

Financial Statements

Project Arts Centre

For the financial year ended 31 December 2021

Company Information

Directors	Matthew Smyth Mary Cloake Monica Flood Liv Lillesto O'Donoghue Adrian O'Carroll John O'Halloran Robert Farhat Donal Maguire Sarah Browne (appointed 3 February 2021) Alice Casey (appointed 3 February 2021)
Company secretary	Alice Casey (appointed 1 September 2021) Penelope Kenny (resigned 1 September 2021)
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 2021

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.

Given the extent of flexibility and change required in 2021, it was decided to extend the three-year plan Project 2020. This gave 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 emerged from this process in 2021 has shaped the future of the organisation for the following five years (2022 – 2026). Several strategic initiatives were progressed in 2021, including the new 5-year strategy, WORK (2022-2026), the first stage of a 10-year masterplan for the building (with OBF Architects) and a strategic communications review. Perhaps most important in 2021, was the publication of Project's new policy Towards Equality, Diversity & Inclusion (TEDI). TEDI confirms Project's commitment to becoming a more equitable, diverse and inclusive space (both physically and conceptually), with an increasingly transparent structure and a wider breadth of partnerships and connections.

Further details of Project's activities in 2021 will be published in our Annual Report, but despite the challenges of the COVID-19 crisis, we reached over 30,564 audience members, employed 317 artists & arts workers, 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 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 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 2022. 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



Date

26/12/22

Directors' report

For the financial year ended 31 December 2021

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2021.

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 surplus for the financial year, after taxation, amounted to €8,794 (2020: €12,473).

Directors

The directors who served during the financial year were:

Matthew Smyth
Mary Cloake
Monica Flood
Liv Lillesto O'Donoghue
Adrian O'Carroll
John O'Halloran
Robert Farhat
Donal Maguire
Sarah Browne (appointed 3 February 2021)
Alice Casey (appointed 3 February 2021)

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 further impacts of Covid-19 on the Company and remain in an ongoing discussion with the Arts Council in relation to this.

Covid-19 disease was recognised as a pandemic by the World Health Organisation on 11th March 2020. Project Arts Centre recognises this as 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 analysis, 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.

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 revisit this conclusion.

Directors' report (continued)

For the financial year ended 31 December 2021

Research and development

The expense was €15,447 in 2021 and €249 in 2020.

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.

Significant events during the financial year

Project Arts Centre had to reschedule and/or postpone a number of programmed events in 2021 due to the continuation of the Covid-19 pandemic. Our bar remained closed for the entire year of 2021. However, we were able to stop claiming any EWSS from May 2021.

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

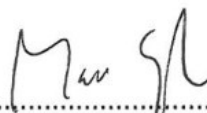
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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.


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: 26/5/22


.....
Adrian O'Carroll
Director

Directors' responsibilities statement

For the financial year ended 31 December 2021

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 Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Irish law.

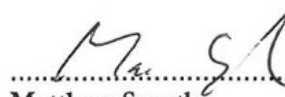
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss of the Company for that financial year and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

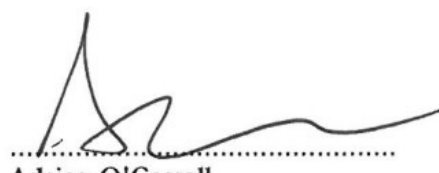
In preparing these financial statements, the directors are required to:

- 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: 26/5/22

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 2021, 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 2021 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.

Conclusions relating 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, including the Directors' report. 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 Directors' 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)

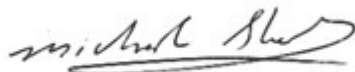
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they 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.



Michael Shelley
for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Dublin 2

Date: 26 May 2022

Statement of comprehensive income

For the financial year ended 31 December 2021

	Note	2021 €	2020 €
Turnover	5	1,350,104	1,399,970
Administrative expenses		(1,341,310)	(1,386,054)
Operating surplus		8,794	13,916
Interest payable and similar expenses	8	-	(1,443)
Surplus before taxation		8,794	12,473
Tax on surplus	9	-	-
Surplus for the financial year		8,794	12,473

There was no other comprehensive income for 2021 (2020: €Nil).

All amounts relate to continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

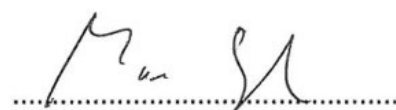
Statement of financial position

As at 31 December 2021


	Note	2021 €	2021 €	2020 €	2020 €
Fixed assets					
Tangible fixed assets	10		42,039		44,562
			<u>42,039</u>		<u>44,562</u>
Current assets					
Stocks	11	2,420		3,545	
Debtors: amounts falling due within one year	12	57,466		51,555	
Cash at bank and in hand	13	367,768		247,580	
		<u>427,654</u>		<u>302,680</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(585,997)		(472,340)	
			<u>(158,343)</u>		<u>(169,660)</u>
Net current liabilities			<u>(116,304)</u>		<u>(125,098)</u>
Net liabilities			<u>(116,304)</u>		<u>(125,098)</u>
Reserves					
Retained deficit			<u>(116,304)</u>		<u>(125,098)</u>
Accumulated deficit			<u>(116,304)</u>		<u>(125,098)</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: 26/12/22

The notes on pages 12 to 21 form part of these financial statements.

