

**C.A.F.E. COMPANY LIMITED BY GUARANTEE**

**TRADING AS CREATE**

**(A COMPANY LIMITED BY GUARANTEE WITHOUT A SHARE CAPITAL)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Company Registration Number 121298  
Charity Registration Number 20024291  
Revenue Charitable Approval CHY 9695

**C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE**

**FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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# C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE

## DIRECTORS AND OTHER INFORMATION

### COMPANY INFORMATION

#### **Directors**

Clodagh Kenny (Chair)  
Helen Burke  
Sinead Dowling  
Martin Drury  
Deirdre Figueiredo  
Paul Johnson  
Seanie Lambe  
Hassina Kiboua  
Louise O'Reilly

#### **Company Secretary**

Arthur Duignan

#### **Company number**

121298

#### **Registered office**

2 Curved Street  
Temple Bar  
Dublin 2

#### **Auditor**

Company Auditor 4U Limited  
51 Fitzwilliam Street  
Dublin 2

#### **Bankers**

Bank of Ireland  
6 Lower O'Connell Street  
Dublin 1

#### **Solicitors**

Healy O'Connor Solicitors  
Quay House  
Fitton Street  
Cork

# C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE

## DIRECTORS' REPORT

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

For the purposes of this document, the term "directors" is used to describe the governance structures and those appointed to the Board of Directors of the Company and interchangeably with "charity trustees" as set out in the Charities Act, 2009.

## STRUCTURE, GOVERNANCE & MANAGEMENT

### Objectives and Activities

Create is the national development agency for collaborative arts. It has over 30 years' experience of leading this area of practice and provides extensive support to the arts sector in Ireland. Create's support for collaborative practice is unique in the international landscape of socially engaged practice. Collaborative practice spans a wide range of arts activities - architecture, visual arts, music, theatre, dance, film and live arts.

The organisation plays an important role in furthering public policy to increase access and participation in the arts. Its approach is closely aligned to Arts Council priority areas of public engagement and the artist (Making Great Art Work, 2016–2025).

### Mission, Vision and Strategy

Create's strategy is informed by the wider societal context in which collaborative arts practice occurs and by the ever-evolving nature of that practice. The work of the organisation is driven by the goals set out in the strategy [\*Connect Create Change, Leading Collaborative Arts in Ireland \(2020–2025\)\*](#).

Create's vision is of a society that values its artists and invests in the active participation of diverse publics in multiple forms of artistic and cultural expression. Its mission is to lead the development of collaborative arts practice by enabling artists and communities to create exceptional art together.

The organisation's strategy provides a framework to support the ecology, resources and relationships that will develop discourse, policy and next practice. The strategic goals are designed to increase the reach of collaborative arts, enhance its value and ensure its ongoing sustainability.

### Principal Activities and Business Review

The principal activity of the company is as the national development agency for collaborative arts and participatory arts. The company engages in activities that further its main aims and objects on a not-for-profit basis, in accordance with its constitution.

There have been no significant changes in the company's activities during the financial year; its activities have been impacted by the effects of COVID-19 as described below.

### Legal Status

C.A.F.E. Company Limited by Guarantee (trading as Create, Create Ireland and, formerly, as Creative Activity For Everyone) is constituted under the Companies Act 2014 as a company limited by guarantee, not having a share capital. The purpose and objects of the company are charitable in nature, as set out in its Constitution, which also sets out how it conducts its business.

In 1996, the company was granted Revenue Commissioner charitable exemption, retrospective to the date of incorporation in 1983 (CHY No 9695). It is exempted from certain taxes under Section 207, Taxes Consolidation Act, 1997 and from Corporation Tax for certain trading activities. It is approved for the purpose of donations received and is authorised to operate the scheme for tax-exempted donations.

## C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE

### DIRECTORS' REPORT

In 2015, the company was registered as a Charity with the Charities Regulatory Authority (Reg. No: 20024291).

#### Membership and Liability

The number of members of the company at 31 December 2020 was 10, including members of the board. The liability of each member to the assets of the company is limited to €1.27 in the event of winding up.

#### Appointment of Directors

In accordance with the constitution, the board of directors can have a maximum of 12 members, either elected by the members or appointed to fill a vacancy. The nominal term of office is 3 years. A maximum of 2 terms applies, except in exceptional circumstances. At the AGM, one-third of the directors retire by rotation, being the longest serving since last elected; retiring directors can put themselves forward for re-election, if available.

