

Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Directors' Report and Financial Statements

For The Year Ended 31st December 2014

Stewart & MacLochlainn
Chartered Accountants
& Registered Auditors
Portland House
Port Road
Letterkenny
Co. Donegal

Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

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Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Directors and other information

Directors

Traolach O'Fionnáin
 Dessie Larkin
 Shaun Hannigan
 Michéal O'Ferraigh
 Una Campbell
 Meabh uí Chonnacháin
 Michéal O'hÉanaigh
 Fintan Moloney
 Patricia McBride
 Seamus O'Domhnaill *Resigned 19 June 2014*
 Liam Blaney *Resigned 19 June 2014*
 James Pat McDaid *Appointed 19 June 2014*
 Gary Doherty *Appointed 19 June 2014*
 Micheál Cholm MacGiolla Easbuig *Appointed 9 September 2014*

Secretary

Eunan Kelly

Company number

383383

Registered office

Unit 2C
 Riverside Office Park
 Neil T. Blaney Road
 Letterkenny
 Co. Donegal

Auditors

Stewart & MacLochlainn
 Chartered Accountants
 & Registered Auditors
 Portland House
 Port Road
 Letterkenny
 Co. Donegal

Business address

Unit 2C
 Riverside Office Park
 Neil T. Blaney Road
 Letterkenny
 Co. Donegal

Bankers

Bank of Ireland
 Main Street,
 Letterkenny,
 Co. Donegal.

Solicitors

V. P. McMullin & Co.
 Port Road,
 Letterkenny,
 Co. Donegal

Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Directors' report
for the year ended 31 December 2014

Principal activity

The principal activity of the company is the organisation, promotion, and running of the annual Earagail Arts Festival in North Donegal. The company is incorporated as an entity Limited by Guarantee and not having a Share Capital.

Results and reserves

The results for the year are set out on page 5.

Review of Business

The 26th annual edition of the Earagail Arts Festival promoted 208 performances in 25 venues spread across 16 towns, villages and islands over 17 days and nights between the 11th July to 27th July 2014.

Festival attendance was 45,301 (2013: 47,381). Of these 9,842 (2013: 5,503) bought tickets for 176 performances and events. A further 35,459 (2013: 41,063) attended 32 (2013: 82) free events across the county.

In 2013 box office income was significantly higher (38.9%) due to the large attendance at the ticketed "Abhaile - The Homecoming" concert, in 2014 the box office income has decreased by 34.3% which is in line with prior year's income.

Total ticket sales achieved €51,652 as opposed to €78,608 in 2013.

Principal Risks and Uncertainties

In common with all companies operating in Ireland in this sector, the company's continued operations are dependent upon ongoing support and grant assistance of State and other Agencies. However, the company is strategically planning to widen their sources of finance through facilitating and delivering other Special Projects.

Directors of the Company

The present membership of the board is listed on the 'Directors and other information' page.

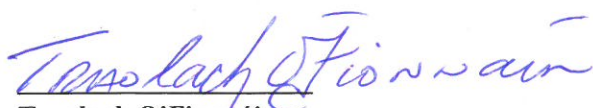
Books of Account


The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel and appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at the Registered Office.

Auditors

The auditors, Stewart & MacLochlainn, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

This report was approved by the Board on 16/4/2015 and signed on its behalf by:


Traolach O'Fionnain
Director


Patricia McBride
Director

Earagail Arts Festival Management Company Ltd.
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Statement of Directors' responsibilities for the members' financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements giving a true and fair view of the state of affairs of the company and the profit or loss of the company for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and Irish law).

In preparing those 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Acts 1963 to 2013.

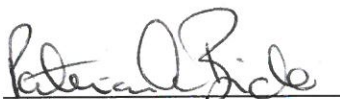
They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



Traiglach O'Fionnain
Director



Patricia McBride
Director

Date: 16/4/2015

STEWART & MacLOCHLAINN

**Independent Auditors Report to the Members of
Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)**

We have audited the financial statements of Earagail Arts Festival Management Company Ltd. for the year ended 31 December 2014 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 accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Acts 1963 to 2013. 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements giving a true and fair view. 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 (APB's) Ethical Standards for Auditors, including APB Ethical Standard-Provisions Available for Small Entities (Revised), in the circumstances set out in note 22 to the financial statements.

