



# Business to Arts Limited

Directors' report and  
financial statements

**Year ended 31 October 2015**

*Registered number: 134968*



# Business to Arts Limited

## Directors' report and financial statements

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# Business to Arts Limited

## Directors and other information

<b>Patron</b>	Michael D Higgins, President of Ireland
<b>Directors</b>	Gerard McNaughton (Chairman) Alastair Blair (Appointed 21 September 2015) Fergus Dowd Clare Duignan Mary Fulton Jeanne Kelly (Appointed 27 January 2015) Anne Mathews Alan McNab Ursula Murphy Brendan O'Mara Davina Saint (British)
<b>Secretary</b>	Mary Fulton
<b>Registered office</b>	Lower Ground Floor 17 Kildare Street Dublin 2
<b>Auditor</b>	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
<b>Bankers</b>	Allied Irish Bank Bankcentre Branch Ballsbridge Dublin 4
<b>Legal advisers</b>	Amorys Solicitors Suite 10 The Mall Beacon Court Sandyford Dublin 18



# Business to Arts Limited

## Directors' report

The directors present their report and audited financial statements for the year ended 31 October 2015.

### Principal activities, results and future developments

*Business to Arts* brokers, enables and supports creative partnerships between businesses, individuals and the arts. Our work has never been more relevant. In 2014/15, every €1 invested in our organisation resulted in €22 of cash raised for and by the cultural sector in Ireland.

We are a membership-based charity (CHY 9871) that teams businesses and individuals up with arts organisations and artists in areas such as sponsorship, commissioning, brand development, training, leadership development, internal and external communications and events. We also work with artists and arts organisations providing a range of training opportunities and coaching to help diversify income streams, grow audiences and improve efficiencies.

Our corporate membership base and network ranges across the business sectors from local family-run companies, SMEs, semi-state companies to FDIs and corporate foundations. Our arts affiliate base extends from individual artists to the National Cultural Institutions, and spans all art forms.

Our highest profile programmes include:

- The '*Allianz Business to Arts Awards*' which recognise businesses, artists and arts organisations that develop creative partnerships, bringing the arts and artists into mutually beneficial relationships across Irish society. In 2015, Heather Humphreys TD, Minister for Arts, Heritage & the Gaeltacht joined 550 business and arts leaders at the Bord Gáis Energy Theatre for the 24th year of the event. Winners of the Awards included, ESB Group, The Naughton Foundation, The Irish Times, PwC, KPMG, Dublin Port Company and Dublin City Council. Allianz Ireland extended their title sponsorship of the Allianz Business to Arts Awards for a further three-year period until 2018. DAA and TileStyle continued their co-sponsorship of the event.
- *New Stream* is our capacity building programme for artists and arts organisations in Ireland which is funded by Bank of America Merrill Lynch, The Department of Arts, Heritage & the Gaeltacht, and The Ireland Funds. The sixth year of this programme has been successfully delivered and evaluated and the outcomes have been published. The partnership between *Business to Arts* and the DeVos Institute of Arts Management, now based at University of Maryland, is an ongoing element of this programme.
- *Fund it*, our crowdfunding platform, allows individuals and companies around the globe to support creative projects from Ireland. In *Business to Arts*' 2014/15 financial year, over 8,700 pledges to projects have resulted in over €434,000 being paid to 130 creative projects across Ireland. In 2015, Bank of Ireland became sponsors of fundit.ie in a new three-year relationship until 2018, which will see the functionality of the website expand. Among *Fund it*'s unique features is its high success rate (of 72%) for projects that crowdfund on the site when compared to international competitors.
- In 2014/15 financial year, *Business to Arts* initiated a new pilot project, 'The Docklands Arts Fund', which aims to create Ireland's first Arts Fund supported by companies, organisations and individuals located in the Docklands Area. It is a collaboration with Dublin City Council Arts Office and the Dublin Docklands Development Authority.

## Business to Arts Limited

### Directors' report (*continued*)

#### **Principal activities, results and future developments** (*continued*)

The directors maintain an awareness of competition for the above projects and have no plans to change significantly the activities and operations of the company in the near future.

#### **Principal risks and uncertainties**

The directors of *Business to Arts* feel that events or market forces which lead to a severe reduction in the patronage, marketing, sponsorship or corporate social responsibility budgets of its member companies, is still the principal risk and uncertainty faced by the organisation.

As a membership based organisation concerned with promoting the arts to business, membership subscriptions and income from projects, programmes and events are the principal source of funding for the company. Where possible, the risk of a drop in these sources is mitigated through diversifying our income across multiple sources. In the current economic climate, the risk from external forces remains moderate.

In some cases our programmes and projects are subject to competitive factors. The crowdfunding sector, in which *Fund it* operates, is increasingly subject to international competition. The Arts Council of Ireland's RAISE programme addressed some areas covered by the *Business to Arts* New Stream programme. The current RAISE programme's activities came to an end in 2015.

