performance and the financial position of Crawford Art Gallery at 31 December 2017.

BOARD STRUCTURE

The Board consists of a Chairman and ten ordinary members, all of whom are appointed by the Minister for Culture, Heritage and Gaeltacht. The members of the Board were appointed for a period of five years and meet on a bi-monthly basis. The table below details the appointment period for current members:

<u>Board Member</u>	<u>Role</u>	<u>Date Appointed</u>
Rose McHugh	Chairman	15/03/2017
Barrie O'Connell	Ordinary Member	15/03/2017
Catherine Hammond	Ordinary Member	15/03/2017
Karen Kelly	Ordinary Member	15/03/2017
Gareth O'Callaghan	Ordinary Member	15/03/2017
Josephine Browne	Ordinary Member	15/03/2017
Frank Nyhan	Ordinary Member	15/03/2017
Ann Doherty	Ordinary Member	19/09/2014
Tim Brosnan	Ordinary Member	03/02/2016
Susan McCarthy	Ordinary Member	06/01/2016
Mary Hegarty	Ordinary Member	06/01/2016

Directors' and Secretary's Interests in Shares:

The company is limited by guarantee and therefore has no share capital.

CRAWFORD ART GALLERY CORK

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

The Board has established four committees, as follows:

1. Audit and Risk Committee:

Comprises three Board members and one independent member. The members of the Audit and Risk Committee are: Barrie O'Connell (Chairperson), Mary Hegarty, Karen Kelly, and Dave Ronayne. There were 5 meetings of the ARC in 2017.

The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Board after each meeting, and formally in writing annually.

2. Finance and Legal Committee:

Comprises four Board members and two independent members. The members of this committee are: Ann Doherty (Chairperson), Frank Nyhan, Susan McCarthy, Karen Kelly, Martin O'Brien and Jim Corr. There were 6 meetings of the Finance and Legal Committee in 2017.

The role of the Finance & Legal Committee is to advise and support the Board and management on the oversight of the financial reports and systems of the Gallery and to advise on other financial matters from time to time.

3. Building and Development Committee:

Comprises five Board members and two independent members. The members of this committee are: Rose McHugh (Chairperson), Gareth O'Callaghan, Jerry Carey, Frank Nyhan, Barrie O'Connell, Ann Doherty and Denis Kirby. There were 3 meetings of the Building and Development Committee in 2017.

The role of the Building & Development Committee is to plan and implement a Master Development Plan (MDP), ensuring that all aspects are resourced and financed with clear reporting through the Board.

4. Artistic Policy Committee:

Comprises four Board members and three independent members. The members of this committee are: Josephine Browne (Chairperson), Catherine Hammond, Gareth O'Callaghan, Tim Brosnan, Catherine Fehily, Vera Ryan and Vivienne Roche. There were 6 meetings of the Artistic Policy Committee in 2017.

The role of the Artistic Policy Subcommittee is to advise and support the Board and management on artistic matters, and to make recommendations to the board, and to provide advocacy at board level for decisions on programming, Learn & Explore, projects and acquisitions.

CRAWFORD ART GALLERY CORK

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2017 is set out below including the fees and expenses received by each member:

	Board	Audit & Risk Committee	Finance & Legal Committee	Artistic Policy Committee	Building & Development Committee	Fees 2017	Expenses 2017
						€	€
Number of meetings	6	5	6	6	3		
Rose McHugh	5 *(5)	-	-	-	3 *(3)	-	-
Barrie O'Connell	3 *(5)	3 *(3)	-	-	2 *(3)	-	-
Catherine Hammond	4 *(5)	-	-	3 *(4)	-	-	233
Karen Kelly	4 *(5)	3 *(3)	4 *(4)	-	-	-	-
Gareth O'Callaghan	5 *(5)	-	-	4 *(4)	3 *(3)	-	-
Josephine Browne	5 *(5)	-	-	3 *(4)	-	-	-
Frank Nyhan	4 *(5)	-	5 *(6)	-	2 *(3)	-	-
Ann Doherty	6 *(6)	2 *(2)	4 *(6)	-	2 *(3)	-	-
Tim Brosnan	5 *(6)	-	-	2 *(4)	-	-	-
Susan McCarthy	5 *(6)	2 *(2)	3 *(6)	-	-	-	176
Mary Hegarty	3 *(6)	2 *(3)	-	-	-	-	1,051
Eamonn Maxwell	1 *(1)	-	-	-	-	-	233
John R Bowen	1 *(1)	-	-	1 *(2)	-	-	664
* Number of meetings each member was eligible to attend.						-	2,357

KEY PERSONNEL CHANGES

Two members of the Board retired during the year.

The Chairman, John R Bowen, retired from his position with effect from 15 March 2017. Rose McHugh was appointed as Chairman with effect from 15 March 2017.

Eamonn Maxwell was appointed 15 March 2017 and retired from his position with effect from 16 May 2017.

