

Business to Arts Company Limited by Guarantee

Directors' report and financial statements

Year ended 31 October 2022

Registered number: 134968

Business to Arts Company Limited by Guarantee

Directors' report and financial statements

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Business to Arts Company Limited by Guarantee

Directors and other information

Patron	Michael D Higgins, President of Ireland
Directors	Davina Saint (Chair) Alastair Blair Fiona Clark Clare Duignan James Hanley Jeanne Kelly Tony Lawless Simone MacLeod Teresa McColgan Robert McEvoy Gerard McNaughton Oliver Wall Fiona D'Arcy Myles Clarke
Secretary	Teresa McColgan
Registered office	Lower Ground Floor 17 Kildare Street Dublin 2
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Bankers	Allied Irish Bank Bankcentre Branch Ballsbridge Dublin 4 Bank of Ireland 2 College Green Temple Bar Dublin 2
Legal advisers	LK Shields 40 Mount St Upper Saint Peter's Dublin 2
Registered number	134968
RCN	20024741
CHY number	9871

Business to Arts Company Limited by Guarantee

Directors' report

The directors present their directors' report and financial statements for the year ended 31 October 2022.

Principal activities

Business to Arts brokers, enables and supports creative partnerships between businesses, individuals and the arts. We are a membership-based charity (CHY 9871, RCN 20024741) that is funded by our patrons, members, affiliates, sponsors and grant providers. We work with these stakeholders in advisory areas such as arts sponsorship; arts-related CSR programmes; the development and delivery of donor-advised arts funds; the commissioning of artworks and projects; arts philanthropy; art collection development; professional development for artists and arts managers; advocacy, research and thought-leadership; communications & fundraising strategy/implementation; and arts-related entertainment and events.

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

Key activities in 2021/22 included:

Our annual flagship *Business to Arts Awards* took place in September 2022 in the National Concert Hall with Minister for the Department of Tourism, Arts, Culture Gaeltacht, Sports & Media, Catherine Martin in attendance as our guest of honour. The return to the first awards ceremony in-person since 2019 celebrated a landmark edition as we hit 30 years of honouring creative partnerships between the corporate and cultural sectors. The entries for this year's Awards represented a private sector investment of €5.4 million in arts and culture over the past year or so. On the night over €25,000 worth of bursaries were awarded to artists and 11 categories of Awards were presented, each sponsored by a corporate entity.

Our second flagship activity, *New Stream*, our capacity-building programme for arts managers and fundraisers in Ireland, has continued to deliver training and professional skills development. This programme includes the Fundraising Fellowship Ireland (FFI) in partnership with the Department of Tourism, Culture, Arts, Gaeltacht, Sport & Media and the beneficiary arts organisations are Sing Ireland, a national organisation based in Limerick and Graffiti Theatre, based in Cork. This year also saw the publishing of our Arts Fundraising Toolkit and the piloting of an online training programme interpreting the depth of the Toolkit provided to five organisations over five weeks.

Business to Arts focused on developing its advisory services for corporate members this year and building out improved value propositions for arts and culture strategy consulting and curatorial services. One of our most significant advisory services is our management of donor-advised arts funds which can be supported by companies, Government organisations and individuals. An arts fund provides grants and fees for arts projects in the community, artist residencies, arts education programmes and new arts commissions nationwide. This financial year saw Business to Arts continue to administer the third round of Bank of Ireland Begin Together Arts Fund focusing on well-being in the community, and to support the ESB Brighter Future Arts Fund projects that engage communities with sustainability and climate action between 2022/23. Working with our corporate patrons in 2021/22, two primary Arts Funds have enabled €416,803 of investment in these activities with over 80 grants awarded on an all-island basis across 29 counties. This financial year saw Business to Arts continue to administer the third round of Bank of Ireland Begin Together Arts Fund focusing on wellbeing in the community, and to support the ESB Brighter Future Arts Fund projects that engage communities with sustainability and climate action between 2022/23.

Business to Arts Company Limited by Guarantee

Directors' report *(continued)*

Key activities in 2021/22 included: *(continued)*

The global pandemic continued to impact both the cultural and corporate spheres, as Ireland only began to slowly emerge from lockdown in Spring 2022. Our return to in-person curated members events included evenings hosted in partnership with Press Up and the Dean Arts Studio; Linesight, CBRE and the Royal Hibernian Academy; and highlighting arts affiliates Irish Traditional Irish Music Archive and Thisispopbaby. Our annual CEO Forum in association with PwC focused on the impact of hybrid working on the city centre with speakers from IPUT, Zurich, Dublin Theatre Festival and Irish Architecture Foundation.

