

Crawford Art Gallery Cork

(Company Limited by Guarantee)

Reports and Financial Statements

For the financial year ended 31 December 2019

Crawford Art Gallery Cork
(Company Limited by Guarantee)

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Crawford Art Gallery Cork
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Directors and other information

Directors	Louise Crowley - appointed 18/06/2019 Sean Clarke – appointed 18/06/2019 Kenneth O’Flynn- appointed 10/06/2019 (resigned 27/01/2020) Rose McHugh (Chairman) – appointed 15/03/2017 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 Ann Doherty – appointed 19/09/2019 Tim Brosnan – appointed 03/02/2016 (resigned 21/06/2019) Susan McCarthy – appointed 06/01/2016 Mary Hegarty – appointed 06/01/2016
Secretary	Norma Cuddihy – appointed 28/04/2017
Gallery Director	Mary McCarthy – appointed 12/02/2018
Company number	431177
Charity number	CHY18818
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
(Company Limited by Guarantee)
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 the 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.

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, Grant Thornton Ireland, to prepare the management accounts and assist in the preparation of the Financial Statements for the Gallery.

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Governance Statement and Board Members' Report

The Board is responsible for approving the annual plan and budget. The 2019 annual budget was approved on 28 November 2018 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 2019.

Board structure

The Board consists of a Chairman and twelve ordinary members, all of whom are appointed by the Minister for Culture, Heritage and the 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>	<u>Date Resigned</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	
Ann Doherty	Ordinary Member	19/09/2019	
Tim Brosnan	Ordinary Member	03/02/2016	21/06/2019
Susan McCarthy	Ordinary Member	06/01/2016	
Mary Hegarty	Ordinary Member	06/01/2016	
Louise Crowley	Ordinary Member	18/06/2019	
Sean Clarke	Ordinary Member	18/06/2019	
Kenneth O'Flynn	Ordinary Member	10/06/2019	27/01/2020

Directors' and Secretary's Interests in Shares:

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

Crawford Art Gallery Cork
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Governance Statement and Board Member's Report

The Board has established four committees, as follows:

1. Audit and Risk Committee:

Comprises of three Board members and one independent member. The members of the Audit and Risk Committee (ARC) are: Barrie O'Connell (Chairperson), Mary Hegarty, Karen Kelly, and Dave Ronayne. There were 4 meetings of the ARC in 2019.

The role of the 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 of three Board members and three independent members. The members of this committee are: Ann Doherty (Chairperson), Tim Healy, Susan McCarthy, Karen Kelly, Martin O'Brien, Louise Crowley, Deirdre Crowley and Jim Corr. There were 6 meetings of the Finance and Legal Committee in 2019.

The role of the Finance and 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 of six Board members and two independent members. The members of this committee are: Rose McHugh (Chairperson), Gareth O'Callaghan, Jerry Carey, Barrie O'Connell, Catherine Hammond, Ann Doherty and Denis Kirby. There were 3 meetings of the Building and Development Committee in 2019.

The role of the Building and 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. To initiate and support any strategic partnerships deemed to be of benefit to the Gallery and to evaluate and approve the marketing plan for the Gallery examining both short and long-term goals.

The Building and Development Subcommittee was disbanded in September 2019 and a Building working group was formed, whose role is to direct the MDP at a strategic level and ensure the successful completion of the project within the timelines required.

4. Artistic Policy Committee:

Comprises of four Board members and two independent members. The members of this committee are: Josephine Browne (Chairperson), Catherine Hammond, Gareth O'Callaghan, Tim Brosnan, Catherine Fehily and Vera Ryan. There were 4 meetings of the Artistic Policy Committee in 2019.

