

**Irish Visual Artists' Rights Organisation CLG**

**Directors' Report and Financial Statements**

**for the year ended 31 December 2016**

**(Company Limited by Guarantee)**

## Irish Visual Artists' Rights Organisation CLG

### Company Information

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | Robert Ballagh<br>Noel Kelly<br>Samantha Holman<br>Pearse Ryan<br>Abigail O'Brien<br>Sean Molloy<br>Declan Mulligan |
| <b>Secretary</b>         | Samantha Holman   |
| <b>Company Number</b>    | 403922  |
| <b>Registered Office</b> | Windmill View House<br>Oliver Bond Street<br>Dublin 8   |
| <b>Auditors</b>          | Byrne Moreau Connell<br>Harmony Court<br>Harmony Row<br>Dublin 2  |
| <b>Business Address</b>  | Windmill View House<br>Oliver Bond Street<br>Dublin 8   |
| <b>Bankers</b>           | Allied Irish Banks<br>Sandymount<br>Dublin 4  |

## Irish Visual Artists' Rights Organisation CLG

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## **Irish Visual Artists' Rights Organisation CLG**

### **Directors' Report for the year ended 31 December 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

#### **Principal Activity and Review of the Business**

The principal activity of the company is the protection and promotion of the rights and interests of visual artists in their work. In 2016 important progress has been made in the core services offered to IVARO members, visual creators and their beneficiaries.

#### **Results for the year**

The deficit for the year after all provisions amounted to Euro 21,152 (2015 - Euro 16,786).

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

The directors assess and manage the risks and uncertainties faced by the company on a regular basis.

#### **Directors**

Certain directors will retire by rotation, in accordance with the Constitution of the Company.

#### **Post Balance Sheet Events**

There were no material events affecting the company after year end.

#### **Future Developments**

The company will continue with its current activities over the coming years.

#### **Directors and their Interests**

IVARO is governed by a voluntary board of directors which consists of artist members and co-opted members with particular professional expertise. The directors who served during the year are as stated below.

Robert Ballagh  
Noel Kelly  
Samantha Holman  
Pearse Ryan  
Abigail O'Brien  
Sean Molloy  
Declan Mulligan

None of the directors or the secretary has any financial interest in the company.

## **Irish Visual Artists' Rights Organisation CLG**

### **Directors' Report for the year ended 31 December 2016**

#### **Accounting records**

The measures that the directors have taken 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 employment of appropriately qualified accounting personnel and the maintenance of appropriate accounting systems. The company's accounting records are kept at Windmill View House, Oliver Bond Street.

#### **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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). 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 profit or loss 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 for the company's financial statements and then apply them consistently;
- make judgements and 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.

#### **Auditors**

The auditors, Byrne Moreau Connell, continue in office in accordance with the provisions of Section 383(2) of the Companies Act 2014.

On behalf of the Board :

**Samantha Holman**

)

) Directors

**Noel Kelly**

)

**31 December 2017**

## **Irish Visual Artists' Rights Organisation CLG**

### **Independent Auditors' Report to the Members of Irish Visual Artists' Rights Organisation CLG**

We have audited the financial statements of Irish Visual Artists' Rights Organisation CLG for the year ended 31 December 2016 which comprise the Income and Expenditure Account, the Balance Sheet, Cash Flow Statement and the related notes 1 to 20. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework").

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

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit 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 Reports and Financial Statements for the year ended 31 December 2016 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.

#### **Opinion on financial statements**

In our opinion the financial statements:

- Give a true and fair view of the assets, liabilities, and financial position of the company as at 31st December 2016 and of its result for the year then ended:
- and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

**Irish Visual Artists' Rights Organisation CLG**

**Independent Auditors' Report to the Members of Irish Visual Artists' Rights Organisation CLG (continued)**

**Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

**JOSEPH MOREAU FCA**  
for and behalf of  
**Byrne Moreau Connell**  
**Chartered Accountants and**  
**Registered Auditor**  
**Harmony Court**  
**Harmony Row**  
**Dublin 2**

**31 December 2017**

**Irish Visual Artists' Rights Organisation CLG**

**Income & Expenditure Account  
for the year ended 31 December 2016**

|   |              | <b>Continuing operations</b> |                |
|---|--------------|------------------------------|----------------|
|   |              | <b>2016</b>                  | <b>2015</b>    |
|   | <b>Notes</b> | <b>€</b>                     | <b>€</b>       |
| <b>Turnover</b>   | <b>2</b>     | 209,309                      | 153,387        |
| Direct costs and distributions                            |              | (169,677)                    | (109,228)      |
| <b>Gross surplus</b>                                      |              | 39,632                       | 44,159         |
| General expenses  |              | (60,930)                     | (61,059)       |
| <b>Operating deficit</b>                                  | <b>4</b>     | (21,298)                     | (16,900)       |
| Interest receivable<br>and similar income                 | <b>5</b>     | 195                          | 152            |
| <b>Deficit on ordinary<br/>activities before taxation</b> |              | (21,103)                     | (16,748)       |
| Tax on deficit on<br>ordinary activities                  | <b>6</b>     | (49)                         | (38)           |
| <b>(Deficit) for the year</b>                             |              | (21,152)                     | (16,786)       |
| Accumulated (deficit)/surplus as previously reported      |              | (3,804)                      | 12,982         |
| <b>Accumulated (deficit) carried forward</b>              |              | <u>(24,956)</u>              | <u>(3,804)</u> |

There were no recognised gains or losses other than the surplus or deficit for the above two financial years.