*Business to Arts* is currently the only membership-based organisation in the country concerned with business and the arts. The organisation experiences competition through other membership and networking organisations.

*Business to Arts* addresses these risks via the strategy pursued in developing its business models and future areas of focus. Other economic risks such as increases in salaries and infrastructural costs are managed through retaining a small team, maintaining strict cost controls and regular cost monitoring.

The organisation has well established budgetary and financial reporting procedures, supported by key performance indicators, to manage credit, liquidity and other financial risk.

Key performance indicators that are focused on by management include:

- Income
- Membership levels
- Affiliate levels
- Attendance at events
- Media coverage of programmes

Each of these indicators is monitored by management against budget and against prior periods.



# Business to Arts Limited

## Directors' report *(continued)*

### **Patron, Directors, Secretary and Honorary President**

During the year Jeanne Kelly and Alastair Blair were appointed as directors and Andrew Fleming and Michael Owens retired as directors.

Alastair Blair and Jeanne Kelly who were appointed as directors since the last annual general meeting, retire in accordance with the articles of association and, being eligible, offer themselves for re-election. The director retiring by rotation is Mary Fulton who, being eligible, offers herself for re-election.

### **Accounting records**

The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at 44 East Essex Street, Temple Bar, Dublin 2.


### **Auditor**

In accordance with Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board



Gerard McNaughton  
*Chairman*



Mary Fulton  
*Secretary*

25 January 2016

## Business to Arts Limited

### Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



Gerard McNaughton  
*Chairman*



Mary Fulton  
*Secretary*



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

## **Independent auditor's report to the members of Business to Arts Limited**

We have audited the financial statements ("financial statements") of Business to Arts Limited for the year ended 31 October 2015 which comprise the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

### **Opinions and conclusions arising from our audit**

#### ***1 Our opinion on the financial statements is unmodified***

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 October 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### ***2 Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below***

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 and 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.

#### ***3 We have nothing to report in respect of matters on which we are required to report by exception***

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.



## Independent auditor's report to the members of Business to Arts Limited (continued)

### **Basis of our report, responsibilities and restrictions on use**


As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume 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.

  
E. Byrne  
for and on behalf of  
KPMG  
Chartered Accountants, Statutory Audit Firm  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

25 January 2016

## Business to Arts Limited

### Income and expenditure account for the year ended 31 October 2015

	<i>Note</i>	<b>2015</b> €	2014 €
<b>Income - continuing operations</b>	2	<b>232,391</b>	215,300
Administrative expenses		<b>(198,431)</b>	(210,698)
		<hr/>	<hr/>
<b>Surplus for the year - continuing operations</b>	9	<b>33,959</b>	4,602
		<hr/> <hr/>	<hr/> <hr/>

The company had no recognised gains or losses during the financial year, or preceding financial year, other than those dealt with in the income and expenditure account.

On behalf of the board



Gerard McNaughton  
*Chairman*




Mary Fulton  
*Secretary*

# Business to Arts Limited

## Balance sheet as at 31 October 2015

	<i>Note</i>	<b>2015</b> €	2014 €
<b>Fixed assets</b>	5	<b>2,769</b>	3,173
<b>Current assets</b>			
Debtors and prepayments		31,370	25,021
Cash at bank and in hand		59,163	28,393
Fund-it bank	8	3,183	9,859
		<b>93,716</b>	63,273
<b>Creditors: amount falling due within one year</b>			
Creditors and accruals		(39,578)	(29,822)
Deferred income		-	(7,000)
Fund-it creditor	8	(3,183)	(9,859)
		<b>(42,761)</b>	(46,681)
<b>Net current assets</b>		<b>50,955</b>	16,592
<b>Net assets</b>		<b>53,724</b>	19,765
<b>Accumulated surplus</b>	9	<b>53,724</b>	19,765

On behalf of the board

  
Gerard McNaughton  
Chairman

  
Mary Fulton  
Secretary

# Business to Arts Limited

## Notes

*forming part of the financial statements*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### **Basis of preparation**

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Financial Reporting Council, as promulgated by the Institute of Chartered Accountants in Ireland.

Having reviewed the funding plans and expected expenditure for the period of at least one year from the date of signing the financial statements the Board are satisfied that the financial statements should be prepared on a going concern basis.

#### **Income**

Membership income and Fund-it income is accounted for on a cash receipts basis. Training income from courses offered to specific arts entities, consultancy and awards income is recognised when earned.

Revenue grants are credited to the profit and loss account to offset the matching expenditure. Grants not yet expended are included as deferred income.