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
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Governance Statement and Board Member's Report

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2019 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 2019 €	Expenses 2019 €
Number of meetings	5	4	6	4	3		
Rose McHugh	5 (5)	-	-	-	3 (3)	-	-
Barrie O'Connell	4 (5)	4 (4)	-	-	3 (3)	-	-
Catherine Hammond	5 (5)	-	-	3 (4)	2 (3)	-	-
Karen Kelly	5 (5)	4 (4)	5 (6)	-	-	-	-
Gareth O'Callaghan	5 (5)	-	-	3 (4)	3 (3)	-	-
Josephine Browne	5 (5)	-	-	4 (4)	-	-	-
Ann Doherty	5 (5)	-	6 (6)	-	3 (3)	-	-
Tim Brosnan	1 (3)	-	-	1 (2)	-	-	-
Susan McCarthy	3 (5)	-	2 (6)	-	-	-	-
Mary Hegarty	4 (5)	4 (4)	-	-	-	-	1,306
Louise Crowley	1 (2)	-	2 (2)	-	-	-	-
Sean Clarke	2 (2)	-	-	-	-	-	-
Kenneth O'Flynn	2 (2)	-	-	-	- (2)	-	-
						-	1,306

*() Number of meetings each member was eligible to attend.

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:

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	
	2019	2018
€60,000 - €69,999	-	-
€70,000 - €79,999	-	1
€80,000 - €89,999	1	-

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Governance Statement and Board Member's Report

Consultancy Costs

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

	2019	2018
	€	€
Legal	3,070	10,089
Financial	-	-
Recruitment costs	-	2,356
	<u>3,070</u>	<u>12,445</u>

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2019	2018
	€	€
Domestic		
– Board	1,306	596
– Employees	4,144	6,290
International		
– Board	-	-
– Employees	3,431	566
	<u>8,881</u>	<u>7,452</u>

Hospitality Expenditure

The Income and Expenditure includes the following hospitality expenditure:

	2019	2018
	€	€
Hospitality	8,322	5,765
	<u>8,322</u>	<u>5,765</u>

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.

Ownership of the Gallery

The ownership of the Gallery building and specified assets remain in the ownership of the Cork Education and Training Board. 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 does not have a share capital.

Crawford Art Gallery Cork
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Governance Statement and Board Member's Report

Future Developments

The Deed of Gift of the Collection enabling the transfer of the Collection from ETB to Crawford Art Gallery Cork is now signed and was effective from February 1st 2019. A lease agreement has also been entered into between Cork ETB and Crawford Art Gallery Cork, until such time as the building ownership is transferred from ETB to OPW. Following this, a lease agreement will be signed between Crawford Art Gallery Cork and OPW in 2020.

Results for the year	2019	2018
	€	€
(Deficit)/Surplus for the year	<u>(15,100)</u>	<u>22,190</u>

Assets and Liabilities for Financial Position

The total assets of the business have increased by €17,802,388 to €25,293,286, the total liabilities have increased by €108,782 to €497,017 resulting in an increase in net assets of €17,693,604 to €24,796,267.

Events after the Balance Sheet Date

On March 12th 2020 as a result of Government guidelines, the Gallery closed to the public due to the WHO classifying COVID-19 as a worldwide pandemic. Management has not yet determined the financial impact of these events as the situation is on-going at the date of signing the audited financial statements. Crawford Art Gallery reopened to the public on the 29th June. They are adhering to all guidelines issued by Government and have implemented all necessary protocols.

It is also anticipated that a lease agreement will be signed in 2020 between Crawford Art Gallery and OPW.

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.

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

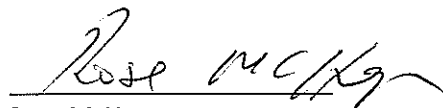
The Directors have fulfilled their requirement to establish an Audit & Risk Committee that meets the requirements of Section 167 of the Companies Act 2014.

Crawford Art Gallery Cork
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Governance Statement and Board Member's Report

Auditor

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

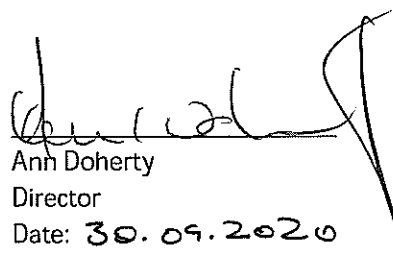
On behalf of the Board of Crawford Art Gallery Cork



Rose McHugh

Chairman

Date: 30.04.2020



Ann Doherty

Director

Date: 30.09.2020

Crawford Art Gallery Cork
(Company Limited by Guarantee)
Statement on Financial Control

Statement on Financial Control

Scope of Responsibility

On behalf of the Crawford Art Gallery Cork, we 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 materials 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 2019 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 four times in 2019.

