

Financial Statements

Project Arts Centre

For the financial year ended 31 December 2020

Registered number: 35937

Company Information

Directors

Adrian O'Carroll
Alice Casey (appointed 3 February 2021)
Donal Maguire (appointed 30 June 2020)
John O'Halloran
Liv Lillesto O'Donoghue
Mary Cloake
Matthew Smyth
Monica Flood
Robert Farhat (appointed 17 November 2020)
Sarah Browne (appointed 3 February 2021)
Fiona Slevin (resigned 31 December 2020)
Sarah Byrne (resigned 27 April 2020)
Sarah Pierce (resigned 30 June 2020)

Company secretary

Penelope Kenny (appointed 15 October 2020)
John O'Halloran (resigned 15 October 2020)

Registered number

35937

Registered office

38/41 East Essex Street
Dublin 2
D02RD45

Independent auditor

Grant Thornton
Chartered Accountants & Statutory Audit Firm
13 - 18 City Quay
Dublin 2

Bankers

Bank of Ireland
88 Lower Camden Street
Dublin 2

Solicitors

O'Shea Barry Solicitors
5 Fitzwilliam Place
Grand Canal Dock
Dublin 2

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Chairman's statement

For the financial year ended 31 December 2020

Project Arts Centre (Project) occupies a unique and essential place in the support and delivery of the contemporary arts in Ireland. For over 50 years, the centre has sustained its core purpose to enable artists across all art forms to make and present extraordinary works that inspire and provoke. Project's continued independence, ambition and quality programming has contributed significantly to enhancing Ireland's cultural reputation locally and internationally. It also continues to play a necessary role in identifying and supporting artists at the early stages of their careers and commissioning and generating new work.

Project is largely funded through a grant from The Arts Council/An Chomhairle Ealaíon, supplemented by grants from Dublin City Council, fundraising and income from ticket sales.

2020 was an extraordinary year. A year of challenge and opportunity. In addition to finding new ways to support artists and keep our audiences engaged, Project used the time to interrogate questions relating to the value of our work both pre-pandemic and throughout the crisis.

The Board went ahead with a number of strategic planning meetings but focused particularly on Project's core values and priorities in a time of change. A series of similar meetings were held with Project Members, Project Artists, Staff and a small sub-group of Project Board and Members who formed a Radical Thinking Group to help inform the future of the organisation.

Given the extent of flexibility and change required in 2020 and 2021, it was decided to extend the current three-year plan Project 2020. This will give the Board and Executive the opportunity to deliver on some unfinished elements of that plan, and to make 2021 a year of nimble flexibility with a programme of enquiry, discussion, experimentation, presentation and debate. The learning that emerges from this process in 2021 will shape the future of the organisation for the following five years (2022 – 2026).

Further details of Project's activities in 2020 will be published in our Annual Report, but despite the challenges of the Covid-19 crisis, we reached over 17,300 audience members, employed 171 artists and offered 26 artist commissions, deepened our engagement with audiences through the Project Potential Programme and partnered with a host of artistic, social and philanthropic partners to deliver our rich programme. I am particularly proud of the series of works presented as part of the Future Forecast Initiative, including the online commissions to Project Artists, HAVEN Commissions, the BAE publication, WORKSPACE Commission and the upcoming FLUX Residencies.

I would like to acknowledge the work of the centre staff in the delivery of Project's programme and to thank my colleagues on the Board of Directors for their guidance, insights and dedication during the financial year.

I would like to acknowledge the support of The Arts Council/An Chomhairle Ealaíon, Dublin City Council, Culture Ireland, The Ireland Funds, our Project People and other partners for their support in the delivery of project's programme.

I have huge faith in Cian O'Brien, Orla Moloney, the Project leadership and staff, our Board and Members to deliver our purpose and goals in 2021. As we emerge from the forced pause of the Covid-19 pandemic, I know that we have a singular focus on maintaining Project's prominence as an active advocate and producer of art that challenges norms, sparks conversations and changes minds.