The Secretary and Gallery Director, Peter Murray, resigned from both positions with effect from 28 April 2017. Norma Cuddihy was temporarily appointed as Gallery Director and appointed as Secretary with effect from 28 April 2017.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that Crawford Art Gallery has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

CRAWFORD ART GALLERY CORK

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range of total employee benefits From - To	Number of Employees	
	2017	2016
€60,000 - €69,999	-	-
€70,000 - €79,999	-	1

CONSULTANCY COSTS

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2017	2016
	€	€
Legal	16,069	7,785
Financial	5,658	3,567
Recruitment costs	27,888	-
	<u>49,615</u>	<u>11,352</u>

TRAVEL AND SUBSISTENCE EXPENDITURE

Travel and subsistence expenditure is categorised as follows:

	2017	2016
	€	€
Domestic		
- Board	6,579	2,514
- Employees	3,126	7,474
International		
- Board	-	-
- Employees	1,392	466
	<u>11,097</u>	<u>10,454</u>

CRAWFORD ART GALLERY CORK

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

STATEMENT OF COMPLIANCE

Crawford Art Gallery has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform in August 2016, with the following exception:

There were three instances of non-compliant procurement totalling €68,735 during 2017. Management will review current procedures and make necessary adjustments for 2018. Procurement through Tender will be sought for accounting services, and quotations will be sought based on OGP framework for energy providers in 2018.

OWNERSHIP OF THE GALLERY

The ownership of the Gallery building and specified assets remain in the ownership of the Cork Education and Training Board. The necessary legislation has not been enacted to transfer these assets to the Crawford Art Gallery Cork. It should be noted however that the Crawford Art Gallery Cork continues to maintain and secure these assets from its annual grant. The Cork Education and Training Board hold the insurance over the Gallery building and specified assets, the cost of which is shared by the Crawford Art Gallery Cork.

PRINCIPAL ACTIVITY AND REVIEW OF THE GALLERY

The principal activity of the company is the operation of an art gallery. There have been no significant changes in the company's activities during the financial year. The company is a company limited by guarantee and not having a share capital.

FUTURE DEVELOPMENTS

The Building and Development Committee has been formed in conjunction with the OPW to put a plan in place for the transfer of assets from the Cork Education and Training Board.

RESULTS FOR THE YEAR

	2017	2016
	€	€
Deficit for the year	(13,309)	(70,047)

ASSETS AND LIABILITIES AND FINANCIAL POSITION

The total assets of the business have increased by €85,453 to €7,071,450, the total liabilities have increased by €46,028 to €138,275, resulting in an increase in net assets of €39,425 to €6,933,175.

EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events affecting the company since the financial year end which would impact the amounts or disclosures in these financial statements.

CRAWFORD ART GALLERY CORK

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

HEALTH & SAFETY

The well being of the Gallery Employees is safeguarded through the strict adherence to Health & Safety standards. The Safety, Health & Welfare at Work Act 2005 imposes certain requirements on employees and the Gallery takes the necessary action to ensure compliance with the Act.

HOSPITALITY EXPENDITURE

The Income and Expenditure includes the following hospitality expenditure:

	2017	2016
	€	€
Entertainment	2,098	-
	<u>2,098</u>	<u>-</u>

STATEMENT ON RELEVANT AUDIT INFORMATION

In the case of each of the persons who are directors at the time of this report is approved in accordance with section 332 of Companies Act 2014:

- (a) so far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- (b) each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

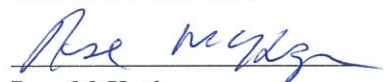
AUDIT COMMITTEE

The Directors have fulfilled their requirement to establish an Audit & Risk Committee that meets the requirements of Section 167 of the Companies Act 2014.

AUDITOR

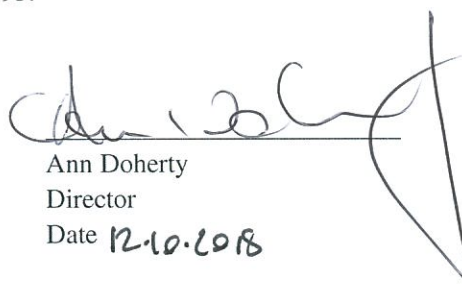
The Comptroller and Auditor General acts as auditor in accordance with Section 5 of the Comptroller and Auditor General (Amendment) Act 1993.

On behalf of the Board



Rose McHugh
Chairman

Date 12.10.2018



Ann Doherty
Director

Date 12.10.2018

CRAWFORD ART GALLERY CORK
STATEMENT ON FINANCIAL CONTROL

Statement on Financial Control

Scope of Responsibility

On behalf of the Crawford Art Gallery Cork, I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in Crawford Art Gallery for the year ended 31 December 2017 and up to the date of approval of the financial statements.

Capacity to Handle Risk

Crawford Art Gallery has an Audit and Risk Committee (ARC) comprising three Board members and one external member, with financial and audit expertise, one of whom is the Chair. The ARC met five times in 2017.