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
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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. We 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.

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. We 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
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Statement on Financial Control

Procurement

There were no instances of non-compliant procurement during 2019.

Review of Effectiveness

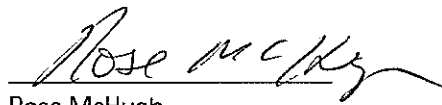
We confirm that Crawford Art Gallery has procedures to monitor the effectiveness of its risk management and control procedures. Crawford Art Gallery's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, 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.

We confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2019.

Internal Control Issues

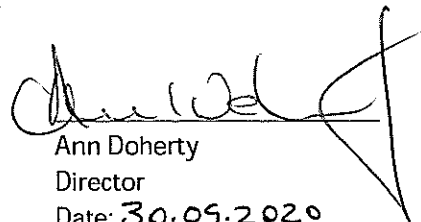
Annual Review of Effectiveness of Internal Control: In accordance with the Code of Practice for the Governance of State Bodies, the Board has completed an annual review of the effectiveness of internal control systems in the Gallery for 2019. Reports from the Audit and Risk subcommittee and the Internal 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: 30.09.2020



Ann Doherty
Director

Date: 30.09.2020



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 the financial statements

I have audited the financial statements of Crawford Art Gallery Cork Limited for the year ended 31 December 2019 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 2019 and of its income and expenditure for 2019
- 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

The directors have prepared the financial statements on a going concern basis. As described in the appendix to this report, I conclude on

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

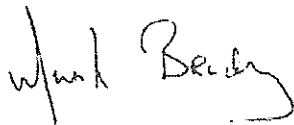
In my opinion, the accounting records of the Crawford Art Gallery Cork Limited were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

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.

A handwritten signature in black ink, appearing to read "Mark Brady". The signature is written in a cursive, slightly slanted style.

Mark Brady
For and on behalf of the
Comptroller and Auditor General
5 October 2020

Appendix to the report

Responsibilities of the Directors

As detailed in the governance statement and board members' report, 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 I identify 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 I identify 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.

Crawford Art Gallery Cork

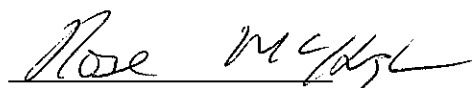
(Company Limited by Guarantee)

Statement of income and expenditure and retained revenue reserves
for the financial year ended 31 December 2019

	Note	2019 €	2018 €
Income			
Unique Donated Artwork – Cork ETB	12	17,387,134	-
Oireachtas Grants	2a	1,623,358	1,592,920
Gallery Bookshop Net Profit	2b	17,189	20,673
Own Resource Income	2c	140,065	148,822
Donated Artwork	12	20,500	48,000
Pension Income	15	75,000	46,000
Total Income		<u>19,263,246</u>	<u>1,856,415</u>
Expenditure			
Salaries and Wages	3a	(714,714)	(675,401)
Exhibitions & Display Collections	4	(596,310)	(573,930)
Other Administration Costs	5	(507,236)	(437,596)
Total Expenditure		<u>(1,818,260)</u>	<u>(1,686,927)</u>
Net Operating Surplus for the Year		17,444,986	169,488
Transfer to Capital Account			
– Donated Assets	12	(17,407,634)	(48,000)
– Other Fixed Assets	12	(52,452)	(99,298)
Surplus for the year after transfer to the Capital Account		(15,100)	22,190
Balance Brought Forward at 1 January		379,892	357,702
Balance Carried Forward at 31 December		<u>364,792</u>	<u>379,892</u>

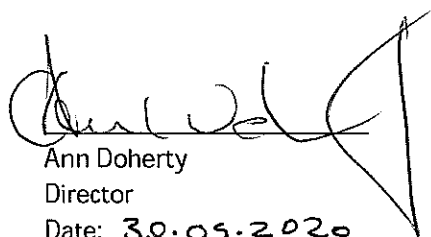
Notes 1 to 18 form part of these financial statements.