Statement of changes in equity

For the financial year ended 31 December 2021

	Retained deficit	Total equity
	€	€
At 1 January 2021	(125,098)	(125,098)
Comprehensive income for the financial year		
Surplus for the financial year	8,794	8,794
At 31 December 2021	<u>(116,304)</u>	<u>(116,304)</u>

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>

The notes on pages 12 to 21 form part of these financial statements.

Notes to the financial statements

For the financial year ended 31 December 2021

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.

Project Arts Centre ("Project") occupies a unique and essential place in support and delivery of the contemporary arts in Ireland.

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 2021

2. Accounting policies (continued)

2.2 Revenue (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 fulfil 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 Statement of comprehensive income 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 the Statement of comprehensive income 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 2021

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 the Statement of comprehensive income.

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.

Notes to the financial statements

For the financial year ended 31 December 2021

2. Accounting policies (continued)

2.8 Debtors

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

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, inclusive of 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.

Notes to the financial statements

For the financial year ended 31 December 2021

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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.

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.

The Company intend to eliminate their deficit reserves and then aim to fund a reserve at a level of three months operational costs to ensure that core activities could continue during a period of unforeseen difficulty.

The Company aims to maintain the reserves in a short notice deposit account so that they may be readily realisable. If possible, they will be unrestricted.

The reserves policy of the Company takes into account the following factors:

- Risks associated with income, including funding and sponsorship, being different or lower from that budgeted.
- Risks associated with expenditure, including € and £ payments, being different or higher from that budgeted.
- Planned activity level having identified potential threats and opportunities.
- The organisation's contractual commitments.
- The potential costs associated with having to make staff redundant in an emergency situation.

The level of reserves will be kept under constant review through ongoing financial reporting in the Company's management accounts, the annual audited accounts as well as undertaking the necessary legal and regulatory compliance.

Notes to the financial statements

For the financial year ended 31 December 2021

4. Going concern

The Company reported a surplus for the financial year of €8,794 (2020: €12,473) after receiving grant income from The Arts Council of €855,000 (2020: €798,000) and had net current liabilities of €158,343 (2020: €169,660) and net liabilities of €116,304 (2020: €125,098) at the balance sheet date.

The Company's net liability position is mainly due to deferred income of €267,827 (2020: €229,071). The net current asset and net asset before deferred income amounts to €109,484 (2020: €151,523) and €59,411 (2020: €103,973) respectively.

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:

	2021 €	2020 €
Cultural agency and production income	351,664	333,990
Grant income	888,136	825,000
Other income	29,789	71,486
Government grant - wage subsidy	80,515	169,494
	<u>1,350,104</u>	<u>1,399,970</u>

All turnover arose in Ireland.

Notes to the financial statements

For the financial year ended 31 December 2021

6. Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging / (crediting):

	2021 €	2020 €
Research & development charged as an expense	15,447	249
Depreciation of tangible fixed assets	26,762	25,229
Amortisation of grants	(2,500)	(4,645)
Operating leases - land and buildings	37,711	37,711
	<u> </u>	<u> </u>

7. Employees

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

	2021 No.	2020 No.
Administrative	16	14
Bar	-	2
Technical	4	4
Project Artists	2	2
	<u> </u>	<u> </u>
	22	22
	<u> </u>	<u> </u>

	2021 €	2020 €
Staff salaries	490,046	565,865
Staff social security	37,847	41,864
	<u> </u>	<u> </u>
	527,893	607,729
	<u> </u>	<u> </u>

The total remuneration packages of the key management personnel for the Company for the financial year ended 31 December 2021 was €172,563 (2020: €144,436).

Project Arts Centre's activities and consequentially staffing continued to be strongly affected by Covid-19 throughout 2021.

During the financial year €93,699 (2020: €107,859) of wages and salaries are artistic programme related.

No employee is earning above €60,000.

The Company's directors did not receive any remuneration during the financial year (2020: €Nil).

Notes to the financial statements

For the financial year ended 31 December 2021

8. Interest payable and similar expenses

	2021 €	2020 €
Loan interest payable	-	1,443

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 2021	880,420	480,917	125,132	21,796	1,508,265
Additions	8,354	3,715	9,706	2,464	24,239
At 31 December 2021	888,774	484,632	134,838	24,260	1,532,504
Depreciation					
At 1 January 2021	856,352	468,403	117,544	21,404	1,463,703
Charge for the financial year	13,386	4,472	6,269	2,635	26,762
At 31 December 2021	869,738	472,875	123,813	24,039	1,490,465
Net book value					
At 31 December 2021	19,036	11,757	11,025	221	42,039
At 31 December 2020	24,068	12,514	7,588	392	44,562

11. Stocks

	2021 €	2020 €
Bar stocks	2,420	3,545

Notes to the financial statements

For the financial year ended 31 December 2021

12. Debtors: Amounts falling due within one year

	2021 €	2020 €
Trade debtors	11,089	15,960
Amounts owed by project artists	35,352	25,304
Prize bonds	63	63
Prepayments	10,962	10,228
	<u>57,466</u>	<u>51,555</u>