Crawford Art Gallery has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC.

The ARC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within Crawford Art Gallery's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

CRAWFORD ART GALLERY CORK
STATEMENT ON FINANCIAL CONTROL

Risk and Control Framework

Crawford Art Gallery has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing Crawford Art Gallery and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by both the ARC and the Board on a bi-monthly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems,
- there are systems in place to safeguard the assets, and
- control procedures over grant funding to outside agencies ensure adequate control over approval of grants and monitoring and review of grantees to ensure grant funding has been applied for the purpose intended.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

CRAWFORD ART GALLERY CORK
STATEMENT ON FINANCIAL CONTROL

Procurement

There were three instances of non-compliant procurement totalling €68,735 during 2017. Management will review current procedures and make necessary adjustments for 2018. Procurement through Tender will be sought for accounting services, and quotations will be sought based on OGP framework for energy providers in 2018.

Review of Effectiveness

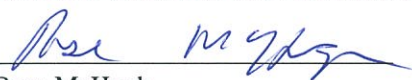
I confirm that Crawford Art Gallery has procedures to monitor the effectiveness of its risk management and control procedures. Crawford Art Gallery's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within Crawford Art Gallery responsible for the development and maintenance of the internal financial control framework.

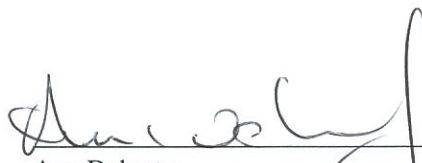
I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2017.

Internal Control Issues

Annual Review of Effectiveness of Internal Control: In accordance with the Code of Practice for the Governance of State Bodies, the Board has completed an annual review of the effectiveness of internal control systems in the Gallery for 2017. Reports from the Audit and Risk subcommittee and the Internal Auditor along with the Risk Register were considered when completing the review. The Board is satisfied that there is an effective system of internal control in place and processes are likely to identify any weaknesses in the system and monitor progress on implementation of actions required to address such weaknesses.

On behalf of the Board of Crawford Art Gallery Cork


Rose McHugh
Chairman
Date 12.10.2018


Ann Doherty
Director
Date 12.10.2018



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Crawford Art Gallery Cork Limited

Opinion on financial statements

I have audited the financial statements of Crawford Art Gallery Cork Limited for the year ending 31 December 2017 as required under the provisions of section 5 of the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of comprehensive income, the statement of financial position, the statement of cash flows and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of Crawford Art Gallery Cork Limited at 31 December 2017 and of its income and expenditure for 2017
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the company and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions related to going concern

As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going concern basis of accounting by the directors and
- 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.

I have nothing to report in that regard.

Opinion on matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, I report that in my opinion

- the information given in the governance statement and Board members' report is consistent with the financial statements, and
- the governance statement and Board members' report has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

In my opinion, the accounting records of the Crawford Art Gallery Cork Limited were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

Report on information other than the financial statements, and on other matters

The directors have presented certain other information with the financial statements. This comprises the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



Mark Brady

**For and on behalf of the
Comptroller and Auditor General
16 October 2018**

Appendix to the report

Responsibilities of the Directors

The governance statement and Board members' report sets out the directors' responsibilities. The directors are responsible for

- the preparation of financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- 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.

Responsibilities of the Comptroller and Auditor General

I am required under section 5 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of Crawford Art Gallery Cork Limited and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I 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 my 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.
- I 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 internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast

significant doubt on Crawford Art Gallery Cork Limited's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the company to cease being a going concern.

- I 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.

I 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 I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

Report of the Comptroller and Auditor General For presentation to the Houses of the Oireachtas.


CRAWFORD ART GALLERY CORK

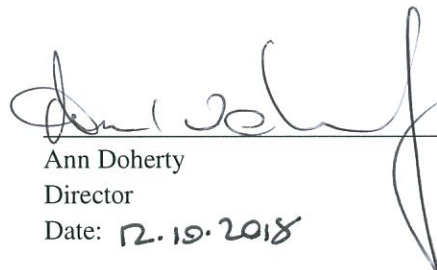
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 €	2016 €
Income			
Oireachtas Grants	2 a	1,370,133	1,369,989
Gallery Bookshop Net Profit/(Loss)	2 b	23,034	(71,408)
Own Resource Income	2 c	116,832	87,658
Donated artwork	10	10,000	15,220
Pension Income	12	35,000	-
Total Income		<u>1,554,999</u>	<u>1,401,459</u>
Expenditure			
Wages and Salaries	3 a	(609,410)	(576,286)
Exhibitions & Display collections	4	(452,682)	(349,376)
Other Administration costs	5	(453,482)	(380,649)
Total Expenditure		<u>(1,515,574)</u>	<u>(1,306,311)</u>
Net Operating Surplus for the Year		39,425	95,148
Transfer to the Capital Account			
Donated Assets	10	(10,000)	(15,220)
Other Fixed Assets	10	(42,734)	(149,975)
		<u>(52,734)</u>	<u>(165,195)</u>
Deficit for the Year after transfer to the Capital Account		(13,309)	(70,047)
Balance Brought Forward at 1 January		371,011	441,058
Balance Carried Forward at 31 December		<u>357,702</u>	<u>371,011</u>

Notes 1 to 14 form part of these financial statements.