On behalf of the Board of Crawford Art Gallery Cork



Rose McHugh
Chairman

Date: 30.09.2020



Ann Doherty
Director

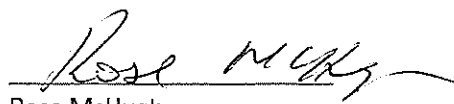
Date: 30.09.2020

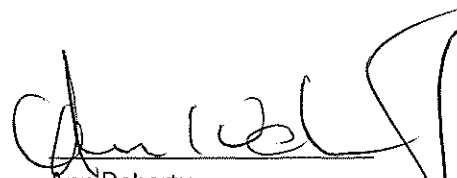
Crawford Art Gallery Cork
 (Company Limited by Guarantee)
 Statement of Comprehensive Income
 for the financial year ended 31 December 2019

	Note	2019 €	2018 €
Surplus for the year		57,852	169,488
Actuarial Gain/(Loss) on Experience on pension scheme liabilities		5,000	(52,000)
Actuarial Gain/(Loss) on Change in Assumptions on pension scheme liabilities		<u>-</u>	<u>-</u>
Changes in assumptions underlying the present value of pension scheme liabilities		-	-
Actuarial Gain/(Loss) on pension liability	15	<u>5,000</u>	<u>(52,000)</u>
Adjustment to deferred pension funding		(5,000)	52,000
Total recognised Gain/(Loss) for the year		<u>57,852</u>	<u>169,488</u>

Notes 1 to 18 form part of these financial statements.

On behalf of the Board of Crawford Art Gallery Cork


 Rose McHugh
 Chairman
 Date: 30.09.2020


 Ann Doherty
 Director
 Date: 30.09.2020

Crawford Art Gallery Cork
(Company Limited by Guarantee)

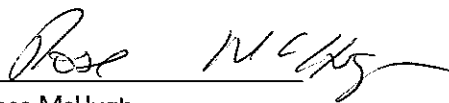
Balance Sheet

for the financial year ended 31 December 2019

	Note	2019	2018
Fixed Assets			
Property, Plant & Equipment	6	641,953	623,043
Artworks	7	<u>23,540,904</u>	<u>6,099,728</u>
Total Fixed Assets		<u>24,182,857</u>	<u>6,722,771</u>
Current Assets			
Receivables	8	20,873	13,162
Inventory	9	30,335	32,948
Cash at Bank and in Hand	10	490,603	472,017
Restricted Cash at Bank and in Hand	10/13	<u>248,618</u>	<u>-</u>
		790,429	518,127
Current Liabilities (amounts falling due within one year)			
Payables	11	<u>(177,019)</u>	<u>(138,235)</u>
Net Current Assets		613,410	379,892
Retirement Benefit Receivable	15	320,000	250,000
Retirement Benefit Payable	15	<u>(320,000)</u>	<u>(250,000)</u>
Net Assets		<u>24,796,267</u>	<u>7,102,663</u>
Representing			
Capital Account	12	24,182,857	6,722,771
Fund Reserve	13	248,618	-
Retained Revenue Reserves		<u>364,792</u>	<u>379,892</u>
		<u>24,796,267</u>	<u>7,102,663</u>

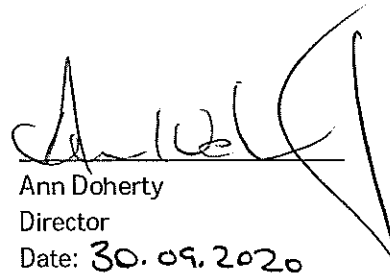
Notes 1 to 18 form part of these financial statements.

On behalf of the Board of Crawford Art Gallery Cork



Rose McHugh
Chairman

Date: 30.09.20



Ann Doherty
Director

Date: 30.09.2020

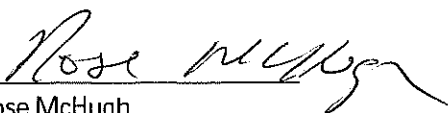
Crawford Art Gallery Cork
(Company Limited by Guarantee)