Name Matthew Smyth
Chairman
Project Arts Centre



Date June 4th, 2021

Directors' report

For the financial year ended 31 December 2020

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2020.

Principal activities

Project Arts Centre (Project) occupies a unique and essential place in support and delivery of the contemporary arts in Ireland. For over 50 years, the centre has sustained its core purpose to enable artists across all art forms to make and present extraordinary works that inspire and provoke. Project's continued independence, ambition and quality programming has contributed significantly to enhancing Ireland's cultural reputation locally and internationally. It also continues to play a necessary role in identifying and supporting emerging artists and commissioning and generating new work.

Project is funded largely through a grant from the Arts Council, supplemented by grants from Dublin City Council, fund-raising and income from ticket sales.

Results

The profit for the financial year, after taxation, amounted to €12,473 (2019: €11,958).

Directors

The directors who served during the financial year were:

Adrian O'Carroll

Alice Casey (appointed 3 February 2021)

Donal Maguire (appointed 30 June 2020)

John O'Halloran

Liv Lillesto O'Donoghue

Mary Cloake

Matthew Smyth

Monica Flood

Robert Farhat (appointed 17 November 2020)

Sarah Browne (appointed 3 February 2021)

Fiona Slevin (resigned 31 December 2020)

Sarah Byrne (resigned 27 April 2020)

Sarah Pierce (resigned 30 June 2020)

Directors' report (continued)

For the financial year ended 31 December 2020

Going concern and impact of Covid-19

The financial statements of Project Arts Centre have been prepared on a going concern basis and the Directors have satisfied themselves that there are adequate resources to continue in operational existence for the foreseeable future. The directors have considered any potential impacts of Covid-19 on the Company and have had discussions with the Arts Council in relation to this.

Covid-19 disease was recognised as a pandemic by the World Health Organisation on 11 March 2019. Project Arts Centre recognises this is an ongoing risk that the Project Arts Centre is exposed to. The Board of Directors and staff of Project Arts Centre continue to take actions focused on assuring business continuity and support for our staff, artists, partners and other key stakeholders while also continuing to identify, assess and plan for a wide range of potential financial and operational outcomes as the situation evolves. Arising from these analyses, Project Arts Centre takes appropriate steps to sustain its service and to protect its business in a prudent manner.

Within government restrictions and advice, Project Arts Centre continues to provide services to support its staff and artists during this time and continues to trade. The Board continues to work with the executive to develop and monitor financial projections, which are revisited as the situation changes. Staff are currently working from home and only enter the building for maintenance or other essential reasons.

Project Arts Centre is currently in a position to continue as a going concern. There have been no other events affecting Project Arts Centre since the balance sheet date to cause the Board to revise this conclusion.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's registered office at 38/41 East Essex Street, Dublin 2.

Events since the end of the financial year

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

Statement on relevant audit information

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

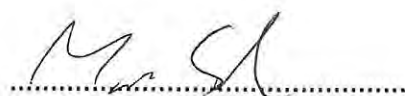
Directors' report (continued)

For the financial year ended 31 December 2020

Auditor


The auditor, Grant Thornton, continues in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.



Matthew Smyth
Director

Date: June 4th, 2021



Adrian O'Carroll
Director

Directors' responsibilities statement

For the financial year ended 31 December 2020

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

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

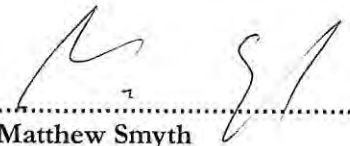
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss of the Company for that financial year and otherwise comply with the Companies Act 2014.


In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board


.....
Matthew Smyth
Director


.....
Adrian O'Carroll
Director

Date: June 4th, 2021

Independent auditor's report to the members of Project Arts Centre

Opinion

We have audited the financial statements of Project Arts Centre (the 'Company'), which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the financial year ended 31 December 2020, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

In our opinion, Project Arts Centre's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its financial performance for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

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

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

Independent auditor's report to the members of Project Arts Centre (continued)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

Under the Companies Act 2014, we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Independent auditor's report to the members of Project Arts Centre (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

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

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report to the members of Project Arts Centre (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates 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 may be identified during the audit.