**Irish Visual Artists' Rights Organisation CLG**

**Balance Sheet  
as at 31 December 2016**

|   |              | <b>2016</b>      |                 | <b>2015</b>      |                |
|---|--------------|------------------|-----------------|------------------|----------------|
|   | <b>Notes</b> | €                | €               | €                | €              |
| <b>Current Assets</b>                                 |              |                  |                 |                  |                |
| Cash at bank and in hand                              |              | 378,223          |                 | 334,513          |                |
|   |              | <u>378,223</u>   |                 | <u>334,513</u>   |                |
| <b>Creditors: amounts falling due within one year</b> | <b>7</b>     | <u>(403,179)</u> |                 | <u>(338,317)</u> |                |
| <b>Net Current Liabilities</b>                        |              |                  | <u>(24,956)</u> |                  | <u>(3,804)</u> |
| <b>Total Assets Less Current Liabilities</b>          |              |                  | (24,956)        |                  | (3,804)        |
|   |              |                  | =====           |                  | =====          |
| <b>Capital and Reserves</b>                           |              |                  |                 |                  |                |
| Income and expenditure account                        |              |                  | <u>(24,956)</u> |                  | <u>(3,804)</u> |
| <b>Members' funds</b>                                 |              |                  | <u>(24,956)</u> |                  | <u>(3,804)</u> |

The financial statements were approved by the board on 31 December 2017 and signed on its behalf by :

**Samantha Holman**  
Director

**Noel Kelly**  
Director

**Irish Visual Artists' Rights Organisation CLG**

**Cash Flow Statement  
for the year ended 31 December 2016**

|   | <b>2016</b>    | <b>2015</b>    |
|---|----------------|----------------|
| <b>Notes</b>  | <b>€</b>       | <b>€</b>       |
| <b>Reconciliation of operating deficit to net cash inflow from operating activities</b> |                |                |
| Operating deficit   | (21,298)       | (16,900)       |
| (Increase) in debtors   | -              | 3,925          |
| Increase in creditors   | 64,894         | 66,714         |
| <b>Net cash inflow from operating activities</b>  | <u>43,596</u>  | <u>53,739</u>  |
| <br><b>Cash Flow Statement</b>  |                |                |
| <b>Net cash inflow from operating activities</b>  | 43,596         | 53,739         |
| <b>Returns on investments and servicing of finance</b>                                  | <b>11</b> 195  | 152            |
| <b>Taxation (Paid) Refunded</b>   | (80)           | 30             |
| <b>Increase in cash in the year</b>   | <u>43,711</u>  | <u>53,921</u>  |
| <br><b>Reconciliation of net cash flow to movement in net funds (Note 12)</b>           |                |                |
| <b>Increase in cash in the year</b>   | 43,711         | 53,921         |
| <b>Net funds at 1 January 16</b>  | 334,513        | 280,592        |
| <b>Net funds at 31 December 2016</b>  | <u>378,224</u> | <u>334,513</u> |

## Irish Visual Artists' Rights Organisation CLG

### Notes to the Financial Statements for the year ended 31 December 2016

#### 1. Accounting Policies

##### 1.1. Basis of Accounting

The financial statements have been prepared in accordance with the Companies Act 2014 and FRS 102, The Financial Reporting Standard applicable in the UK and the Republic of Ireland, as issued by the Financial Reporting Council.

##### Accounting Convention

The financial statements have been prepared under the historical cost convention.

The company has consistently applied all relevant accounting standards.

##### 1.2. Turnover and Income

Turnover represents the total value of commission earned on the collection of Artists' Resale Royalties and similar income for the year.

##### 1.3. Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Bank debt is measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

#### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in Ireland.

## Irish Visual Artists' Rights Organisation CLG

### Notes to the Financial Statements for the year ended 31 December 2016

#### 3. Critical accounting judgements and key sources of estimation uncertainty.

In the application of the Company's accounting policies 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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and notes to the financial statements.

The directors make estimates and assumptions concerning the future in the process of preparing the company's financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below, where relevant.

|   |                   |                   |
|---|-------------------|-------------------|
| <b>4. Operating Surplus(Deficit)</b>                  | <b>2016</b>       | <b>2015</b>       |
|   | €                 | €                 |
| Operating Surplus (deficit) is stated after charging: |                   |                   |
| Auditors' remuneration                                | 2,460             | 2,460             |
|   | <u>          </u> | <u>          </u> |
| <b>5. Interest receivable and similar income</b>      | <b>2016</b>       | <b>2015</b>       |
|   | €                 | €                 |
| Bank interest   | 195               | 152               |
|   | <u>          </u> | <u>          </u> |