Statement of Cash Flows
for the financial year ended 31 December 2019

	2019	2018
	€	€
Cash flows from operating Activities		
Excess Income over Expenditure	57,852	169,488
Donated Artwork	(20,500)	(48,000)
Depreciation and Impairment of Fixed Assets	77,934	74,303
Increase/(Decrease) in Payables	38,784	(40)
(Increase) in Receivables	(7,711)	(5,471)
Decrease in Inventory	2,613	1,291
Net Cash Inflow from Operating Activities	148,972	191,571
 Cash Flows from Investing Activities		
Expenditure on Fixed Assets:		
Property, Plant & Equipment	(96,844)	(105,887)
Artwork	(33,542)	(67,714)
Net Cash Outflow from Investing Activities	(130,386)	(173,601)
 Cash Flow from Financing Activities	-	-
Net Cash Flows from Financing Activities	-	-
 Net Increase in Cash and Cash Equivalents	18,586	17,970
 Net Funds at 1 January (per Balance Sheet 2018 audited financial statements)	472,017	454,047
Net funds at 31 December (per Balance Sheet less restricted funds)	490,603	472,017
Movement in Net Funds in the Year	18,586	17,970

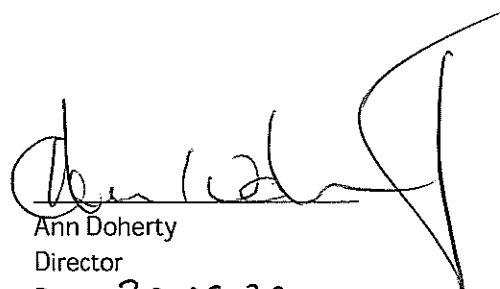
Notes 1 to 18 form part of these financial statements.

On behalf of the Board of Crawford Art Gallery Cork



Rose McHugh
Chairman

Date: 30.09.20



Ann Doherty
Director

Date: 30.09.20

Crawford Art Gallery Cork
(Company Limited by Guarantee)

Notes to the Financial Statements

for the financial year ended 31 December 2019

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 Crawford Art Gallery, Emmet Place, Cork, T12 TNE6. Crawford Art Gallery Cork is a Public Benefit Entity (PBE). The nature of the company's operations and its principal activities are set out in governance statement and board members' report on page 4-10. 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.

(b) Statement of Compliance

The financial statements of Crawford Art Gallery Cork for the year ended 31 December 2019 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 and 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
(Company Limited by Guarantee)

Notes to the Financial Statements

for the financial year ended 31 December 2019

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) Donated Artwork

Donated Artwork received in the normal activity of the Gallery is recognised as Income within the Statement of Income and Expenditure.

Donated artwork from the Deed of gift between Cork Education and Training Board and the Crawford Art Gallery has been recognised as Unique Donated Artwork within the Capital Account.

(f) 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.

Crawford Art Gallery Cork
(Company Limited by Guarantee)
Notes to the Financial Statements
for the financial year ended 31 December 2019

1. Accounting Policies - Continued

(g) 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.

(h) Inventory

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

(i) 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.

(j) 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 Balance Sheet.

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 €320,000 are corresponding asset from the State of €320,000 have been recognised in the Balance Sheet.

Crawford Art Gallery Cork
(Company Limited by Guarantee)
Notes to the Financial Statements
for the financial year ended 31 December 2019

1. Accounting Policies – Continued

Employee Benefits (Continued)

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 is recoverable, and offset by grants received in the year to discharge pension payments.

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.

(k) Capital Account

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

(l) 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 Balance Sheet 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.

(m) 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
(Company Limited by Guarantee)
Notes to the Financial Statements
for the financial year ended 31 December 2019

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	2019 €	2018 €
Grants for Current Expenditure	A5	1,327,000	1,236,000
Grants for Capital Expenditure	A5	162,000	162,000
Procurement Payment	A7	2,358	-
Capital funding for Building Management System	A7	-	30,000
Capital funding for Digitisation Scheme	A7	-	18,000
Capital funding for Acquisition of Daniel McDonald	A7	-	24,920
The Naked Truth Exhibition	A6	-	65,000
The Sunday Opening	A5	77,000	57,000
Seen Not Heard	A6	55,000	-
		<u>1,623,358</u>	<u>1,592,920</u>

b) Gallery Shop Profit

	2019 €	2018 €
Sales	53,769	40,397
Cost of Sales		
Opening Stock	32,948	34,239
Purchases	33,967	18,433
Closing Stock	<u>(30,335)</u>	<u>(32,948)</u>
	<u>(36,580)</u>	<u>(19,724)</u>
Gross Profit	<u>17,189</u>	<u>20,673</u>