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

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Duffy (Responsible Individual)
for and on behalf of

Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Dublin 2

Date: 4 June 2021

Statement of comprehensive income

For the financial year ended 31 December 2020

	Note	2020 €	2019 €
Turnover	5	1,399,970	1,783,647
Administrative expenses		(1,386,054)	(1,768,804)
Operating profit		13,916	14,843
Interest payable and similar expenses	8	(1,443)	(2,885)
Profit before taxation		12,473	11,958
Tax on profit	9	-	-
Profit for the financial year		12,473	11,958

There was no other comprehensive income for 2020 (2019:€NIL).

All amounts relate to continuing operations.

The notes on pages 13 to 21 form part of these financial statements.


Statement of financial position

As at 31 December 2020


	Note	2020 €	2020 €	2019 €	2019 €
Fixed assets					
Tangible fixed assets	10		44,562		33,376
			<u>44,562</u>		<u>33,376</u>
Current assets					
Stocks	11	3,545		2,746	
Debtors: amounts falling due within one year	12	51,555		43,964	
Cash at bank and in hand		247,580		224,013	
		<u>302,680</u>		<u>270,723</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(472,340)		(441,670)	
			<u>(169,660)</u>		<u>(170,947)</u>
Net current liabilities					
			<u>(125,098)</u>		<u>(137,571)</u>
Reserves					
Retained deficit			<u>(125,098)</u>		<u>(137,571)</u>
Accumulated deficit					
			<u>(125,098)</u>		<u>(137,571)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the 'small companies' regime and in accordance with the provisions of FRS 102 Section 1A for small entities

The financial statements were approved and authorised for issue by the board:



 Matthew Smyth
 Director



 Adrian O'Carroll
 Director

Date: June 4th, 2021.

The notes on pages 13 to 21 form part of these financial statements.

Statement of changes in equity

For the financial year ended 31 December 2020

	Retained deficit €	Total equity €
At 1 January 2020	(137,571)	(137,571)
Comprehensive income for the financial year		
Surplus for the financial year	12,473	12,473
At 31 December 2020	<u>(125,098)</u>	<u>(125,098)</u>

Statement of changes in equity

For the financial year ended 31 December 2019

	Retained deficit €	Total equity €
At 1 January 2019	(149,529)	(149,529)
Comprehensive income for the financial year		
Surplus for the financial year	11,958	11,958
At 31 December 2019	<u>(137,571)</u>	<u>(137,571)</u>

The notes on pages 13 to 21 form part of these financial statements.

Notes to the financial statements

For the financial year ended 31 December 2020

1. General information

Project Arts Centre is a company incorporated in the Republic of Ireland under the Companies Act 2014. The address of the registered office is 38/41 East Essex Street, Dublin 2, D02 RD45. The registered number of the Company is 35937.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2014.

The Company qualifies as a small company as defined by section 280A of the Act, in respect of the financial year and has applied the rules of the 'Small Companies Regime' in accordance with section 280C of the Act and Section 1A of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are presented in Euro (€).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Income recognition

- Grant income is accounted for on an accrual basis.
- Box office income is recognised on a receipts basis in the period in which production takes place.
- Bar income is recognised on a cash receipts basis exclusive of VAT.
- Cultural agency and production income is credited to the income account in the period in which production takes place. The Company recognises artist income for productions where they assist the artist to fulfill the grant funding conditions in carrying out the project. Any funding held on behalf of the artist is deferred and included in creditors.
- Rental income pertains to rental space for productions. It is credited to the income statement in the period in which production takes place.

Grants

Revenue Grants:

Revenue grants are credited to the income statement in the financial year to which they relate.

Capital Grants:

Capital grants are accounted for in the financial year in which they are received and are amortised to the income statement in the financial year in which the related expenditure is incurred on the same basis as the related tangible fixed assets are depreciated.

The Directors confirm that they have adequate financial controls in place to manage granted funds.