On behalf of the Board of Crawford Art Gallery Cork


Rose McHugh
Chairman
Date: 12.10.2018


Ann Doherty
Director
Date: 12.10.2018

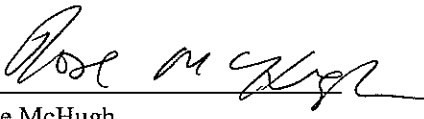
CRAWFORD ART GALLERY CORK

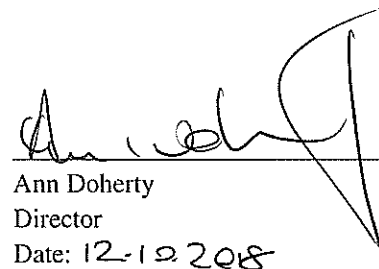
STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		2017 €	2016 €
	Note		
Surplus/(Deficit) for the year		39,425	95,148
Actuarial Gain/(Loss) on Experience on pension scheme liabilities		(17,000)	-
Actuarial Gain/(Loss) on Change in Assumptions on pension scheme liabilities		-	-
Changes in assumptions underlying the present value of pension scheme liabilities		-	-
Actuarial Gain/(Loss) on pension liability	12	(17,000)	-
Adjustment to deferred pension funding		17,000	-
Total recognised Gain/(Loss) for the year		39,425	95,148

Notes 1 to 14 form part of these financial statements.

On behalf of the Board of Crawford Art Gallery Cork


 Rose McHugh
 Chairman
 Date: 12.10.2018

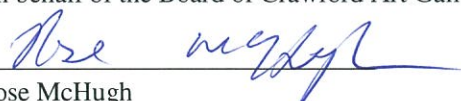

 Ann Doherty
 Director
 Date: 12.10.2018

CRAWFORD ART GALLERY CORK
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

		2017	2016
	Notes	€	€
Fixed Assets			
Property, plant & equipment	6	591,459	559,287
Artworks	7	5,984,014	5,963,452
Total Fixed Assets		6,575,473	6,522,739
Current Assets			
Receivables	8	7,691	7,767
Inventory		34,239	29,676
Cash and cash equivalents		454,047	425,815
		495,977	463,258
Current Liabilities (amounts falling due within one year)			
Payables	9	(138,275)	(92,247)
Net Current Assets		357,702	371,011
Retirement benefit receivable	12	152,000	-
Retirement benefit payable	12	(152,000)	-
Net assets		6,933,175	6,893,750
Representing			
Capital account	10	6,575,473	6,522,739
Retained revenue reserves		357,702	371,011
		6,933,175	6,893,750

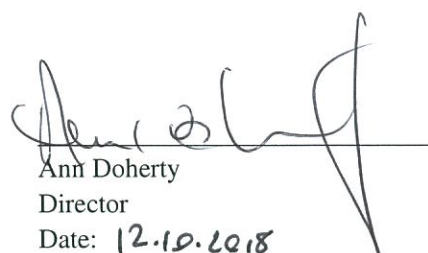
Notes 1 to 14 form part of these financial statements.

On behalf of the Board of Crawford Art Gallery Cork



Rose McHugh
Chairman

Date: 12.10.2018



Ann Doherty
Director


Date: 12.10.2018

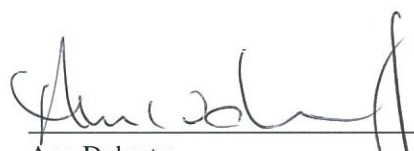
CRAWFORD ART GALLERY CORK

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 €	2016 €
Cashflows from operating Activities		
Excess Income over Expenditure	39,425	95,148
Donated Artwork	(10,000)	(15,220)
Depreciation and Impairment of Fixed Assets	74,198	61,862
Increase/(Decrease) in Payables	46,028	(63,392)
(Increase)/Decrease in Receivables	76	(1,213)
(Increase)/Decrease in Inventory	(4,563)	90,751
Net Cash Inflow from Operating Activities	145,164	167,936
Cash Flows from Investing Activities		
Expenditure on Fixed Assets:		
Property, Plant & Equipment	(106,370)	(167,610)
Artwork	(10,562)	(44,227)
Net Cash Outflow From Investing Activities	(116,932)	(211,837)
Cash Flows from Financing Activities	-	-
Net Cash Flows From Financing Activities	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	28,232	(43,901)
Net Funds at 1 January (per Balance Sheet 2016 audited financial statements)	425,815	469,716
Net funds at 31 December (per Balance Sheet)	454,047	425,815
Movement in Net Funds in the Year	28,232	(43,901)

Notes 1 to 14 form part of these financial statements.