Crawford Art Gallery Cork
(Company Limited by Guarantee)
Notes to the Financial Statements
for the financial year ended 31 December 2019

2	Income-Continued		
c)	Own Resource Income and Donations		
		2019	2018
		€	€
	Rental Income	61,986	60,653
	Education	32,206	36,910
	Bank Deposit Income	54	45
	Heritage Council Funding	-	2,900
	Creative Communities Project Income	-	3,750
	Culture Ireland funding	-	23,280
	Sponsorship	42,034	8,000
	Donations:		
	Gallery Visitors	3,785	2,290
	Private Donation	-	10,994
		<u>140,065</u>	<u>148,822</u>

3 Employees and Remuneration

Number of employees	2019	2018
The average number of persons employed by the company (including the director) during the year was	<u>19</u>	<u>19</u>

Crawford Art Gallery's (ECF) target in 2019 was 13.5, the total staff employed (WTE) as at 31 December 2019 was 13.5. The ECF target in 2018 was 13.5, the total staff employed (WTE) as at 31 December 2018 was 13.5.

The staff costs comprised of:-
(a) Aggregate Employee benefits

	2019	2018
	€	€
Staff Short Term Benefits	646,742	613,387
Employees Contribution to Social Welfare	67,972	62,014
	<u>714,714</u>	<u>675,401</u>

Crawford Art Gallery Cork
(Company Limited by Guarantee)
Notes to the Financial Statements
for the financial year ended 31 December 2019

3 Employees and Remuneration – Continued

(b) Staff Short-Term Benefits

	2019	2018
	€	€
Basic Pay	646,742	613,387
	646,742	613,387

(c) Termination Benefits

	2019	2018
	€	€
Termination Benefits Charged to Income and Expenditure	-	-
	-	-

(d) Key Management Personnel

	2019	2018
	€	€
Salary	89,181	84,085
	89,181	84,085

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 2019 amounted to €2,362 (2018: €3,539) of which €1,874 (2018: €212) related to foreign travel.

(e) Gallery Director's remuneration

The Gallery Directors remuneration for the year ended 31 December 2019 amounted to €89,181 (2018: €84,085).

The expenses incurred by the Gallery Director for the Year ended 31 December 2019 amounted to € 1,874.

Additional Superannuation Contribution (ASC) of €11,326 (2018: €17,217) 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 €138,911 (2018: €111,425) are not included in staff costs of €714,714. 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).

Crawford Art Gallery Cork
 (Company Limited by Guarantee)
 Notes to the Financial Statements
 for the financial year ended 31 December 2019

4 Exhibitions & Display Collections

	2019	2018
	€	€
Educational Programme	65,528	63,949
Permanent Collection Travel and Curatorial	7,144	1,842
Other Temporary Exhibitions and Specific Collections	321,856	328,032
Framing, Journals and Subscriptions	3,647	2,498
Advertising	67,265	47,190
Security	130,870	130,419
	596,310	573,930

5 Other Administration Costs

	2019	2018
	€	€
General Building and Ground Maintenance	57,790	41,210
Insurance and Ground Rents	63,813	56,340
Light and Heat	75,585	72,467
Print, Postage and Stationery	17,819	16,068
Health and Safety	1,822	2,166
Telephone, Internet and Data Processing	14,144	16,041
Travel and Subsistence	4,144	6,886
Foreign Travel	3,431	566
Meeting Expenses	4,567	3,082
Training and Development	2,106	2,180
Associated Event Costs	11,814	13,153
Recruitment Expenses	-	2,356
Legal and Professional	65,737	59,114
Audit	16,000	14,000
Internal Audit	5,397	9,042
Bank Charges	2,013	1,878
Consultancy Fees	8,120	744
Pension Gross Service Cost (Note 14)	68,000	42,000
Interest on Net Defined Pension Liability (Note 14)	7,000	4,000
Depreciation	77,934	74,303
	507,236	437,596