Grants received

In 2021/22, the Department of Tourism, Culture, Arts, Gaeltacht, Sport & Media awarded the following grants to *Business to Arts*:

€58,000 to continue the Fundraising Fellowship, Ireland programme to enhance investment by two cultural organisations in the development of their human resources and fundraising capacity building.

€13,766 to enable the redevelopment of *Business to Arts*' website. This amount and activity has been deferred to 2022/23.

Salaries

Employee benefits (excluding pension costs)	No. of Staff
€60,000 – €69,999	1
Greater than €80,000	1
Total No. of Staff	6
Total Employer Contributions including Pensions amount	€333,203

Business review

In January 2022, CEO Andrew Hetherington announced his departure from Business to Arts after 14 years with the organisation. The Board led the recruitment drive for a new CEO who commenced in early April following a short interim without a CEO in post, where the senior team worked closely with the Chair of the Board to ensure operations as usual. Two members of the Membership & Projects team also departed in FYQ1 and the recruitment for replacements was completed ahead of the new CEO taking up the role.

From an economic and geo-political perspective, while there was much optimism in the Spring as we emerged from the pandemic, the realities of the full impact of the invasion of Ukraine, inflation, and the cost of living, energy and housing crises began to impact corporate sentiment, resulting in the loss of some membership subscriptions and the reticence to renew subscriptions in a timely manner.

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. Employee costs remained the highest expenditure, and with 60% turnover in the main fundraising roles in the first half of the year, there was slower growth than expected as onboarding and transitions were supported, and the bandwidth of the team was stretched.

Where possible, the drop in these sources was mitigated through diversifying our income across multiple sources and ongoing cost-saving measures.

Business to Arts Company Limited by Guarantee

Directors' report *(continued)*

Business review *(continued)*

Business to Arts focused on developing its advisory services for corporate members this year, reviewing project scoping and cost models and building out new value propositions for arts and culture strategy consulting and curatorial services. This resulted in a 54% increase in income against what has been budgeted for, offsetting to some extent the loss in membership.

Despite best efforts to control the costs of the flagship Business to Arts Awards, inflation resulted in a 28% increase in production, venue and hospitality supplier costs which consumed the anticipated margin *Business to Arts* would typically return to reinvest in the business.

Fund it, our crowdfunding website allows individuals and companies around the globe to support creative projects from Ireland. In this financial year, 1,680 pledges from funders resulted in over €95,599 of funds paid out to 22 projects. However, the earned income for *Business to Arts* from this limited activity does not cover the costs of running the site. In the context of the growth of crowd-funding and subscription-based funding competitors on the market, engagement by those with projects seeking funding has diminished considerably in recent years, by 75% in fact since 2017. At any point during the last 12 months, there was an average of only two projects live on the site, down from its peak of 20 per month in 2012.

Business to Arts' core technical infrastructure came under some pressure this year as critical software packages matured to unexpected obsolescence, necessitating unexpected investment, in part mitigated by cost-saving measures to consolidate our needs.

However, the slower growth in new subscriptions and rising costs resulted in it becoming necessary to access *Business to Arts* reserves to sustain cashflow in Q4.

Key performance indicators

Key performance indicators that are focused on by management include:

- Income (sustainability and diversification)
- 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. Notable movements against the prior period include the 27% increase in diversified income through increased advisory services fees and improved cost modelling. Membership income is in line with last year.

Principal risks and uncertainties

The directors consider that the following are the principal risk factors that could materially and adversely affect *Business to Arts'* future operating profits or financial position:

- Deterioration in general economic conditions: The demand for Business to Arts's charitable offering and services from the private sector membership is characterised to a large extent by discretionary budgets that are frequently the first to be reviewed and cut when there are economic pressures. There can be no assurances that the continuing economic uncertainty will not continue to impact Business to Arts' ability to develop new business in the immediate future. However, the Company is implementing a strategy to diversify revenue (membership, grants & sponsorship, advisory service fees) and is looking to further strengthen this by broadening our sector and stakeholder relevance with the support of our Board. We reviewed our Project Scoping and Cost Model template, which provided us with a more realistic methodology for quoting for advisory services and protecting our capacity to deliver.