The board seeks a balance of skills and representation in its make-up. Prior to accepting appointment, nominees undergo detailed induction.

#### Serving Directors

The names of the persons who at any time during the financial year were directors of the company are:

Clodagh Kenny	Chair
Helen Burke	(appointed 24 November 2020)
Sinead Dowling	
Martin Drury	
Deirdre Figueiredo	(retired 22 June 2021)
Paul Johnson	
Seanie Lambe	(appointed 24 November 2020)
Hassina Kiboua	(appointed 19 April 2021)
Dr Muiris Ó Céidigh	(appointed 29 October 2020; resigned 19 April 2021)
Louise O'Reilly	
Company Secretary	Arthur Duignan

The directors hold no beneficial interest in the company and give their time voluntarily. No director receives remuneration from the company either for their role as a director or otherwise.

#### Governance

The organisation is committed to best practice in all aspects of governance and management.

The directors are committed to the standards set out in the *Charities Governance Code* (Charities Regulator, 2018)

The directors comply with an internal *Code of Conduct*, the principles of which include loyalty, integrity, and disclosure of interests, confidentiality, legal obligation, fairness, impartiality and independence.

As a charity seeking funding from public and private sources, Create complies with the *Guidelines for Charitable Organisations on Fundraising* and is compliant with the *Statement of Guiding Principles for Fundraising*.

The company publishes governance information online at [www.create-ireland.ie/aboutus/governance](http://www.create-ireland.ie/aboutus/governance).

## C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE

### DIRECTORS' REPORT

#### Management

Dr Ailbhe Murphy was appointed as Chief Executive officer in 2015 with delegated authority for operational matters. The company employs a team of seven additional staff, complemented through a pool of freelance professionals, work placements and interns. The directors are fully confident in the capabilities of this dedicated, loyal and highly skilled and competent professional team.

#### Financial Controls

As a Guarantee Company the organisation relies on externally generated resources to finance operations. It is regularly entrusted with responsibility for the stewardship of resources intended for public and charitable benefit. The directors are satisfied that there are appropriate systems in place for the management of resources, including grants and donations.

The company is compliant with relevant Circulars, including *Tax Clearance Procedures Grants, Subsidies and Similar Type Payments* (44/2006) and the *Statement of Principles for Grantees* (13/2014).

#### Principal Risks and Uncertainties

As part of its overall duty of governance, the directors are aware of the risks to which the company is exposed and is satisfied that systems are in place to manage the organisation's exposure to risk, including risks and uncertainties associated with Covid-19, primarily the impact of a prolonged period of public health restrictions on movement and gatherings and the resultant impact on the arts and culture sector, including Create.

#### Reserves Policy

The directors makes regular assessments of what is required to ensure the company's ongoing operation. In 2019 the board determined that a Reserves Policy is required that sets out the extent to which unrestricted funds, not subject to commitments or other restrictions, can be set aside.

In determining the level of reserves that might be required, the directors took into account:

- The level of current unrestricted funds and an accumulated surplus
- Current and anticipated legal and regulatory obligations and guidelines
- Significant risks and uncertainties to future income and expenditure levels
- Existing and future operational and artistic requirements and commitments

In the board's view, the quantum of reserves that the organisation should carry is the equivalent of a Reserves Ratio of 25% or three months' provision for governance and support costs. Achieving this from the resources currently available will be a key target over the coming number of years.

#### Investment Powers and Policy

In accordance with the constitution, the company has the power to invest in any way the directors determine.

# C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE

## DIRECTORS' REPORT

### ACHIEVEMENTS AND PERFORMANCE

Create published its strategy document, *Connect Create Change, Leading Collaborative Arts in Ireland (2020–2025)* in 2019, at a time of significant global change and in the firm belief that by working together, artists and communities can purposefully explore how collaborative arts engage in distinct, relevant and powerful ways with the urgent social, cultural and political issues of our times.

The company has identified five strategic goals, designed to increase the reach of collaborative arts, enhance its value and ensure its ongoing sustainability, driving our work forward.