Rose McHugh
Chairman
12.10.2018


Ann Doherty
Director
12.10.2018

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1 Accounting Policies

The basis of accounting and significant accounting policies adopted by Crawford Art Gallery Cork are set out below. They have all been applied consistently throughout the year and for the preceding year.

a) General Information

Crawford Art Gallery Cork is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the directors' report on page 3 - 9.

Crawford Art Gallery Cork's primary objective as set out in (Part 2) of the Memorandum of Association are as follows:

- to advance education by developing and promoting the practice of art sculpture and design and in the fine arts and applied arts generally and to promote the Crawford Art Gallery Cork as an educational centre for the arts and as a major cultural and artistic centre.
- to provide free of charge access at all times to the Gallery's collection
- to provide on a fee basis, but free of charge if appropriate facilities for exhibitions, demonstrations, displays, conferences, lectures, tours, visits, functions of an artistic nature.
- to promote and encourage public awareness and appreciation of culture and the arts generally and of the activities of the gallery particularly.

Crawford Art Gallery Cork is a Public Benefit Entity (PBE).

b) Statement of Compliance

The financial statements of Crawford Art Gallery Cork for the year ended 31 December 2017 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

c) Basis of Preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Department of Culture, Heritage & the Gaeltacht and have been prepared in compliance with the requirements of the Companies Act 2014. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Crawford Art Gallery Cork financial statements.

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1 Accounting Policies Continued

d) Revenue

Oireachtas Grants

Oireachtas grants are recognised on a cash receipts basis.

Interest income

Interest income is recognised on an accruals basis using the effective interest rate method.

Other Revenue

Other revenue is recognised on an accruals basis.

e) Property, Plant & Equipment

Property, plant & equipment are recorded at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant & equipment, with the exception of Heritage assets, at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimated useful lives, as follows:

Improvement to leasehold premises	2% Straight Line
Equipment	12.5% Straight Line
Furniture and fixtures	12.5% Straight Line
Digital archive	12.5% Straight Line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

f) Heritage Assets

Donated artworks are held at valuation. Initial valuations are carried out by the gallery director with reference to experts in particular areas, as well as collecting auction house results and recent sales achieved for particular works. Purchased art works are held at cost. At each reporting date the Gallery determines whether any of its heritage assets are impaired. The bulk of the Gallery's collection is vested in the Cork Education and Training Board and not included on the statement of financial position of the company.

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1 Accounting Policies Continued

g) Inventory

Inventories are measured at the lower of cost or estimated selling price less costs to complete and sell.

h) Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that Crawford Art Gallery Cork will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

i) Employee Benefits

Short Term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

Retirement Benefits

In July 2011 agreement was reached with the Department of Culture, Heritage and the Gaeltacht and the Cork Education and Training Board to transfer the retirement benefit contributions of staff back to the Cork Education and Training Board scheme and thus no further net liability for pension entitlements attaches to the Gallery.

New entrant staff employed by the company after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Service Pensions (Single Scheme and Other Provisions) Act 2012. The company makes the necessary deductions from salaries for staff who are part of the scheme. Employee contributions are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. The pension liability of €152,000 and corresponding asset from the State of €152,000 have been recognised in the Statement of Financial Position.

Pension costs reflect pension benefits earned by employees, and are shown net of staff pension contributions which are remitted to the Department of Public Expenditure and Reform. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1 Accounting Policies Continued

i) Employee Benefits (Continued)

Actual gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income, and a corresponding adjustment is recognised on the amount recoverable from the Department of Culture, Heritage and the Gaeltacht.

The financial statements reflect, at fair value, the assets and liabilities arising from the Gallery's pension obligations and any related funding, and recognises the costs of providing pension benefits in the accounting periods in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

j) Capital Account

The capital account represents the amount of unamortised income used for capital purposes along with transfers of donated artwork from the Statement of Income and Expenditure and Retained Revenue Reserves.

k) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Key source of estimation - Pension scheme

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

Key source of estimation - Estimated Useful Lives

Determining the annual depreciation charge and grant amortisation amount for each asset category requires the company to make an estimate of the estimated useful lives of its assets over which to depreciate the asset or amortise the grant.

l) Valuation of Artwork Donated

Donated assets are valued by the gallery director through referencing to experts in particular areas, as well as through collecting auction house results and recent sales achieved for particular works of art.