Business to Arts Company Limited by Guarantee

Directors' report *(continued)*

Principal risks and uncertainties *(continued)*

- The Company recognises that it is dependent upon certain key members of its senior management team, particularly in the areas of fundraising and business development, for its continued success, and is mindful that turnover of key staff can result in major disruption to the business. The directors have mitigated this risk with terms and conditions to improve retention including professional development and incentives.

The Company has a long and successful track record of managing these risks. The directors are confident that they have put in place a strong management team and appropriate mitigating measures capable of dealing with the above issues as they arise.

Based on all information currently available including revised cash flow projections and forecasts, the directors consider that *Business to Arts* has adequate resources to continue in operational existence for the foreseeable future.

Future developments in the Business

Business to Arts will launch its new five-year strategy and a new website in June 2023 and notwithstanding unforeseen difficulties, the directors consider that *Business to Arts* will be in a strong position for new business development and membership recruitment. The directors expect the general level of activity to continue for the foreseeable future, and to increase in the second half of the year.

Results for the year

The results of *Business to Arts* for the year are set out in the profit and loss account on page 11 and in the related notes.

Directors and secretary

The following individuals have all served as directors for the entire year:

Davina Saint (Chair)
Alastair Blair
Fiona Clark
Myles Clarke
Fiona D'Arcy
Clare Duignan
James Hanley RHA
Jeanne Kelly
Tony Lawless
Simone Macleod-Nairn
Robert McEvoy
Teresa McColgan (also Secretary)
Gerard McNaughton
Oliver Wall

Political contributions

The Company made no political or charitable contributions or incurred any political expenditure during the year (2021: €Nil).

Business to Arts Company Limited by Guarantee

Directors' report *(continued)*

Post balance sheet events

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

Accounting records

The directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of Business to Arts are maintained at 17 Kildare Street, Lower Ground Floor, Dublin 2.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

Audit Committee

The Company has established a Governance, Finance, Audit & Compliance (GFAC) Committee with responsibility for overseeing those named items and making recommendations to the Board unless the Board specifically devolves decision-making powers to the GFAC on particular items. Responsibilities include oversight of the strategic plan as it relates to governance and finance issues, review and oversight of governance policies and codes; support optimised Board structure and performance; review of financial planning including annual budget and budget revisions; review of financial performance and quarterly management accounts; review of financial policies and procedures; review of banking arrangements; review of statutory accounts and external audit; review and approval of the Annual Report and review of significant financial issues and transactions.

Auditor

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

On behalf of the board



Davina Saint
Chair



Teresa McColgan
Director

27 Feb
2023

Business to Arts Company Limited by Guarantee

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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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



Davina Saint
Chair



Teresa McColgan
Director

27 Feb
2023



**KPMG
Audit**
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Business to Arts Company Limited by Guarantee

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Business to Arts Company Limited by Guarantee ("the Company") for the year ended 31 October 2022 set out on pages 11 to 18, which comprise the income and expenditure account, the balance sheet and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council.

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 2022 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and 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 Business to Arts Company Limited by Guarantee (*continued*)

Report on the audit of the financial statements (*continued*)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed 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 and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

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. We have nothing to report in this regard.



Independent auditor's report to the members of Business to Arts Company Limited by Guarantee *(continued)*

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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.

A fuller description of our responsibilities is provided on IAASA's website at <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for>.

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

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.

1 March 2023

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

Business to Arts Company Limited by Guarantee

Income and expenditure account for the year ended 31 October 2022

	<i>Note</i>	2022	2021
		€	Restated €
Income from:			
Continuing operations	2	531,430	460,243
Other operating income	2	-	59,150
		<hr/>	<hr/>
Total income		531,430	519,393
Expenditure on:			
Charitable activities	3	(235,785)	(164,984)
Administrative expenses		(390,977)	(323,871)
		<hr/>	<hr/>
(Deficit)/surplus for the year - continuing operations		(95,332)	30,538
Accumulated surplus brought forward		148,555	118,017
		<hr/>	<hr/>
Accumulated surplus carried forward		53,223	148,555
		<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.