**Irish Visual Artists' Rights Organisation CLG**

**Notes to the Financial Statements  
for the year ended 31 December 2016**

**6. Tax on deficit on ordinary activities**

| <b>Analysis of charge in period</b> | <b>2016</b>       | <b>2015</b>       |
|-------------------------------------|-------------------|-------------------|
|                                     | €                 | €                 |
| Corporation tax                     | 49                | 38                |
|                                     | <u>          </u> | <u>          </u> |

**Factors affecting tax charge for period**

The tax charge for the year differs from that implied by the standard rate of corporation tax in Ireland (12.5%). The differences are explained below:

|  | <b>2016</b>       | <b>2015</b>       |
|--|-------------------|-------------------|
|  | €                 | €                 |
| Deficit on ordinary activities before taxation   | (21,103)          | (16,748)          |
|  | <u>          </u> | <u>          </u> |
| Deficit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (31st December 2015 : 12.5%) | (2,638)           | (2,094)           |
| <b>Effects of:</b>   |                   |                   |
| Expenses/losses not deductible/carried forward   | 2,828             | 2,094             |
| Higher tax rates on capital and investment income  | 49                | 38                |
| Other adjustments  | -                 | -                 |
|  | <u>          </u> | <u>          </u> |
| Corporation tax charge for year  | 239               | 38                |
|  | <u>          </u> | <u>          </u> |

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

|                              | <b>2016</b>       | <b>2015</b>       |
|------------------------------|-------------------|-------------------|
|                              | €                 | €                 |
| Due to Artists               | 197,094           | 136,671           |
| Corporation tax              | (56)              | (24)              |
| Licensing/Reprography Rights | 185,396           | 183,585           |
| Accruals and deferred income | 20,745            | 18,085            |
|                              | <u>          </u> | <u>          </u> |
|                              | 403,179           | 338,317           |
|                              | <u>          </u> | <u>          </u> |

**8. Capital commitments**

The company has no commitments other than those disclosed in the accounts.

**Irish Visual Artists' Rights Organisation CLG**

**Notes to the Financial Statements  
for the year ended 31 December 2016**

**9. Contingent liabilities**

There are no contingent liabilities other than those reflected in the accounts.

**10. Post Balance Sheet events**

There were no material events affecting the company after the year end.

**11. Gross Cash Flows**

|  | <b>2016</b>       | <b>2015</b>       |
|--|-------------------|-------------------|
|  | €                 | €                 |
| <b>Returns on investments and servicing of finance</b> |                   |                   |
| Interest received                                      | 195               | 152               |
|  | <u>          </u> | <u>          </u> |

**12. Analysis of changes in net funds**

|                          | <b>Opening<br/>balance</b> | <b>Cash<br/>flows</b> | <b>Closing<br/>balance</b> |
|--------------------------|----------------------------|-----------------------|----------------------------|
|                          | €                          | €                     | €                          |
| Cash at bank and in hand | 334,513                    | 43,710                | 378,223                    |
| Net funds                | <u>334,513</u>             | <u>43,710</u>         | <u>378,223</u>             |

**13. Approval of financial statements**

The financial statements were approved by the Board for issue on 31 December 2017.

**Irish Visual Artists' Rights Organisation CLG**  
**Income and Expenditure Account**  
**for the year ended 31 December 2016**

|   |               | <b>2016</b>            |               | <b>2015</b>            |
|---|---------------|------------------------|---------------|------------------------|
|   | €             | €                      | €             | €                      |
| <b>Income</b>                                       |               |                        |               |                        |
| Artists' Resale Royalties receivable                |               | 2,802                  |               | 59,953                 |
| Artists' resale royalties - Overseas                |               | 120,616                |               | 12,768                 |
| Licensing income                                    |               | 18,324                 |               | 13,836                 |
| Reprography Rights receivable                       |               | 47,567                 |               | 46,830                 |
| Development Funding                                 |               | 20,000                 |               | 20,000                 |
|   |               | <u>209,309</u>         |               | <u>153,387</u>         |
| <b>Direct costs, distributions &amp; provisions</b> |               |                        |               |                        |
| Artists' resale royalties payable                   | 120,259       |                        | 63,729        |                        |
| Licensing/reprography provision                     | <u>49,418</u> |                        | <u>45,499</u> |                        |
|   |               | <u>(169,677)</u>       |               | <u>(109,228)</u>       |
| <b>Gross surplus</b>                                |               | 39,632                 |               | 44,159                 |
| <b>Expenses</b>                                     |               |                        |               |                        |
| Administration Expenses                             | <u>60,930</u> |                        | <u>61,059</u> |                        |
|   |               | <u>60,930</u>          |               | <u>61,059</u>          |
| <b>Operating deficit</b>                            |               | (21,298)               |               | (16,900)               |
| <b>Other income and expenses</b>                    |               |                        |               |                        |
| <b>Interest receivable</b>                          |               |                        |               |                        |
| Bank deposit interest                               | <u>195</u>    |                        | <u>152</u>    |                        |
|   |               | <u>195</u>             |               | <u>152</u>             |
| <b>Net (deficit)/surplus for the year</b>           |               | <u><u>(21,103)</u></u> |               | <u><u>(16,748)</u></u> |