Crawford Art Gallery Cork
(Company Limited by Guarantee)

Notes to the Financial Statements

for the financial year ended 31 December 2019

6 Property, Plant & Equipment

	Furniture & Fixtures €	Imp to Lease Premise €	Digital Archive €	Equipment €	Total €
Cost/Valuation					
At 1 January 2019	225,923	320,926	119,340	549,301	1,215,490
Additions	1,812	26,405	28,113	40,514	96,844
At 31 December 2019	<u>227,735</u>	<u>347,331</u>	<u>147,453</u>	<u>589,815</u>	<u>1,312,334</u>
Depreciation					
At 1 January 2019	191,592	26,219	34,063	340,573	592,447
Charge for the year	10,472	6,785	16,570	44,107	77,934
At 31 December 2019	<u>202,064</u>	<u>33,004</u>	<u>50,633</u>	<u>384,680</u>	<u>670,381</u>
Net book values					
At 31 December 2019	<u>25,671</u>	<u>314,327</u>	<u>96,820</u>	<u>205,135</u>	<u>641,953</u>
At 31 December 2018	<u>34,331</u>	<u>294,707</u>	<u>85,277</u>	<u>208,728</u>	<u>623,043</u>

7 Art Works

	Purchased Artwork €	Donated Artworks €	Total €
Cost/Valuation			
At 1 January 2019	685,408	5,414,320	6,099,728
Additions	33,542	17,407,634	17,441,176
At 31 December 2019	<u>718,950</u>	<u>22,821,954</u>	<u>23,540,904</u>

In February 2019, Cork City ETB transferred ownership of art works valued at €17m to the Gallery.

Crawford Art Gallery Cork
(Company Limited by Guarantee)
Notes to the Financial Statements
for the financial year ended 31 December 2019

7 Art Works – Continued

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 for 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 eighteenth century Irish and European Paintings, 8L 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 seven days a week - (10 am - 5 pm daily Monday to Saturday with late extended opening to 8 pm on a Thursday, Sunday and Bank Holidays 11 am — 4pm) throughout the year.

In respect of 2015 – 2018:-

	Purchased Artwork €	Donated Artworks €	Total €
Cost/Valuation			
At 1 January 2015	535,476	5,272,400	5,807,876
Additions 2015	27,429	68,700	96,129
Additions 2016	44,227	15,220	59,447
Additions 2017	10,562	10,000	20,562
Additions 2018	67,714	48,000	115,714
	<u>685,408</u>	<u>5,414,320</u>	<u>6,099,728</u>

Crawford Art Gallery Cork
(Company Limited by Guarantee)
Notes to the Financial Statements
for the financial year ended 31 December 2019

8 Receivables and prepayments

	2019	2018
	€	€
Accrued Income	-	1,939
Prepayments	<u>20,873</u>	<u>11,223</u>
	<u>20,873</u>	<u>13,162</u>

9 Inventory

	2019	2018
	€	€
Gallery Shop Closing Stock	<u>30,335</u>	<u>32,948</u>
	<u>30,335</u>	<u>32,948</u>

Stock recognised as an expense during the financial year was €33,967 (2018: €18,433).

10 Cash at bank and in hand

	2019	2018
	€	€
Cash at Bank and in Hand	490,603	427,017
Restricted Cash at Bank and in Hand	<u>248,618</u>	<u>-</u>
	<u>739,221</u>	<u>427,017</u>

11 Payables (Amounts falling due within one year)

	2019	2018
	€	€
Trade creditors	18,716	54,819
Accruals and Deferred Income	132,415	64,988
VAT Payable	3,893	245
PAYE Payable	15,751	13,350
PSWT	1,604	1,568
Other Creditors	<u>4,640</u>	<u>3,265</u>
	<u>177,019</u>	<u>138,235</u>

Crawford Art Gallery Cork
 (Company Limited by Guarantee)
 Notes to the Financial Statements
 for the financial year ended 31 December 2019