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2 Income

a) Oireachtas Income

The Oireachtas Grants voted to Crawford Art Gallery Cork from Vote 33 - Department of Culture, Heritage and the Gaeltacht as shown in the financial statements consist of:

	Sub-head	2017 €	2016 €
Grants for current expenditure	A6	1,176,000	1,072,000
Grants for capital expenditure	A7	162,000	162,000
Capital funding for emergency electrical and roof works	A7	-	90,000
Capital funding for Dublin Castle	A7	-	6,174
Dublin Castle Exhibition	A6	2,133	14,815
George du Noyer Exhibition	A6	30,000	
Conflicting Visions Exhibition	A6	-	25,000
		<u>1,370,133</u>	<u>1,369,989</u>

b) Gallery Shop Net Profit/(Loss)

	2017 €	2016 €
Sales	34,406	32,639
Cost of Sales		
Opening Stock	29,676	120,426
Purchases	15,935	13,297
Closing Stock	<u>(34,239)</u>	<u>(122,597)</u>
	11,372	11,126
Gross Profit	<u>23,034</u>	<u>21,513</u>
Impairment*	-	(92,921)
Net Profit/(Loss)	<u>23,034</u>	<u>(71,408)</u>

* Prior to the introduction of FRS 102 the Gallery previously capitalised the cost of gallery books as fixed assets. On transition to FRS 102 these previously capitalised costs were reclassified as inventory. These books are commissioned and published to enhance Gallery exhibits and are available to purchase in the Gallery book shop and online. In compliance with section 27.2 of FRS 102 Impairment of Inventories, it was necessary to reduce the carrying value of these inventory items by €92,291 in the prior year.

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017	2016
c) Own Resource Income and Donations	€	€
Rental Income	54,523	40,081
Education	29,093	18,111
Bank Deposit Income	79	97
Creative Communities Project	2,979	-
Culture Ireland funding	4,500	-
Donations:		
Gallery Visitors	5,658	3,375
Private Donation - Adam Buck	20,000	9,994
City Hall Perceptions (AIB)	-	10,000
City Hall Perceptions (HSE)	-	6,000
	<u>116,832</u>	<u>87,658</u>

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3 Employees and Remuneration

Number of employees	2017 Number	2016 Number
---------------------	----------------	----------------

The average number of persons employed by the company (including the director) during the year was:

18	18
----	----

Crawford Art Gallery's (ECF) target in 2017 was 13.5, the total staff employed (WTE) as at 31 December 2017 was 13.5. The ECF target in 2016 was 13.5, the total staff employed (WTE) as at 31 December 2016 was 13.5.

The staff costs are comprised of:-

(a) Aggregate Employee Benefits	2017 €	2016 €
---------------------------------	-----------	-----------

Staff short term benefits	554,013	526,545
Employers contribution to social welfare	55,397	49,741
	<u>609,410</u>	<u>576,286</u>

(b) Staff Short-Term Benefits	2017 €	2016 €
-------------------------------	-----------	-----------

Basic pay	554,013	526,545
	<u>554,013</u>	<u>526,545</u>

(c) Termination Benefits	2017 €	2016 €
--------------------------	-----------	-----------

Termination benefits charged to Income and Expenditure	-	-
	<u>-</u>	<u>-</u>

(d) Key Management Personnel	2017 €	2016 €
------------------------------	-----------	-----------

Salary	97,427	76,841
	<u>97,427</u>	<u>76,841</u>

Key management personnel in Crawford Art Gallery consists of the members of the Board and the Gallery Director. Expenses incurred by the Gallery Director in 2017 amounted to €1,267 (2016: €4,005) of which €Nil (2016: €Nil) related to foreign travel.

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

(e) Gallery Director's remuneration

The Gallery Director, Peter Murray, resigned from his position with effect 28 April 2017. Remuneration earned in this period amounted to €46,281. Norma Cuddihy was temporarily appointed as Gallery Director on 28 April 2017 and her remuneration for the period 31 December 2017 amounted to €49,618.

Peter Murray was contracted as a consultant after he resigned as Gallery Director. Amounts paid amounted to €5,600 for consultancy and €1,264 for travel and subsistence.

Pension levy of €14,176 (2016: €15,366) has been deducted from salaries and this amount has been paid over to the Department of Culture, Heritage and the Gaeltacht.

Contracted staff costs of €124,977 (2016: €62,100) are not included in staff costs of €609,410 (2016: €576,286). These costs are included in note 4 (exhibitions & display collections - advertising, other temporary exhibitions & specific collections and educational programme), note 5 (administration costs - legal and professional and telephone, internet and data processing), and note 6 (digital archive).

