



Guernsey Arts Commission LBG

Annual Report and Audited Financial Statements

31 December 2017

Company Information

Commissioners

M A Carey
M Cook (appointed 19 January 2017)
G M Daldry (resigned 19 September 2017)
A C Dudley-Owen (appointed 19 January 2017, resigned 23 March 2018)
C A E Helyar-Wilkinson
N M Keys
J H Payne (appointed 23 January 2017, resigned 19 September 2017)
T Wakefield
A J West (appointed 19 January 2017)

Registered Office

Beau Sejour Leisure Centre
Amherst
St Peter Port
Guernsey
GY1 2DL
Channel Islands

Company registered number

49101

Charity registered number

CH280

Independent Auditor

Cleland & Co Limited
First Floor
Harbour Court
Les Amballes
St Peter Port
Guernsey
GY1 1WU
Channel Islands

Commissioners' Report

The commissioners present their annual report with the audited financial statements of the company for the year ended 31 December 2017.

Principal activity

The principal activity of the company in the year under review was the promotion of arts in Guernsey and distribution of funds in support of arts activities.

Commissioners

The commissioners in office during the year and to date were as listed on page 1.

Statement of commissioners' responsibilities

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

Company law requires the commissioners to prepare financial statements for each financial year. Under that law the commissioners have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the result of the company for that period. In preparing these financial statements, the commissioners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 commissioners are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. 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.

Disclosure of information to the auditor

In accordance with Section 249 of The Companies (Guernsey) Law, 2008 the commissioners confirm that:

- So far as each commissioner is aware, there is no relevant audit information of which the company's auditor is unaware; and
- Each commissioner has taken all the steps they ought to have taken as a commissioner to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of the information.

Independent Auditor

A resolution to appoint Cleland & Co Limited as the auditor will be put to the members by ordinary resolution.

By Order of the Board

Commissioner

Commissioner

Date:

Independent auditor's report to the members of Guernsey Arts Commission LBG

Opinion

We have audited the financial statements of Guernsey Arts Commission LBG (the “company”) for the year ended 31 December 2017 which comprise the Income and Expenditure Account, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 December 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC’s Ethical Standard, 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.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the commissioners’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the commissioners have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The commissioners are responsible for the other information. 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.

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the commissioners' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the commissioners' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of 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 commissioners' report.

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of commissioners

As explained more fully in the Statement of commissioners responsibilities set out on page 2, the commissioners 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 commissioners 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 commissioners either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. 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.

Cleland & Co Limited
Chartered Accountants
First Floor
Harbour Court
Les Amballes
St Peter Port
Guernsey
GY1 1WU

Date:

Income and Expenditure Account

for the year ended 31 December 2017

	<i>Notes</i>	<i>2017</i> £	<i>2016</i> £
Income			
Bank interest received		-	4
Sponsorship and donations	3	76,580	74,097
States funding	4	151,100	141,000
Ticket sales and event income		-	75
		<u>227,680</u>	<u>215,176</u>
Administrative expenses			
Advertising, promotion and hospitality		132	598
Administration costs		8,392	11,295
Arts development grants	9	75,085	81,695
Audit fees		3,350	3,250
Community arts funding		58,138	46,471
Depreciation		-	974
Salaries and recruitment costs		63,111	64,264
Training and travel		-	144
		<u>(208,208)</u>	<u>(208,691)</u>
Surplus of income over expenditure for the year transferred to central reserve			
	10	<u>19,472</u>	<u>6,485</u>

Balance Sheet

at 31 December 2017

	<i>Notes</i>	<i>2017</i> £	<i>2016</i> £
Current assets			
Other debtors		125	1,000
Cash at bank and in hand		137,730	118,337
		<u>137,855</u>	<u>119,337</u>
Creditors: amounts falling due within one year			
Trade & other creditors	7	(13,212)	(14,166)
		<u>124,643</u>	<u>105,171</u>
Net assets			
Reserves			
Grant reserve	9	61,281	49,266
Central reserve	10	63,362	55,905
		<u>124,643</u>	<u>105,171</u>
Total reserves			

The financial statements have been prepared in accordance with Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK & Republic of Ireland, Section 1A – Small Entities.

The financial statements were approved by the Board of Commissioners on 2018 and are signed on its behalf by:-

Commissioner

Commissioner

Notes to the financial statements

at 31 December 2017

1. Company information

Guernsey Arts Commission LBG, registered number 49101, is a private company limited by guarantee and incorporated in Guernsey. Its registered office is Beau Sejour Leisure Centre, Amherst, St Peter Port, Guernsey, GY1 2DL, Channel Islands. Its principal place of business is Candie Museum, Candie Road, St Peter Port, Guernsey, GY1 2UG, Channel Islands.