- **Goal One:** Create innovative opportunities and ensure reliable supports for artists and communities to develop and sustain best practice
- **Goal Two:** Develop cultural and cross-sectoral partnerships to support greater diversity in the practice and strengthen its capacity for social change
- **Goal Three:** Be Ireland's expert resource, network forum and research engine for cultural, cross-sectoral and international knowledge about collaborative arts
- **Goal Four:** Engage a wide range of publics, stakeholders and policy makers in understanding, valuing and supporting collaborative arts
- **Goal Five:** Renew our organisational capacity and ensure resilience to deliver this strategy and be a dynamic national development agency for collaborative arts

The restrictions and changed working practices brought about by Covid-19 meant that in March, we faced the question: *What does socially engaged arts practice look like at a time of social distancing?* In response, we altered the language, focusing on physical distancing and social solidarity. In that spirit we worked to reimagine opportunities and supports, reflecting our need more than ever to *Connect, Create and Change*. Much of the planned programme of activities successfully moved online. We were unable to share our physical facilities due to Covid-19 and public health restrictions.

The directors are thankful for the work done by committed, enthusiastic socially engaged collaborative artists and communities whom we are proud to support. A detailed review of activities in 2020 is available online.

### Results for the Year

<b>Statement of Financial Activities</b>	<b>2020</b>	<b>2019</b>
	€	
<u>Income:</u>		
Grants and Donations	700,837	538,399
Income from charitable activities (operation of arts organisation)	5,871	18,357
Income from other activities (trading operations)	24,489	47,728
Other income	15	2,777
	<b>731,212</b>	<b>607,261</b>
<u>Expenditure:</u>		
Costs of raising funds	6,115	8,891
Expenditure on charitable activities (operation of arts organisation)	323,267	264,633
Management and other costs	413,652	328,615
	<b>743,034</b>	<b>602,139</b>
Net Incoming/(Outgoing) Resources	(11,822)	5,122
<u>Reconciliation of funds:</u>		
Total funds brought forward	67,154	62,032
Total funds carried forward	<b>55,332</b>	<b>67,154</b>

The full results are set out on pages 11-18.

## C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE

### DIRECTORS' REPORT

#### Post Balance Sheet Events

At the time of signing the financial statements, the company is correspondence with the EACEA regarding the audit outcome of a project funded by Creative Europe, the CAPP Programme (2014-2018), of which Create was coordinating partner. The audit confirms an adjustment is necessary to the gross costs accepted. However, as the amount and individual partner liability remain uncertain, no liability is recognised in the financial statements.

#### Future Plans

The directors are not expecting to make any significant changes in the nature of the business in the near future. At the time of approving the financial statements, the company continues to be exposed to the effects of the Covid-19 pandemic, which is having a negative effect on trading activity, resulting in a lower than expected levels of activity and turnover for the year. In planning its future activities, the directors will seek to develop the company's activities whilst managing the effects of a difficult trading period caused by the pandemic.

#### Accounting Records

The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are located at 2 Curved Street, Dublin 2.

#### Relevant Audit Information

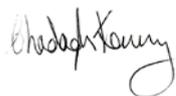
In the case of each of the persons who are directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

- so far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

#### Auditors

In accordance with Section 383(2) of the Companies Act 2014, the auditors, Compliant Accountant & Co., Registered Auditors / Statutory Auditors / Statutory Audit Firm, Accountants Row, Any County will continue in office.

This report was approved by the board of directors on 21 September 2021 and signed on behalf of the board by:



Clodagh Kenny

Director



Paul Johnson

Director

## **C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the income and expenditure of the company for the financial year and otherwise comply with the Companies Act 2014.

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

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

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

## **C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of C.A.F.E. Limited for the financial year ended 31 December 2020 which comprise the income and expenditure account, statement of income and retained earnings, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies set out in note 3. 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.

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 December 2020 and of its deficit for the financial 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 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 described below 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 for Auditors (Ireland) 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.

#### **Other information**

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

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

We have nothing to report in this regard.

## **C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinions on other matters prescribed by the Companies Act, 2014**

Based solely on the work undertaken in the course of the audit, we report that:

- 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**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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.

#### **Respective responsibilities**

##### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or 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.

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

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

## C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### 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.



Ultan McCarthy

For and on behalf of

Company Auditor 4U Ltd  
Chartered Certified Accountants & Statutory Auditors  
51 Fitzwilliam Square  
Dublin 2

21 September 2021

**C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE**

**STATEMENT OF INCOME AND RETAINED EARNINGS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

<b>INCOME AND RETAINED EARNINGS</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>€</b>	<b>€</b>
Turnover	5	731,212	607,261
Gross surplus		731,212	607,261
Administrative expenses		(743,034)	(602,139)
Operating surplus / (loss)	6	(11,822)	5,122
Other interest receivable and similar income		0	0
Other interest payable and similar expenses	9	0	0
Loss before taxation		(11,822)	5,122
Tax on loss		-	-
Deficit for the financial year		(11,822)	5,122

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenditure other than the results for the financial year as set out above.