2.3 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.4 Taxation

Project Arts Centre (CHY No. 6465) has charitable objectives and has been granted charitable status by the Irish Revenue Commissioners and is exempt from corporation tax, under the provision of section 207 of the Taxes Consolidation Act 1997.

Notes to the financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Sound and lighting equipment	-	25%
Fixtures and fittings	-	25%
Office equipment	-	25%
Bar equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost represents invoice price from suppliers after discounts and rebates.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value including transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value including transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

For the financial year ended 31 December 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

The directors consider there to be no critical accounting judgments or key sources of estimation uncertainty evident in the application of the Company's accounting policies with the exception of the going concern assessment, which is detailed separately in Note 4 to these financial statements.

4. Going concern

The Company reported a surplus for the financial year of €12,473 (2019: €11,958) after receiving grant income from The Arts Council of €798,000 (2019: €748,000) and had net current liabilities of €169,660 (2019: €170,947) and net liabilities of €125,098 (2019: €137,571) at the balance sheet date.

The Company is dependent principally on the availability of funding from The Arts Council, generation of surplus funds from Project productions and income from cultural agencies to meet its ongoing operating expenses. The Board are pursuing additional sources of funding and are taking steps to ensure that the Company has sufficient cash flows to meet its liabilities as they fall due.

Project was the first arts centre established in Ireland and it has built an excellent, long-standing relationship with The Arts Council. It is recognised as a key part of the national arts infrastructure and receives the highest funding award of all multi-disciplinary venues in the country.

On that basis the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustment to the carrying amount or classification of assets and liabilities that would arise if the Company was unable to continue as a going concern.

5. Turnover

An analysis of turnover by class of business is as follows:

	2020 €	2019 €
Cultural agency and production income	333,990	901,829
Grant income	825,000	781,400
Other income	240,980	100,418
	<u>1,399,970</u>	<u>1,783,647</u>

All turnover arose in Ireland.

Notes to the financial statements

For the financial year ended 31 December 2020

6. Operating profit

The operating profit is stated after charging/(crediting):

	2020	2019
	€	€
Research & development charged as an expense	249	37
Depreciation of tangible fixed assets	25,229	16,985
Amortisation of grants	(4,645)	(2,145)
Operating leases - land and building	37,711	37,711
	<u>37,711</u>	<u>37,711</u>

7. Employees

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

	2020	2019
	No.	No.
Administrative	14	18
Bar	2	5
Technical	4	4
Project Artists	2	2
	<u>22</u>	<u>29</u>

	2020	2019
	€	€
Staff salaries	565,865	630,187
Staff social security	41,864	66,588
	<u>607,729</u>	<u>696,775</u>

The total remuneration packages of the key management personnel for the Company for the financial year ended 31 December 2020 was €144,436 (2019: €168,643).

During the financial year, €107,859 (2019: €65,649) of wages and salaries are artistic programme related.

No employee is earning above €70,000.

8. Interest payable and similar expenses

	2020	2019
	€	€
Loan interest payable	1,443	2,885
	<u>1,443</u>	<u>2,885</u>

Notes to the financial statements

For the financial year ended 31 December 2020

9. Taxation

The Company is exempt from corporation taxation under Section 208 of the Taxes Consolidation Act 1997.

10. Tangible fixed assets

	Sound and lighting €	Fixtures and fittings €	Office equipment €	Bar equipment €	Total €
Cost or valuation					
At 1 January 2020	861,806	468,186	120,620	21,238	1,471,850
Additions	18,614	12,731	4,512	558	36,415
At 31 December 2020	880,420	480,917	125,132	21,796	1,508,265
Depreciation					
At 1 January 2020	844,305	460,618	113,354	20,197	1,438,474
Charge for the financial year	12,047	7,785	4,190	1,207	25,229
At 31 December 2020	856,352	468,403	117,544	21,404	1,463,703
Net book value					
At 31 December 2020	24,068	12,514	7,588	392	44,562
At 31 December 2019	17,501	7,568	7,266	1,041	33,376