4 Exhibitions & Display Collections	2017	2016
	€	€
Educational Programme	34,395	43,030
Permanent Collection Travel and Curatorial	9,096	3,709
Other Temporary Exhibitions & Specific Collections	230,516	162,256
Website Development	300	3,220
Framing, journals & subscriptions	3,375	2,787
Advertising	46,637	13,176
Security	128,363	121,198
	<u>452,682</u>	<u>349,376</u>

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

5 Other Administration Costs	2017	2016
	€	€
General building and ground maintenance	56,719	49,752
Insurance and ground rents	53,494	49,486
Light and heat	48,017	44,252
Print, postage and stationery	18,328	18,534
Health and safety	2,159	3,028
Telephone, internet and data processing	10,082	15,091
Travel and subsistence	9,705	9,988
Shared services costs- excluding travel	97	456
Foreign travel	1,392	466
Meeting expenses	859	3,024
Training and development	5,165	-
Recruitment expenses	27,888	-
Legal and professional	88,363	101,130
Audit	14,430	16,501
Internal Audit	4,701	4,828
Bank charges	1,650	2,127
Translation services	1,235	124
Pension gross service cost (Note 12)	33,000	-
Interest on net defined pension liability (Note 12)	2,000	-
Depreciation	74,198	61,862
	<u>453,482</u>	<u>380,649</u>

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

6 Property, Plant & Equipment

	Furniture & Fixtures	Imp to Lease Premises	Digital Archive	Equipment	Total
	€	€	€	€	€
Cost /Valuation					
At 1 January 2017	212,715	281,782	65,411	443,325	1,003,233
Additions	7,416	38,630	19,480	40,844	106,370
At 31 December 2017	220,131	320,412	84,891	484,169	1,109,603
Depreciation					
At 1 January 2017	161,241	13,855	11,692	257,158	443,946
Charge for the year	17,895	5,946	9,658	40,699	74,198
At 31 December 2017	179,136	19,801	21,350	297,857	518,144
Net book values					
At 31 December 2017	40,995	300,611	63,541	186,312	591,459
At 31 December 2016	51,474	267,927	53,719	186,167	559,287

No amount has been included in these financial statements for any artwork, equipment or assets in existence at the Gallery on the incorporation of the company. These remain the property of Cork Education and Training Board (Cork ETB). The ownership of the Gallery building and specified assets remain the ownership of Cork ETB.

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

7 Art Works

	Purchased Artworks €	Donated Artworks €	Total €
Cost /Valuation			
At 1 January 2017	607,132	5,356,320	5,963,452
Additions	10,562	10,000	20,562
At 31 December 2017	<u>617,694</u>	<u>5,366,320</u>	<u>5,984,014</u>

Initial recognition of donated artwork is at valuation, as valued by the gallery director. The initial valuations are carried out through referring to experts in particular areas, as well as through collating auction house results and recent sales achieved for particular works of art. At each reporting date all artwork is assessed for impairment in particular in respect of physical deterioration, breakage, or doubts as to their authenticity.

The Gallery holds circa 4,000 works in a range of different media, mainly oil canvas, watercolour on paper, stone and metal sculptures and stained glass. The scope of work extends from eighteen century Irish & European Paintings & Sculptures through to contemporary video installation.

All proposals regarding the acquisition of new works for the Crawford Art Gallery collection, whether by purchase, gift bequest or other means are discussed and evaluated by the Gallery Team. The proposal is then reviewed by the Artistic Policy Sub-Committee, who present same, for approval to the Board. Works of Irish Artists of the 20th and 21st centuries are central to the collection. The contemporary collection at the Crawford is focused heavily, but not exclusively on Irish Art. All acquisitions will be documented in accordance with Gallery procedures.

It is the policy of the gallery not to dispose of artworks. If however, a disposal is required, authorisation for same will be the responsibility of the Board.

The Gallery operates due diligence in the preservation and management of its artwork asset - ensuring works are displayed in such a way as to minimize risk of accidental damage. The Gallery ensures climate control and adequate storage measures are strictly adhered to, in addition CCTV recording is fully operational ensuring all works are secured against theft and security personnel are situated at the entrance to the Gallery with invigilation staffs also present throughout the building.

The Gallery is open for free public access six days a week - (10 am - 5 pm daily with late extended opening to 8 p.m. on a Thursday) throughout the year.

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

7 Art Works - continued

In respect of 2014 - 2016:-

	Purchased Artworks	Donated Artworks	Total
Cost /Valuation	€	€	€
At 1 January 2014	453,330	5,220,200	5,673,530
Additions 2014	82,146	52,200	134,346
Additions 2015	27,429	68,700	96,129
Additions 2016	44,227	15,220	59,447
At 31 December 2016	607,132	5,356,320	5,963,452

8 Receivables and prepayments

	2017	2016
	€	€
Prepayments	7,691	7,767

9 Payables (Amounts falling due within one year)

	2017	2016
	€	€
Accruals and other creditors	114,718	60,299
VAT payable	228	6,921
PAYE payable	18,161	16,117
PSWT	5,164	3,334
Other creditors	4	5,576
	138,275	92,247

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10 Capital Account

	2017	2016
	€	€
Opening balance as at 1 January	6,522,739	6,357,544
Transfer from I & E		
Donated Artwork	10,000	15,220
Funding of fixed asset additions		
- Tangible assets	106,370	167,610
- Artwork	10,562	44,227
Amortisation in line with depreciation	(74,198)	(61,862)
	<u>42,734</u>	<u>149,975</u>
Closing balance at 31 December	<u><u>6,575,473</u></u>	<u><u>6,522,739</u></u>

11 Taxation

The company is exempt from taxation due to its charitable status. The charitable tax exemption number is CHY18818.

