

Business to Arts Company Limited by Guarantee

Directors' report and
financial statements

Year ended 31 October 2016

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	Gerard McNaughton (Chairman) Alastair Blair Fergus Dowd Clare Duignan Mary Fulton (Resigned 30 December 2016) Jeanne Kelly Anne Mathews Alan McNab Ursula Murphy (Resigned 10 April 2016) Brendan O'Mara Davina Saint (British) Anthony Shannon (Appointed 6 September 2016) Eamonn O'Reilly (Appointed 25 January 2016)
Secretary	Mary Fulton (Resigned 30 December 2016) Anthony Shannon (Appointed 30 December 2016)
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
Legal advisers	Amorys Solicitors Suite 10 The Mall Beacon Court Sandyford Dublin 18
Registered number	134968

Business to Arts Company Limited by Guarantee

Directors' report

The directors present their report and audited financial statements of the company for the year ended 31 October 2016.

These financial statements were prepared for the first time in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The transition date from old Irish GAAP for the company was 1 November 2014.

Principal activities, results and future developments

Business to Arts brokers, enables and supports creative partnerships between businesses, individuals and the arts.

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, local authorities, 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 2016, Heather Humphreys TD, Minister for Arts, Heritage & the Gaeltacht joined over 700 business and arts leaders at the Bord Gáis Energy Theatre for the 25th year of the event. A new category (13 categories in total) was introduced alongside a special 25-year recognition award. Winners of the Awards included, An Post, RTÉ, Sky Arts/Sky Ireland & Bank of Ireland. Allianz Ireland continued their title sponsorship of the Allianz Business to Arts Awards alongside daa and TileStyle who continue to co-sponsorship 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, Accenture, The Department of Arts, Heritage & the Gaeltacht, and The Ireland Funds. The seventh 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, based at University of Maryland, has concluded and we have introduced the Fundraising Fellowship, Dublin in partnership with Dublin City Council's Dublin Culture Connects. Four cultural organisations have been selected to participate in a fundraising training and mentoring programme with four newly recruited development executives.
- *Fund it*, our crowdfunding platform, allows individuals and companies around the globe to support creative projects from Ireland. In *Business to Arts*' 2015/16 financial year, over 6,220 pledges from Funders has resulted in over €405,000 paid to over 100 creative projects across Ireland. 2015 saw Bank of Ireland become sponsors of fundit.ie in a new three-year relationship until 2018. In 2016, the sponsorship enabled significant technology developments on the site and a suite of crowdfunding toolkits were published.

Business to Arts Company Limited by Guarantee

Directors' report *(continued)*

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

- 2015/16 was the second year of *Business to Arts*' pilot projects, 'The Arts Fund for Ireland' and 'The Docklands Arts Fund' (DAF). These are a structure for unrestricted/donor advised funds provided by companies, organisations and individuals. The Docklands Arts Fund is a partnership between, *Business to Arts*, Dublin City Council Arts Office and Docklands Division. 2016's programme of activity included A&L Goodbody's Writer-in-Residence programme; Draw Me Docklands with Chris Judge and the 'Vinyl Factor' a print commission.

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 economic uncertainty, events or market forces leading to a severe reduction in the patronage, marketing, sponsorship or corporate social responsibility budgets of its member companies are the principal risks and uncertainties 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, continues to be subject to international competition.

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, income diversification 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 Company Limited by Guarantee

Directors' report *(continued)*

Patron, Directors, Secretary and Honorary President

During the year Anthony Shannon and Eamonn O'Reilly were appointed as directors and Ursula Murphy retired as a director. Subsequent to the year-end Mary Fulton resigned as director and secretary and Anthony Shannon was appointed as secretary.

Eamonn O'Reilly, Alastair Blair and Jeanne Kelly, who were appointed as directors since the last annual general meeting, retired in accordance with the articles of association and, being eligible, offered themselves 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 Lower Ground Floor, 17 Kildare Street, Dublin 2, D02CY90.

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 Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

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



Anthony Shannon
Secretary

31 January 2017

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 surplus or deficit 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



Anthony Shannon
Secretary

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

We have audited the financial statements ("financial statements") of Business to Arts Company Limited by Guarantee for the year ended 31 October 2016 which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes. 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*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK and 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 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of 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 Company Limited by Guarantee *(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 and 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 and 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.



C. Byrne

**for and on behalf of
KPMG**

Chartered Accountants, Statutory Audit Firm

1 Stokes Place
St. Stephen's Green
Dublin 2

31 January 2017

Business to Arts Company Limited by Guarantee

Income and expenditure account for the year ended 31 October 2016

	Note	2016 €	2015 €
Income - continuing operations	2	315,649	232,391
Administrative expenses		(283,027)	(198,432)
		<hr/>	<hr/>
Surplus for the year - continuing operations		32,622	33,959
Accumulated surplus brought forward		53,724	19,765
		<hr/>	<hr/>
Accumulated surplus carried forward		86,346	53,724
		<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 2016

	Note	2016 €	2015 €
Fixed assets	6	5,702	2,769
Current assets			
Debtors and prepayments	7	58,914	31,370
Cash at bank and in hand	8	264,009	59,163
Fund-it bank		26,537	3,183
		349,460	93,716
Creditors: amount falling due within one year	9	(242,279)	(39,578)
Fund-it creditor		(26,537)	(3,183)
		(268,816)	(42,761)
Net current assets		80,644	50,955
Net assets		86,346	53,724
Accumulated surplus		86,346	53,724