11. Stocks

	2020 €	2019 €
Bar stocks	3,545	2,746

Notes to the financial statements

For the financial year ended 31 December 2020

12. Debtors: Amounts falling due within one year

	2020 €	2019 €
Trade debtors	15,960	10,860
Amounts owed by project artists	25,304	20,937
Prize bonds	63	63
Prepayments	10,228	12,104
	<u>51,555</u>	<u>43,964</u>

13. Creditors: Amounts falling due within one year

	2020 €	2019 €
Loans - Temple Bar Cultural Trust Limited	-	3,165
Trade creditors	59,616	88,851
Amounts owed for project artists	159,973	96,333
PAYE/PRSI	9,140	16,995
VAT	2,492	17,177
Other creditors	3,899	-
Accruals	8,149	8,763
Deferred income	229,071	210,386
	<u>472,340</u>	<u>441,670</u>

The loan from Temple Bar Cultural Trust Limited is repayable monthly over 20 years from June 2000 with interest being charged at 4% per annum. Amount paid in full during the financial year.

Trade and other creditors are payable at various dates over the coming months in accordance with supplier's usual customary credit terms.

PAYE/PRSI and VAT are repayable over the coming months in accordance with statutory provisions.

The terms of accruals and deferred income are based on underlying contracts.

Notes to the financial statements

For the financial year ended 31 December 2020

14. Commitments under operating leases

The Company is leasing its premises at 38/41 East Essex Street, Temple Bar, Dublin 2 from Temple Bar Cultural Trust Limited for 35 years from 9 June 2000, at current annual rent of €37,711.

The lease provides for five-yearly rent reviews. The lease also provides that as long as Projects Arts Centre is in occupation of the premises the rent is to be reviewed on the basis of the greater of either the previous rent or such rent increased by the same proportion as the increase in the consumer price index over the five year period prior to the review date.

In addition, clause 5 of the lease states that, on giving not less than six months prior notice, Project Arts Centre has a right to call on Temple Bar Cultural Trust Limited to grant a further 35 year lease. This option can be exercised six months prior to the expiry of each 35 year lease.

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 €	2019 €
Not later than 1 year	37,711	37,711
Later than 1 year and not later than 5 years	150,845	150,845
Later than 5 years	348,827	386,538
	<u>537,383</u>	<u>575,094</u>

15. Legal status of the Company

The Company is limited by guarantee and consequently does not have share capital. Every member of the Company undertakes, if necessary, on a winding up during the time they are a member or within one year after they cease to be a member, to contribute to the assets of the Company an amount not exceeding €1.27.

16. Related party transactions

Certain directors of Project Arts Centre are involved in organisations with which Project Arts Centre carries on activity in the normal course of its business. These individuals receive no remuneration from Project Art Centre arising from their role as directors.

17. Events since the end of the financial year

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

18. Approval of financial statements

The board of directors approved these financial statements for issue on 4 June 2021

Schedule to the detailed accounts

For the financial year ended 31 December 2020

	2020	2019
	€	€
Schedule 1: Detailed income		
Income		
The Arts Council – revenue grant	798,000	748,000
Additional Arts Council awards	-	6,400
Dublin City Council	27,000	27,000
Cultural agencies	227,876	512,928
Productions	106,115	388,901
Donations/sponsorships	7,320	6,668
Bar sales (Schedule 3)	18,046	70,088
Venue rental	90	6,480
Project People	10,764	11,114
Other income	35,265	6,068
Covid-19 WSS	169,494	-
Total Income	1,399,970	1,783,647

Schedule to the detailed accounts

For the financial year ended 31 December 2020

	2020	2019
	€	€
Schedule 2: Detailed expenses		
Expenses		
Staff wages and salaries	458,006	564,538
Performance programme	268,628	335,383
Resource sharing and project artists cost	247,458	479,002
Visual arts program costs	42,394	54,166
Production costs	17,585	16,163
Staff training	1,492	2,336
Cleaning and canteen	13,755	15,324
Light, heat and power	48,354	57,434
Insurance	21,503	22,865
Miscellaneous office expense	7,731	7,344
Telephone	6,853	6,337
Repairs and renewals	78,015	49,015
Audit and accountancy fees	10,152	13,225
Advertising, marketing and design	47,689	27,235