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12 Pension Schemes

(a) Actuarial Valuation

As set out in Note 1 (i) persons employed by the company since pre 1 January 2013 are members of an unfunded defined benefit superannuation scheme. Superannuation entitlements arising under the Scheme are paid out of current income and are charged to the Statement of Income and Expenditure and Retained Revenue Reserves, net of employee superannuation contributions, in the year in which they become payable. A corresponding income amount is recognised to represent the fact that the pension payments are ultimately the liability of the state.

(b) Disclosures

Financial Assumptions:

The main financial assumptions used in this report are set out below:

	Projected Unit
	2017
Discount rate	1.85%
Rate of increase in salaries	2.50%
Rate of increase in pensions	2.50%
Inflation	1.75%

Mortality Assumptions:

A standard mortality table which is recommended by the Society of Actuaries in Ireland has been used for this valuation. However, this table is expected to reflect the mortality experience of public service pensioners in payment. A mortality investigation carried out by the Society of Actuaries in Ireland over 2013 considered mortality data from large private sector and public sector pension schemes in Ireland which lead to the Society of Actuaries in Ireland recommending this mortality table.

Mortality is based on 58% of ITL15 for males and 62% of ITL15 for females, with a compounded annual increase from 2014 to the annuity value of:

- 0.36% (males with no spouse's pension)
- 0.30% (females with no spouse's pension)
- 0.30% (males with a spouse's pension)
- 0.25% (females with a spouse's pension)

CRAWFORD ART GALLERY CORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

12 Pension Schemes (continued)

(b) Disclosures (continued)

Mortality Assumptions (continued):

The mortality basis explicitly allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains minimum retirement age (eg. age 50, 60, 65, 66, 67 and 68). The life expectancy of a 65 year old in 2017 and 2037 is set out below.

Year of attaining age 65	2017
Life expectancy - male	21.2 years
Life expectancy - female	23.7 years

This is the current mortality basis which is underlying "Prescribed Guidance in Relation to Section 34 of the Pensions Act, 1990, Version 2", issued by the Pensions Authority. This guidance sets out the minimum transfer value basis that actuaries adopt in calculating transfer values for funded pension schemes.

Income and Expenditure Recognition

The amounts recognised in the Income and Expenditure are as follows:

	2017
	€'000
Gross service cost (Note 5)	33
Net interest expense/(income) (Note 5)	2
Total	35

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

12 Pension Schemes (continued)

(b) Disclosures (continued)

Reconciliation of Movement in Defined Benefit Obligation

Changes in the present value of the defined benefit obligation are as follows:

	2017 €'000
Opening defined benefit obligation	100
Gross Service cost (Note 5)	33
Interest cost (Note 5)	2
Actuarial loss	17
Curtailment loss/(gain)	-
Past service cost loss/(gain)	-
Liabilities extinguished on settlements	-
Liabilities assumed in a business combination	-
Exchange differences on foreign plans	-
Benefits paid	-
Closing defined benefit obligation	<u>152</u>

A corresponding asset of €152,000 in respect of amounts receivable from the State has been recognised.

(c) Deferred funding for retirement benefits

Crawford Art Gallery recognises amounts from the state for the unfunded deferred liability for retirement benefit on the basis of a number of past events. These events include the statutory backing for Superannuation scheme and the policy and practice in relation to funding public service retirements benefit including contributions by employees and the annual estimates process. While there is no formal agreement and therefore no guarantee regarding the specific amounts with the Department of Finance, the Gallery has no evidence that this funding policy will no continue to progressively meet this amount in accordance with current practice.

CRAWFORD ART GALLERY CORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

(c) Deferred funding for retirement benefits (continued)

The Net Deferred Funding for Retirement Benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves was as follows:

	2017 €
Net Deferred funding for Retirement Benefits in year:	
Funding recoverable in respect of current year retirement benefit costs	35,000
State grant applied to pay pensioners	-
	<hr/>
State grant applied to pay pensioners	35,000

The deferred funding asset for retirement benefits as at 31 December 2017 amounted to €152,000.

13 Related Party Transactions/ Disclosure of Interests

Crawford Art Gallery Cork complies with the 2016 Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure and Reform in relation to the disclosures of interests by the Company and members/staff of the Company. Formal procedures exist to ensure adherence with the requirements of the Code.

The company did not enter into any contractual arrangements with undertakings in which the company directors are employed or otherwise interested. There were no transactions during the year in which company directors may have had an interest.

Key management personnel in Crawford Art Gallery Cork consist of the Gallery Director and members of the Board of Directors. Total compensation paid to key management personnel, amounted to €97,427 (2016: €76,841).

For a breakdown of the remuneration and benefits paid to key management personnel, please refer to Note 3.

14 Approval of Financial Statements

The financial statements were approved by the Board on 26.09.2018.