#### **Contributions in kind**

The value of any material contributions in kind in respect of subscriptions, estimated when not exactly ascertained, is included in income for the period.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, less accumulated depreciation. The charge for depreciation is calculated to write down the cost of tangible fixed assets to their estimated residual values by equal annual instalments over their expected useful lives which are as follows:

Computer equipment	5 years
Office equipment	5 years

#### **Cash flow statement**

A cash flow statement as required by FRS 1 *Cash Flow Statements* is not presented as the directors have decided to avail of the exemption available to companies meeting the "small" company criteria as laid down in the Companies Act 2014.

## Business to Arts Limited

### Notes (continued)

#### 2 Income

Income arises from subscriptions (received and “in kind”), grant aid, commission and fundraising activity in the Republic of Ireland.

<b>3</b>	<b>Statutory and other information</b>	<b>2015</b>	2014
		€	€

*Surplus for the year is stated after charging:*

Directors’ remuneration	-	-
Depreciation of tangible fixed assets	404	769
Auditor’s remuneration in respect of audit	5,000	5,000
	<u>          </u>	<u>          </u>

#### 4 Employees

The average number of employees during the year, analysed by category, was as follows:

	2015	2014
	Number	Number
Administration	4	4
	<u>          </u>	<u>          </u>

The payroll costs of these employees were as follows:

	€	€
Wages and salaries	160,606	195,955
Social welfare costs	17,239	20,908
	<u>          </u>	<u>          </u>
	<b>177,845</b>	<b>216,863</b>
	<u>          </u>	<u>          </u>

## Business to Arts Limited

### Notes (continued)

<b>5 Fixed assets</b>	<b>Computer equipment €</b>	<b>Office equipment €</b>	<b>Total €</b>
<i>Cost</i>			
At beginning and end of year	62,966	52,346	115,312
<i>Depreciation</i>			
At beginning of year	61,499	50,640	112,139
Charge for year	47	357	404
<b>At end of year</b>	<b>61,546</b>	<b>50,997</b>	<b>112,543</b>
<i>Net book value</i>			
At 31 October 2015	1,420	1,349	2,769
At 31 October 2014	1,467	1,706	3,173

### 6 Legal status of company

Business to Arts Limited is a company limited by guarantee and does not have a share capital. At 31 October 2015 there were 53 members (2014: 47) whose guarantee is limited to €12.70 each.

### 7 Taxation

The company is not liable to taxation due to its charitable status.

## Business to Arts Limited

### Notes (continued)

#### 8 Fund-it

Fund it generates an income for the company via commission on pledges (5%).

Fund it is operated by the core staff of Business to Arts Limited.

A summary of the funds generated from pledges and paid onto projects is as follows:

	2015 €
Pledges received for projects	473,123
Payments made to projects and associated bank fees	(448,515)
Commission income	<u>24,608</u>

9 Income and expenditure account	2015 €	2014 €
Accumulated surplus at the beginning of the year	19,765	15,163
Surplus for the year	33,959	4,602
<b>Accumulated surplus at the end of the year</b>	<u><u>53,724</u></u>	<u><u>19,765</u></u>

#### 10 Contingency

In 2015 the company was awarded a grant by the Bank of America Charitable Foundation Inc. Under the terms of the grant agreement the Bank of America Charitable Foundation Inc. reserves the right, in its sole discretion, to demand the return of the grant funds, or any portion thereof, and any income earned thereon, if the grant funds are not used in accordance with the terms of the agreement.

The company was also in receipt of government grants during the year. Under the terms of these grants if the funds are not used for the purpose advanced they may be required to be repaid.

#### 11 Approval of financial statements

The financial statements were approved by the board on 25 January 2016.

## Appendix

*The following information does not form part of the audited financial statements and is included solely for the information of management*





## Business to Arts Limited

### Appendix 1: Income analysis for the year ended 31 October 2015

	2015		2014	
	€	€	€	€
<b>Membership subscriptions</b>		31,967		28,350
<b>Foundation Patrons' contributions</b>		91,000		91,000
<b>Contributions in kind</b>		29,300		23,600
<b>Affiliate income</b>		13,540		8,974
<b>Arts Sponsor of the Year Awards:</b>				
Income	114,759		79,525	
Expenditure	(85,869)		(47,486)	
		28,890		32,039
<b>Training:</b>				
Income	6,375		5,300	
Expenditure	(3,774)		(5,000)	
		2,601		300
<b>Bank of America and associated income:</b>				
Income	97,664		123,597	
Grants (eg Government)	31,500		15,000	
Expenditure	(128,176)		(138,597)	
		987		-
<b>Consultancy:</b>				
Income	38,966		107,156	
Expenditure	(4,787)		(80,227)	
		34,179		26,929
<b>Fund it:</b>				
Grant income	5,400		-	
Commission income	24,608		42,765	
Expenditure	(30,134)		(38,894)	
		(126)		3,871
<b>Miscellaneous income</b>		53		237
		232,391		215,300

All income arises from continuing operations.