12 Capital Account

	2019	2018
	€	€
Opening balance at 1 January	6,722,771	6,575,473
Transfer from I&E		
Unique Donated Artwork – Cork ETB	17,387,134	-
Donated Artwork	20,500	48,000
Funding of fixed asset additions		
– Tangible assets	96,844	105,887
– Artwork	33,542	67,714
Amortisation in line with depreciation	<u>(77,934)</u>	<u>(74,303)</u>
	<u>52,452</u>	<u>99,298</u>
Closing balance at 31 December	<u>24,182,857</u>	<u>6,722,771</u>

On the 1st of February 2019 a Deed of Gift was signed between Cork Education and Training Board and Crawford Art Gallery CLG. This deed enabled the Cork Education and Training Board to transfer a Collection to the value €17,387,134 to Crawford Art Gallery CLG. This collection is now included under Donated Artworks in the Balance Sheet.

During the financial year ended 31 December 2019 there were various artworks donated to Crawford Art Gallery, the total value of these donations for the year amounted to €20,500.

13 Joseph Stafford Gibson Fund Reserve

During the year Cork Education and Training Board transferred a cash sum of €248,618 being the fund bequeathed by Joseph Stafford Gibson. This fund is being held as restricted cash at bank and in hand and is held for the purchasing of artwork in the future.

	2019
	€
Opening balance at 1 January	-
Received during the year	248,618
Closing balance at 31 December	<u>248,618</u>

Crawford Art Gallery Cork
(Company Limited by Guarantee)
Notes to the Financial Statements
for the financial year ended 31 December 2019

14 Taxation

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

15 Pension Schemes

(a) Actuarial Valuation

As set out in Note 1 (i) persons employed by the company since pre 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 2019	Projected Unit 2018
Discount rate	1.20%	1.85%
Rate of increase in salaries	2.25%	2.5%
Rate of increase in pensions	2.25%	2.5%

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.

Crawford Art Gallery Cork
(Company Limited by Guarantee)

Notes to the Financial Statements

for the financial year ended 31 December 2019

15 Pension Schemes (continued)

(b) Disclosures (continued)

Mortality Assumptions (continued):

Mortality is based on 58% of ILL15 for males and 62% of ILL15 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)

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 is (eg. age 50, 60, 65, 66, 67 and 68). The life expectancy of a 65 year old in 2019 and 2039 is set below.

Year of attaining age 65	2019	2039
Life expectancy – male	21.5 years	24 years
Life expectancy – female	23.9 years	26 years

This is 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:

	2019	2018
	€	€
Gross Service Cost (Note 5)	68,000	42,000
Net Interest Expense (Note 5)	7,000	4,000
Total	<u>75,000</u>	<u>46,000</u>

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15 Pension Schemes (continued)

(b) Disclosures (continued)

Reconciliation of Movement in Defined Benefit Obligation

	2019	2018
	€	€
Opening defined benefit obligation	250,000	152,000
Gross service cost (Note 5)	68,000	42,000
Interest cost (Note 5)	7,000	4,000
Actuarial loss	(5,000)	52,000
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>320,000</u>	<u>250,000</u>

A corresponding asset of €320,000 (2018: €250,000) 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. The Net Deferred Funding for Retirement Benefits recognised in the Statement of Income and Expenditure and Retained Reserves was as follows

	2019	2018
	€	€
Net Deferred funding for Retirement Benefits in year:		
Funding recoverable in respect of current year retirement benefit costs	75,000	46,000
State grant applied to pay pensioners	-	-
State grant applied to pay pensioners	<u>75,000</u>	<u>46,000</u>

The deferred funding asset for retirement benefits as at 31 December 2019 amounted to €320,000 (2018: €250,000)

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16 Related Party Transactions / Disclosures 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 the Company Director had a material interest.

Key management personnel are disclosed in Note 3

17 Financial instruments

	2019	2018
Financial Assets	€	€
Financial assets measured at fair value through profit or loss	490,603	472,017
	490,603	472,017
Financial Liabilities	€	€
Financial liabilities measured at amortised cost	155,771	123,072
	155,771	123,072

Financial assets measured at fair value through profit or loss is comprised of cash at bank and in hand.

Financial liabilities measured at amortised cost comprise of accruals, trade creditors and other creditors.

18 Approval of Financial Statements

The financial statements were approved by the Board on 30.09.2020