Business to Arts Company Limited by Guarantee

Balance sheet
as at 31 October 2022

	Note	2022 €	2021 €
Fixed assets	7	678	1,120
Current assets			
Debtors and prepayments	8	16,087	3,079
Cash at bank and in hand	9	855,801	951,971
		871,888	955,050
Creditors: amount falling due within one year	10	(819,343)	(807,615)
Net current assets		52,545	147,435
Net assets		53,223	148,555
Accumulated surplus		53,223	148,555

On behalf of the board



Davina Saint
Chair



Teresa McColgan
Director

Business to Arts Company Limited by Guarantee

Notes

forming part of the financial statements

1 Accounting policies

Business to Arts Company Limited by Guarantee ("the Company") is a Company limited by guarantee incorporated, domiciled and registered in Ireland. The registered number of the Company is 134968 and the address of its registered office is Lower Ground Floor, 17 Kildare Street, Dublin 2.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). There have been no material departures from the standards. The presentation currency of these financial statements is euro.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Certain comparative amounts in the Income and expenditure account have been reclassified to provide more appropriate comparison with current year classifications.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 14.

Measurement basis

The financial statements are prepared on the historical cost basis.

Going concern

Having reviewed the funding plans and expected expenditure for the period of at least 12 months from the date of signing the financial statements the Board are satisfied that the financial statements should be prepared on a going concern basis.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Business to Arts Company Limited by Guarantee

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets *(continued)*

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer equipment 5 years
- Office equipment 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the income and expenditure account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

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 should be measured at the fair value of the consideration received or receivable. The fair value of the consideration received or receivable takes into account the amount of any trade discounts, prompt settlement discounts and volume rebates allowed by the entity. Revenue recorded in the profit or loss should only reflect the gross inflows of economic benefits received and receivable by the entity on its own account. An entity shall exclude from revenue all amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes. In an agency relationship, an entity (the agent) shall include in revenue only the amount of its commission. The amounts collected on behalf of the principal are not revenue of the entity. See Note 2 for further detail.

(i) the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred or (ii) the Company has received temporary rent concessions as a direct consequence of the Covid-19 pandemic (see below). Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless (i) the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred or (ii) the Company has received temporary rent concessions as a direct consequence of the Covid-19 pandemic (see below). Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Business to Arts Company Limited by Guarantee

Notes (continued)

1 Accounting policies (continued)

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.

Taxation

Business to Arts Company Limited by Guarantee has been granted charitable tax exemption under Section 207, Taxes Consolidation Act, 1997 and operates under charity number CHY 9871. The Charities Regulatory Authority number of Business to Arts Company Limited by Guarantee is CRA 20024741.

2 Income

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

Other operating income arose from COVID-19 related government supports received.

In addition to the above, the Company distributed funds to various projects on behalf of others amounting to €613,152 (2021: €493,856).

3 Expenses

2022	2021
€	€

Included in profit/loss are the following:

Costs associated with charitable operations	235,785	164,984
	<hr/>	<hr/>
	235,785	164,984
	<hr/>	<hr/>

4 Statutory and other information

2022	2021
€	€

(Deficit)/surplus for the year is stated after charging:

Directors' remuneration	-	-
Depreciation of tangible fixed assets	442	1,343
Auditor's remuneration in respect of audit (in-kind expenses)	8,100	5,000
	<hr/>	<hr/>

Business to Arts Company Limited by Guarantee

Notes (continued)

5	Employees	2022	
		Number	2021
			Number
	<i>The average number of employees during the year was:</i>		
	Administration	7	6
		<hr/>	<hr/>
		2022	2021
		€	€
	<i>The payroll costs of these employees were as follows:</i>		
	Wages and salaries	300,589	272,521
	Social welfare costs	32,614	13,602
		<hr/>	<hr/>
		333,203	286,123
		<hr/>	<hr/>

6 Taxation

The Company is exempt from tax on income and gains to the extent that these are applied to its objects. At 31 October 2022 no provision was necessary.