	<b>2020</b>	<b>2019</b>
Surplus for the financial year	(11,822)	5,122
Retained earnings at the start of the financial year	67,154	62,032
<b>Retained earnings at the end of the financial year</b>	<b>55,332</b>	<b>67,154</b>

*The notes on pages 19 to 23 form part of these financial statements*

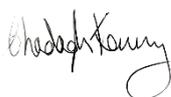
**C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE**

**BALANCE SHEET**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

<b>BALANCE SHEET</b>		<b>2020</b>		<b>2019</b>	
	<b>Note</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Fixed assets</b>					
Intangible assets	10	15,416		14,519	
Tangible assets	11	<u>5,979</u>		<u>7,670</u>	
			21,395		22,189
<b>Current assets</b>					
Debtors	12	64,000		28,140	
Cash at bank and in hand		<u>256,158</u>		<u>203,880</u>	
		320,158		230,020	
<b>Current liabilities</b>					
Creditors: falling due within one year	14	(286,221)		(187,055)	
<b>Net current assets</b>					
			<u>33,937</u>		<u>44,965</u>
Total assets less current liabilities			<u>55,322</u>		<u>67,154</u>
<b>Net assets</b>			<u>55,322</u>		<u>67,154</u>
<b>Capital and reserves</b>					
Profit and loss account			<u>55,332</u>		<u>67,154</u>
<b>Members' funds</b>			<u>55,332</u>		<u>67,154</u>

These financial statements were approved by the board of directors on 21 September 2021 and signed on behalf of the board by:



Clodagh Kenny

Director



Paul Johnson

Director

*The notes on pages 19 to 23 form part of these financial statements*

**C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE**

**CASHFLOW STATEMENT**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	<b>2020</b>	2019
	€	€
<b>Cash flows from operating activities</b>		
Surplus for the financial year	(11,822)	5,122
<i>Adjustments for:</i>		
Depreciation of tangible assets	3,799	4,820
Depreciation of tangible assets	6,441	4,607
Interest payable and similar expenses		
(Gain)/loss on disposal of tangible assets	375	(162)
Accrued expenses/(income)	8,015	(3,191)
<i>Changes in:</i>		
Trade and other debtors	(35,860)	98,824
Trade and other creditors	90,814	(212,270)
Cash generated from operations	<u>61,762</u>	<u>(102,250)</u>
Interest paid		
Interest received		
Net cash (used in)/from operating activities	<u>61,762</u>	<u>(102,250)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(2,483)	(306)
Proceeds from sale of tangible assets		700
Purchase of intangible assets	(7,337)	(12,826)
Net cash used in investing activities	<u>(9,820)</u>	<u>(12,432)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	51,942	(114,682)
<b>Cash and cash equivalents at beginning of financial year</b>	13 202,430	317,111
<b>Cash and cash equivalents at end of financial year</b>	13 <u>254,372</u>	<u>202,429</u>

# C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

#### 1. General information

The company is a private company limited by guarantee, registered in Ireland. The address of the registered office is 2 Curved Street, Temple Bar, Dublin 2.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Triennial review 2017 amendments to the standard have been early adopted.

#### 3. Accounting policies and measurement bases

##### 3.1 Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in Euro, which is the functional currency of the entity.

##### 3.2 Turnover

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

##### 3.3 Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

##### 3.4 Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

- Intangible assets - 20% Straight Line Method

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

## C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

##### **3.5 Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

##### **3.6 Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

- Office equipment / fittings - 25% Straight Line Method
- IT / computer equipment - 25% Straight Line Method

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

##### **3.7 Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

##### **3.8 Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of

**C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Income and Retained Earnings, with the exception of hedging instruments in a designated hedging relationship.

Any reversals of impairment are recognised in the Statement of Income and Retained Earnings immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**4. Limited by guarantee**

The company is one limited by guarantee not having a share capital under the Companies Act 2014. The purpose and objects of the company are charitable in nature, as set out in its Constitution.

**5. Turnover**

The whole of the turnover is attributable to the principal activity of the company which is wholly undertaken in Ireland.