Schedule to the detailed accounts

For the financial year ended 31 December 2020

	2020	2019
	€	€
Schedule 2: Detailed expenses (continued)		
Expenses		
Bar cost of sales (Schedule 3)	9,467	31,495
Sundry expenses	20,025	7,615
Rent of premises	37,711	37,711
Professional fees	19,781	6,037
Security	4,384	12,688
Amortisation	(4,645)	(2,145)
	<hr/> 1,356,338	<hr/> 1,743,768
Interest payable		
Bank interest and charges	4,487	8,050
Loan interest	1,443	2,885
	<hr/> 5,930	<hr/> 10,935
Depreciation	25,229	16,986
Total Expenditure	<hr/> 1,387,497	<hr/> 1,771,689

Schedule to the detailed accounts

For the financial year ended 31 December 2020

	2020	2019
	€	€

Schedule 3: Additional split for Bar trading account

Sales	18,046	70,088
Less: Cost of sales		
Opening stock	2,746	4,266
Purchases	10,266	29,975
Closing stock	(3,545)	(2,746)
	<hr/> 9,467	<hr/> 31,495
 Gross Trading Profit	 <hr/> 8,579	 <hr/> 38,593

Schedule to the detailed accounts

For the financial year ended 31 December 2020

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Schedule 4: Financing of fit-out premises

The Arts Council

Capital grant	380,921
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Temple Bar Cultural Trust Limited

Loan	126,974
Rent and sponsorship	253,947
	<hr/>
	380,921
	<hr/>

The loan from Temple Bar Cultural Trust Limited is repayable over 20 years from June 2000 with interest being charged at 4% per annum. The balance outstanding as at 31 December 2020 was €Nil (2019: €3,165).

Rent and sponsorship consists of the following:

Rent of €126,974 in consideration for which Temple Bar Cultural Trust Limited has certain rights of use of the premises over the period of the thirty five year lease. This was credited to the Income Statement over a four year period, ending in June 2003.

Sponsorship of €126,973 in consideration for which Temple Bar Cultural Trust Limited receives recognition of its status as a funding patron. This was credited to the Income Statement over a four year period, ending in June 2003.

Schedule to the detailed accounts

For the financial year ended 31 December 2020

Schedule 5: Grants received in 2020

Name of Grantor	Name of Grant	Purpose	Term	Accrued/ (Deferred) Grant 31.12.2019 €	Amount of grant awarded 2020 €	Cash Received in 2020 €	Recognised as income in 2020 €	Accrued/ (Deferred) Grant 31.12.2020 €
Revenue commissioners	TWSS	Temporary Covid-19 wage subsidy scheme	April – August	-	95,922	95,922	95,922	-
Revenue commissioners	EWSS	Covid-19 employment wage subsidy scheme	September – December	-	73,572	73,572	73,572	-
The Arts Council	Arts Centre Funding	Revenue Funding 2020	12 months	159,600	798,000	638,400	798,000	-
The Arts Council	Arts Centre Funding	Revenue Funding 2021	12 months	-	-	199,500	-	199,500
Dublin City Council	Revenue 2020	Revenue Funding	12 months	-	27,000	27,000	27,000	-
Dublin City Council	Grant	Spotlight – ire to the World	No fixed term	-	5,000	5,000	5,000	-
Arts & Disability Ireland	REALISE Project	REALISE Project	No fixed term	19,418	3,000	3,000	22,418	-
The Ireland Funds America	Grant	Potential/Fatima Groups Unite Project	No fixed term	-	5,000	5,000	5,000	-
Other Cultural Agencies (non-public)		Access and Engagement programme	No fixed term	-	5,250	5,250	5,250	-
Other Cultural Agencies (non-public)		Performance Programme Specific to project artists' projects	No fixed term	-	100	100	100	-
Project Artists Funds				93,873	288,150	288,150	222,776	159,247
				272,891	1,300,994	1,340,894	1,255,038	358,747