The financial statements are presented in Sterling, which is the functional currency of the company.

2. Accounting policies

Statement of compliance with accounting standards

The financial statements have been prepared in accordance with Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK & Republic of Ireland, Section 1A – Small Entities (FRS 102 Section 1A). There were no material departures from that standard.

The principal accounting policies applied in the preparation of the audited financial statements are set out below.

These policies, unless otherwise stated, been consistently applied to all periods presented.

The financial statements have been prepared under the historical cost and on a going concern basis as the company is in a position to meet its obligations as they fall due.

In the opinion of the commissioners, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its result for the year then ended.

Income

Undesignated sponsorship, donations, ticket sales, event income, States funding & bank interest receivable are recognised in the financial statements on a receipts basis. Designated sponsorship is recognised on an accruals basis to the extent that it relates to identifiable expenditure which has been incurred or to activities which have taken place.

Expenditure

Grants, including underwriting commitments, are credited to the Grant Reserve once they have been approved by the relevant committee. They are subsequently recognised as grant expenditure in the Income and Expenditure Account on the earlier of the payment of the grant and the occurrence of the event to which they relate. All other expenditure is recognised on an accruals basis.

Financial instruments

Basic financial instruments are measured at amortised cost.

Reserves

The commission maintains two reserves, a grant reserve and a central reserve. The grant reserve is the income received from the States of Guernsey specifically for administering grants, this is ring fenced from the other income and expenditure. Any grants awarded by the commission during the year are deducted from the grant income received and any grants returned are added back to the grant reserve.

The central reserve is the commission's reserve which is made up of all other income and expenditure during the year.

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 102 Section 1A.

Notes to the financial statements

at 31 December 2017

3. Sponsorship and donations

	2017	2016
	£	£
HSC funding	31,600	30,274
Other sponsorship raised	44,980	43,823
	<u>76,580</u>	<u>74,097</u>

HSC funding relates to donations made by HSC for four projects:-

£15,000 for Arts in Health, £15,000 for The Gloucester Restaurant refurbishment, £1,500 for the therapy room at the Oberlands Centre and £100 for the Constitution Steps Recovery and Rehabilitation Project.

Other sponsorship includes:-

£20,000 from the John Ramplin Foundation for the Victor Hugo project, £5,000 from the Sarah Groves Foundation for the lantern parade, £4,500 from Specsavers for sponsoring the greenhouse gallery, £5,000 from Hope for a Child outreach and £3,000 from Connie Helyer-Wilkinson.

4. States funding

The funding received by the company in 2017 from the Commerce & Employment and Culture & Leisure Departments of the States of Guernsey was used to provide Arts Development grants, funding support for Guernsey Arts Commission staff, the secondment of a permanent staff member of the Culture & Leisure Department Section and administrative facilities. The cost and benefits of the secondment and the provision of administrative facilities and assistance have not been included in these financial statements

5. Taxation

The company is registered under The Charities and Non-Profit Organisations (Registration) (Guernsey) Law, 2008 and therefore under The Income Tax (Guernsey) Law 1975 does not have to pay Guernsey income tax.

6. Average number of employees

The average number of employees (including directors) during the year was 3 (2016: 3).

7. Trade and other creditors

	2017	2016
	£	£
Trade creditors	-	343
Accruals	13,212	9,850
ETI & social security	-	3,973
	<u>13,212</u>	<u>14,166</u>

Notes to the financial statements

at 31 December 2017

8. Share capital

The company is limited by guarantee. There were no shares in issue.

9. Grant reserve

	<i>2017</i>	<i>2016</i>
	£	£
Grant reserve at 1 January 2017	49,266	53,961
Funding received from States of Guernsey	87,100	77,000
Grants recognised in expenditure	(75,085)	(81,695)
	<hr/>	<hr/>
Grant reserve at 31 December 2017	61,281	49,266
	<hr/> <hr/>	<hr/> <hr/>
Increase/(decrease) in grant reserve during the year (note 10)	12,015	(4,695)
	<hr/> <hr/>	<hr/> <hr/>

10. Central reserve

	<i>2017</i>	<i>2016</i>
	£	£
Central reserve at 1 January 2017	55,905	44,725
Surplus of income over expenditure for the year	19,472	6,485
(Increase)/decrease in grant reserve (note 9)	(12,015)	4,695
	<hr/>	<hr/>
Central reserve at 31 December 2017	63,362	55,905
	<hr/> <hr/>	<hr/> <hr/>