**6. Operating surplus**

Operating surplus is stated after charging/(crediting):

	<b>2020</b>	2019
	€	€
Depreciation of tangible assets	3,800	4,820
Amortisation of intangible assets	6,441	4,607
(Gain)/loss on disposal of tangible assets	375	(162)
Impairment of trade debtors	(192)	(3,575)
Fees payable for the audit of the financial statements	3,690	3,690

**7. Auditors remuneration**

	<b>2020</b>	2019
	€	€
Audit of the financial statements	3,690	3,690

**8. Staff costs**

The aggregate payroll costs incurred during the financial year were:

	<b>2020</b>	2019
	Number	Number
Administrative staff	<b>8</b>	8
	€	€
Wages and salaries	310,748	234,159
Social insurance costs	31,887	25,737
	<b>342,635</b>	259,896

In 2020, two employees were paid salaries of between €50,000 and €60,000. No employer pension contributions were made in the period.

**C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**9. Interest payable and similar expenses**

	<b>2020</b>	2019
	€	€
Loans and overdrafts from credit institutions	-	-

**10. Appropriations of retained earnings**

	<b>2020</b>	2019
	€	€
At the start of the financial year	67,154	62,032
Surplus/(deficit) for the financial year	(11,822)	5,122
At the end of the financial year	55,332	67,154

**11. Intangible assets**

	Digital Licence	Web Development	<b>Total</b>
<u>Cost</u>		€	€
At 1 January 2020	7,000	12,826	19,826
Additions		7,337	7,337
<b>At 31 December 2020</b>	<b>7,000</b>	<b>20,163</b>	<b>27,163</b>
<u>Amortisation</u>			
At 1 January 2020	2,100	3,206	5,306
Charge for the financial year	1,400	5,041	6,441
<b>At 31 December 2020</b>	<b>3,500</b>	<b>8,247</b>	<b>11,747</b>
<u>Carrying amount</u>			
<b>At 31 December 2020</b>	<b>3,500</b>	<b>11,916</b>	<b>15,416</b>
At 31 December 2019	4,900	9,620	14,520

**12. Tangible fixed assets**

	IT Equipment	Office Fixtures & Fittings	<b>Total</b>
<u>Cost</u>	€	€	€
At 1 January 2020	27,076	2,778	29,854
Additions	2,483		2,483
Disposals	(11,093)		(11,093)
<b>At 31 December 2020</b>	<b>18,466</b>	<b>2,778</b>	<b>21,244</b>
<u>Depreciation</u>			
At 1 January 2020	19,838	2,345	22,183
Charge for the financial year	3,611	189	3,800
Disposals	(10,678)	(40)	(10,718)
<b>At 31 December 2020</b>	<b>12,771</b>	<b>2,494</b>	<b>15,265</b>
<u>Carrying amount</u>			
<b>At 31 December 2020</b>	<b>5,695</b>	<b>284</b>	<b>5,979</b>
At 31 December 2019	7,238	433	7,671

**C.A.F.E. COMPANY LIMITED BY GUARANTEE T/A CREATE**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**13. Debtors**

	<b>2020</b>	2019
	€	€
Trade debtors	52,830	24,064
Prepayments	11,170	4,076
	<u>64,000</u>	<u>28,140</u>

**14. Cash and cash equivalents**

	<b>2020</b>	2019
	€	€
Cash at bank and in hand	256,158	203,880
Bank overdrafts	(1,787)	(1,450)
	<u>254,371</u>	<u>202,430</u>

**15. Creditors: amounts falling due within one year**

	<b>2020</b>	2019
	€	€
Amounts owed to credit institutions	1,787	1,450
Trade creditors	156,107	105,973
Other creditors	1,678	(9,041)
PAYE and social insurance	11,208	5,474
Accruals	47,613	39,598
Deferred income	67,828	43,601
	<u>286,221</u>	<u>187,055</u>

**16. Capital Grants**

The company has confirmation of ACCESS II funding of €299,500 from The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. At 31<sup>st</sup> December 2020, funds of €167,568 had been claimed and taken into income. The balance has been repurposed towards the development of library and archive facilities. While work on the project was curtailed and delayed in 2020, due to Covid-19, the company expects to complete the works in late 2021 or early 2022.

**17. Events after the end of the reporting period**

At the time of signing the financial statements, the company is correspondence with the EACEA regarding the audit outcome of a project funded by Creative Europe, the CAPP Programme (2014-2018), of which Create was coordinating partner. The audit confirms an adjustment is necessary to the gross costs accepted. However, as the amount and individual partner liability remain uncertain, no liability is recognised in the financial statements.

**18. Provisions available for Small Entities**

In common with many other businesses of our size and nature, we engage our auditors to assist with the preparation of the financial statements which are compliant with financial reporting standards.

**19. Approval of financial statements**

The board of directors approved these financial statements for issue on 21 September 2021.