7	Fixed assets	Computer	Office	
		equipment	equipment	Total
		€	€	€
	Cost			
	At beginning of year	7,316	5,224	12,540
		<hr/>	<hr/>	<hr/>
	At end of year	7,316	5,224	12,540
		<hr/>	<hr/>	<hr/>
	Depreciation			
	At beginning of year	6,521	4,899	11,420
	Charge for year	174	268	442
		<hr/>	<hr/>	<hr/>
	At end of year	6,695	5,167	11,862
		<hr/>	<hr/>	<hr/>
	Net book value			
	At 31 October 2022	621	57	678
		<hr/>	<hr/>	<hr/>
	At 31 October 2021	795	325	1,120
		<hr/>	<hr/>	<hr/>

The Company's collection of sculptures has not been capitalised. These sculptures have been accumulated in the period 1991 to date. The original cost of these sculptures was €26,610 (2021: €26,071).

Business to Arts Company Limited by Guarantee

Notes (continued)

8 Debtors: amounts falling due within one year	2022 €	2021 €
Prepayments	3,442	1,480
Accrued income	12,645	1,599
	<hr/> 16,087 <hr/>	<hr/> 3,079 <hr/>
 9 Cash and cash equivalents	 2022 €	 2021 €
Cash at bank and in hand	855,801	951,971
Cash and cash equivalents	855,801	951,971

Cash at bank includes funds received of €706,037 (2021: €684,485) for the Arts Fund Project.

10 Creditors: amounts falling due within one year	2022 €	2021 €
Deferred income	787,420	790,055
Other creditors including tax and social welfare	19,949	17,560
Bank overdrafts	11,974	-
	<hr/> 819,343 <hr/>	<hr/> 807,615 <hr/>
Tax and social welfare included in other creditors: PAYE/PRSI	7,431	8,060

Deferred income

The Company receives income from a number of organisations to fund projects in the arts. The amount of deferred income at year end was €787,420 (2021: €790,055). Once an appropriate project has been identified, the Company transfers the income received to the relevant project.

Income received but not yet paid to the projects at the year-end date is treated as deferred income in the balance sheet.

11 Legal status of company

Business to Arts Company Limited by Guarantee is a company limited by guarantee and does not have a share capital. At 31 October 2022 there were 77 members (2021: 95) whose guarantee is limited to €12.70 each.

Business to Arts Company Limited by Guarantee

Notes (continued)

12 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 Company Limited by Guarantee. A summary of the funds generated from pledges and paid onto projects is as follows:

	2022 €	2021 €
Pledges received for projects	119,116	153,023
Payments made to projects	(109,590)	(141,034)
Financial commission	(3,571)	(4,591)
Commission income	5,955	7,398

13 Contingencies

The Company was 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.

14 Accounting estimates and judgements

Key sources of estimation uncertainty

To the extent not disclosed elsewhere in these financial statements at the balance sheet date, there were no other sources of estimation uncertainty that, in the opinion of the directors, may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

15 Post balance sheet events

There were no events subsequent to the balance sheet date which require disclosure in these financial statements.

16 Approval of financial statements

The financial statements were approved and authorised for issue by the board on 27 Feb 2023.

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 Company Limited by Guarantee

Appendix 1: Income analysis for the year ended 31 October 2022

	2022 €	2022 €	2021 €	2021 €
Membership subscriptions		70,650		65,698
Foundation Patrons' contributions		128,102		133,000
Contributions in kind		16,100		30,000
Affiliate income		18,879		17,920
		<hr/>		<hr/>
		233,731		246,618
Allianz Business to Arts Awards:				
Income	129,647		88,924	
Expenditure	-		-	
	<hr/>	129,647	<hr/>	88,924
Arts Fund and Docklands Arts Fund:				
Income	613,157		493,856	
Expenditure	(613,157)		(493,856)	
	<hr/>	-	<hr/>	-
Training:				
Income	14,084		7,615	
Expenditure	-		-	
	<hr/>	14,084	<hr/>	7,615
New Stream:				
Grant income	71,032		56,589	
Expenditure	-		-	
	<hr/>	71,032	<hr/>	56,589
Advisory services:				
Income	72,833		48,252	
Expenditure	-		-	
	<hr/>	72,833	<hr/>	48,252
Fund it:				
Grant income	250		3,220	
Commission income	5,955		7,398	
Expenditure	-		-	
	<hr/>	6,205	<hr/>	10,615
Miscellaneous income/(expenses)		3,898		1,630
		<hr/>		<hr/>
		531,430		460,243
		<hr/> <hr/>		<hr/> <hr/>

All income arises from continuing operations.