On behalf of the board



Gerard McNaughton
Chairman



Anthony Shannon
Secretary

Business to Arts Company Limited by Guarantee

Cash flow statement

for the year ended 31 October 2016

	<i>Note</i>	2016 €	2015 €
Cash flows from operating activities			
Surplus for the year		32,622	33,959
<i>Adjustments for:</i>			
Depreciation		779	404
		<hr/> 33,401	<hr/> 34,363
Increase in trade and other debtors		(27,544)	(6,349)
Increase/(decrease) in trade and other creditors		202,701	2,756
		<hr/> 208,558	<hr/> 30,770
Cash flows from investing activities			
Purchase of tangible assets		(3,712)	-
		<hr/> (3,712)	<hr/> -
Net cash from investing activities			
Net increase in cash and cash equivalents		204,846	30,770
Cash and cash equivalents at beginning of year		59,163	28,393
		<hr/> 264,009	<hr/> 59,163
Cash and cash equivalents at end of year	8		

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 shares and incorporated and domiciled in Ireland.

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")* as issued in August 2014. The presentation currency of these financial statements is Euro.

In the transition to FRS 102 from old Irish GAAP, the company has made no measurement or recognition adjustments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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 13.

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 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.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus 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 for the purpose only of the cash flow statement.

Business to Arts Company Limited by Guarantee

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

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.

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 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.

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.

Business to Arts Company Limited by Guarantee

Notes (continued)

1 Accounting policies (continued)

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.

3 Statutory and other information

2016	2015
€	€

Surplus for the year is stated after charging:

Directors' remuneration	-	-
Depreciation of tangible fixed assets	779	404
Auditor's remuneration in respect of audit	5,000	5,000
	<hr/> <hr/>	<hr/> <hr/>

4 Employees

2016	2015
Number	Number

The average number of employees during the year was:

Administration	5	4
	<hr/> <hr/>	<hr/> <hr/>

2016	2015
€	€

The payroll costs of these employees were as follows:

Wages and salaries	190,966	160,606
Social welfare costs	20,498	17,239
	<hr/> <hr/>	<hr/> <hr/>

	211,464	177,845
	<hr/> <hr/>	<hr/> <hr/>

5 Taxation

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

Business to Arts Company Limited by Guarantee

Notes (continued)

6	Fixed assets	Computer equipment €	Office equipment €	Total €
	Cost			
	At beginning of year	62,966	52,346	115,312
	Additions	3,712	-	3,712
	At end of year	66,678	52,346	119,024
	Depreciation			
	At beginning of year	61,546	50,997	112,543
	Charge for year	509	270	779
	At end of year	62,055	51,267	113,322
	Net book value			
	At 31 October 2016	4,623	1,079	5,702
	At 31 October 2015	1,420	1,349	2,769
7	Debtors		2016 €	2015 €
	<i>Amounts falling due within one year</i>			
	Prepayments		8,392	6,870
	Accrued income		50,522	24,500
			58,914	31,370
8	Cash and cash equivalents		2016 €	2015 €
	Cash at bank and in hand		264,009	59,163
	Cash and cash equivalents per cash flow statements		264,009	59,163

Business to Arts Company Limited by Guarantee

Notes (continued)

9 Creditors: amounts falling due within one year	2016	2015
	€	€
Accruals	37,484	38,762
Deferred income	198,480	-
Other creditors including tax and social welfare	6,315	816
	<hr/>	<hr/>
	242,279	39,578
	<hr/>	<hr/>

10 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 2016 there were 77 members (2015: 53) whose guarantee is limited to €12.70 each.

11 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:

	2016	2015
	€	€
Pledges received for projects	405,103	473,123
Payments made to projects	(372,659)	(434,321)
Financial commission	(12,153)	(14,194)
	<hr/>	<hr/>
Commission income	20,291	24,608
	<hr/>	<hr/>

12 Contingency

In 2016 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.

Business to Arts Company Limited by Guarantee

Notes *(continued)*

13 Accounting estimates and judgements

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. 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 only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty

Deferred income

The company receives income from a number of organisations to fund projects in the arts. Once an appropriate project has been identified, the company transfers the income received to the relevant project.

As the income received is to fund specific projects in the arts, the income is included in the income and expenditure account once the funds have been paid out.

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

14 Approval of financial statements

The financial statements were approved by the board on 31 January 2017.

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 2016

	2016	€	2015	€
	€		€	
Membership subscriptions		51,400		31,967
Foundation Patrons' contributions		126,500		91,000
Contributions in kind		73,500		29,300
Affiliate income		13,645		13,540
Allianz Business to Arts Awards:				
Income	106,073		114,759	
Expenditure	(83,114)		(85,869)	
		22,959		28,890
Arts Fund and Docklands Arts Fund:				
Income	111,823		-	
Expenditure	(111,823)		-	
		-		-
Training:				
Income	6,376		6,375	
Expenditure	(6,946)		(3,774)	
		(569)		2,601
New Stream:				
Income	95,172		97,664	
Grants	7,000		31,500	
Expenditure	(102,172)		(128,176)	
		-		987
Consultancy:				
Income	23,965		38,966	
Expenditure	(13,115)		(4,787)	
		10,850		34,179
Fund it:				
Sponsorship income	28,912		5,400	
Commission income	20,291		24,608	
Expenditure	(33,569)		(30,134)	
		15,634		(126)
Miscellaneous income		1,730		53
		315,649		232,391

All income arises from continuing operations.