13. Cash and cash equivalents

	2021 €	2020 €
Cash at bank and in hand	<u>367,768</u>	<u>247,580</u>

14. Creditors: Amounts falling due within one year

	2021 €	2020 €
Trade creditors	51,439	59,616
Amounts held on behalf of project artists	237,873	159,973
PAYE/PRSI	15,775	9,140
VAT	3,845	2,492
Other creditors	1,089	3,899
Accruals	8,149	8,149
Deferred income	267,827	229,071
	<u>585,997</u>	<u>472,340</u>

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 2021

15. 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 (2020: €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 2021, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 €	2020 €
Land and buildings		
Not later than 1 year	37,771	37,711
Later than 1 year and not later than 5 years	150,844	150,844
Later than 5 years	318,529	356,240
	<u>507,144</u>	<u>544,795</u>

16. 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.

17. 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.

18. Events since the end of the financial year

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

19. Approval of financial statements

The board of directors approved these financial statements for issue on 26 May 2022

Project Arts Centre

Schedule to the detailed accounts

For the financial year ended 31 December 2021

	2021 €	2020 €
Schedule 1: Detailed income		
Income		
The Arts Council – revenue grant	855,000	798,000
Additional Arts Council awards	8,136	-
Dublin City Council	25,000	27,000
Cultural agencies	173,035	227,876
Productions	178,629	106,115
Donations/sponsorships	14,814	7,320
Bar sales (Schedule 3)	-	18,046
Venue rental	-	90
Project People	13,613	10,764
Other income	1,363	35,265
Government grant – wage subsidy	80,515	169,494
	1,350,104	1,399,970

Project Arts Centre

Schedule to the detailed accounts

For the financial year ended 31 December 2021

	2021	2020
Schedule 2: Detailed expenses	€	€
Expenses		
Staff wages and salaries	621,591	607,729
Performance programme	218,482	215,251
Resource sharing and project artists costs	108,631	164,413
Visual arts program costs	58,914	42,394
Production costs	19,949	17,585
Staff training	994	22
Staff entertainment	1,860	1,470
Cleaning and canteen	5,896	4,097
Light, heat and power	62,492	48,354
Insurance	19,615	21,503
Miscellaneous office expense	22,000	7,730
Telephone	6,507	6,853
Repairs and renewals	30,739	78,015
Audit and accountancy fees	10,374	10,152
Advertising, marketing and design	52,492	47,689
Bar cost of sales (Schedule 3)	-	9,467
Sundry – Health and safety	28,891	20,026
Rent of premises – operating lease	37,711	37,711
Professional fees	6,793	19,781
Security	1,362	741
Depreciation	24,871	25,229
Amortisation	(2,500)	(4,645)
Bank charges	3,645	4,487
	1,341,310	1,386,054

Project Arts Centre

Schedule to the detailed accounts

For the financial year ended 31 December 2021

	2021 €	2020 €
Schedule 2: Detailed expenses (continued)		
Interest payable		
Loan interest	-	1,443
	-	1,443
Total expenditure	1,341,310	1,387,497
Schedule 3: Additional split for Bar trading account		
	2021 €	2020 €
Sales	-	18,046
Less: Cost of sales		
Opening stock	3,544	2,746
Purchases	(216)	10,266
Write off	(908)	-
Closing stock	(2,420)	(3,545)
	-	9,467
Gross Trading Surplus	-	8,579

Project Arts Centre

Schedule to the detailed accounts

For the financial year ended 31 December 2021

Schedule 4: Grants received in 2021

Name of Grantor	Name of Grant	Purpose	Term	Accrued (Deferred) Grant 31.12.2020	Amount of Grant Awarded 2021	Cash Received in period	Recognised as Income in 2021	Accrued (Deferred) Grant 31.12.2021
Revenue Commissioners	EWSS	Covid-19 employment wage subsidy scheme	Jan-April	-	80,515	80,515	80,515	-
Arts Council	Arts Centre Funding	Revenue Funding 2021	12 months	199,500	855,000	655,500	855,000	-
Arts Council	Arts Centre Funding	Revenue Funding 2022	12 months	-	-	227,500	-	227,500
Dublin City Council	Revenue 2021	Revenue Funding	12 months	-	25,000	25,000	25,000	-
Arts Council	Commission Award	To commission One Two One Two	12 months	-	17,511	14,009	2,750	11,259
Arts Council	Capacity Building Support	To produce digital, strategic & institutional communications & audience development plan	12 months	-	10,950	8,760	8,136	624
Dublin City Council	Grant	Participation in Culture Night 2021	September	-	1,000	1,000	1,000	-
Dublin City Council	Contribution	Engagement Dublin Lunar New Year	November	-	296	296	296	-
Project Artists Funds	various arts council, culture ireland, venues, own funds, etc awarded/belonging to artists	Specific to project artists' projects		159,247	247,415	247,415	168,969	237,673
				358,747	1,237,687	1,259,995	1,141,685	477,056