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 annual report to identify material inconsistencies with the audited financial statements. 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:

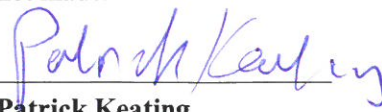
- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2014 and of its for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.


Patrick Keating

for and on behalf of
Stewart & MacLochlainn
Chartered Accountants & Registered Auditors

Portland House
Port Road
Letterkenny
Co. Donegal

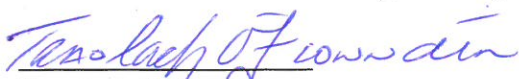
Date: 28 May 2015

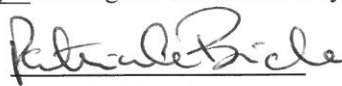
Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Income And Expenditure Account
for the year ended 31st December 2014

		Continuing operations	
		2014	2013
Income	Notes	€	€
Box Office Receipts		51,652	78,608
Non Box Office Receipts		2,733	6,984
Friends and Patrons		1,500	1,095
Sponsorship	2	2,200	3,050
In Kind Support	3	96,850	122,332
		<u>154,935</u>	<u>212,069</u>
Grants			
Grant Income	4	275,862	327,336
Contribution to Visual Arts Programme		1,484	-
		<u>277,346</u>	<u>327,336</u>
Other Earned Income			
Special Projects Income	5	-	62,955
<u>Total Income</u>		<u>432,281</u>	<u>602,360</u>
Expenditure			
Programme costs	6	141,019	259,661
Marketing Costs	7	55,416	71,314
Administrative expenses	8	144,962	128,274
Special Project Costs	5 A	-	9,643
In Kind Support - Costs		96,850	122,332
<u>Total Expenditure</u>		<u>438,247</u>	<u>591,224</u>
Net Expenditure over Income		(5,966)	11,136
Other operating income	/ 16	5,365	5,710
Bank Interest Received		-	-
Operating (deficit)/surplus for year	17	<u>(601)</u>	<u>16,846</u>

The financial statements were approved by the board on 16/4/2015 and signed on its behalf by:


Traolach O'Fionnain
 Director


Patricia McBride
 Director

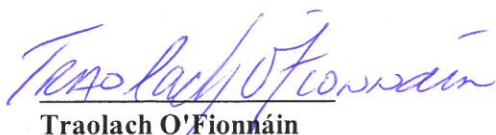
The notes on pages 8 to 17 form an integral part of these financial statements.

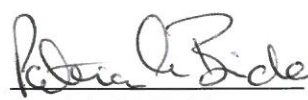
Earagail Arts Festival Management Company Ltd.
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Balance sheet
as at 31 December 2014

		2014		2013	
	Notes	€	€	€	€
Fixed assets					
Tangible assets	12		35,694		38,739
Current assets					
Debtors	13	7,497		9,517	
Cash at bank and in hand		47,644		47,535	
		<u>55,141</u>		<u>57,052</u>	
Creditors: amounts falling due within one year	14	<u>(8,880)</u>		<u>(7,870)</u>	
Net current assets			<u>46,261</u>		<u>49,182</u>
Net assets			<u>81,955</u>		<u>87,921</u>
Capital and reserves					
Revenue reserves account	17		(1,644)		(1,043)
Capital reserves	16		83,599		88,964
Members' funds			<u>81,955</u>		<u>87,921</u>

On behalf of the board


 Traolach O'Fionnain
 Director


 Patricia McBride
 Director

Date: 16/4/2015

The notes on pages 8 to 17 form an integral part of these financial statements.

Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Cash flow statement
for the year ended 31 December 2014

	Notes	2014 €	2013 €
Reconciliation of operating (loss)/profit to net cash inflow from operating activities			
Operating (loss)/profit		(601)	16,846
Depreciation		5,365	5,710
Decrease in debtors		2,020	5,136
Increase in creditors		1,010	(7,435)
Government grant released		(5,365)	(5,710)
Net cash inflow from operating activities		<u>2,429</u>	<u>14,547</u>
Cash flow statement			
Net cash inflow from operating activities		2,429	14,547
Capital expenditure		(2,320)	(1,616)
Increase in cash in the year		<u>109</u>	<u>12,931</u>
Change in net funds resulting from cash flows		109	12,931
Net funds at 1 January 2014	19	<u>47,535</u>	<u>34,604</u>
Net funds at 31 December 2014	19	<u>47,644</u>	<u>47,535</u>

Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Notes to the financial statements
for the year ended 31 December 2014

1. Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

1.1. Basis of preparation

The audited financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts 1963 to 2013. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Accounting Standards Board and published by the Auditing Practices Board in the UK and Ireland.

1.2. Tangible fixed assets and depreciation

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less residual value, of each asset systematically over its expected useful life, as follows:

Fixtures, fittings and equipment	-	12.5% Reducing Balance
Computer Equipment	-	25% Straight Line
Flags & Banners	-	33.33% Straight Line

1.3 Income Policy

Fundraising Income

Fundraising income is credited to the Income and Expenditure Account in the year in which it is received by the company.

Incoming Resources

Incoming resources have been included in the financial statements only when realised or when the ultimate cash realisation of same can be assessed with reasonable certainty. The company, in common with other similar charitable organisations, derives a proportion of its income from voluntary donations and fund raising activities held by individuals/parties outside the control of the company. Income from fundraising, rental income and donations is necessarily recognised with effect from the time it is received into the company's bank accounts or entered into the company's accounting records.

Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Notes to the financial statements
for the year ended 31 December 2014

..... continued

2. Sponsorship

	2014	2013
	€	€
John McGinley Coaches	1,800	1,800
Donegal Airport	-	500
Riverside Office Park	400	-
Letterkenny Chamber of Commerce	-	750
	<u>2,200</u>	<u>3,050</u>

3. In Kind Sponsorship

	2014	2013
	€	€
Visual Arts	80,000	92,000
Partner Events	-	20,000
Accommodation Partner	2,500	500
Riverside Office Retail Park	-	9,042
Watson Hire	750	790
McGrorys - Melting Pot	1,100	-
An Grianan - Fiesta	7,500	-
Donegal County Council - IT Server	5,000	-
	<u>96,850</u>	<u>122,332</u>

4. Grant Income

	2014	2013
	€	€
Arts Council	166,250	165,000
Fáilte Ireland	40,000	75,000
Údaras na Gaeltachta	4,000	4,800
Letterkenny Town Council	7,000	10,000
Donegal County Council	58,612	65,370
International funding	-	1,160
Donegal County Council re Reconciliation through the Riverine	-	6,006
	<u>275,862</u>	<u>327,336</u>

Earagail Arts Festival Management Company Ltd.
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Notes to the financial statements
for the year ended 31 December 2014

..... continued

5. Special Project Income

	2014	2013
	€	€
Donegal Diaspora Project income	-	12,955
	<u>-</u>	<u>12,955</u>
	<u>-</u>	<u>12,955</u>

5. A Special Project Costs

	2014	2013
	€	€
Donegal Diaspora Project Expenses	-	9,643
	<u>-</u>	<u>9,643</u>
	<u>-</u>	<u>9,643</u>

Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Notes to the financial statements
for the year ended 31 December 2014

..... continued

6. Programme Costs

	2014	2013
	€	€
Artists fees	89,358	149,088
Vat on Foreign Artists fees	2,131	3,490
Artists accommodation	4,953	8,836
Artists travel	6,688	11,535
Artists subsistence	2,654	3,543
Production Staff / Crew Costs	4,630	6,335
Programme Production costs	6,271	6,762
Equipment Hire	6,497	16,389
Health and safety support	895	3,798
Venue hire	955	30,571
	<u>125,032</u>	<u>240,347</u>
Artist Liason officer	3,000	3,128
Volunteers Co-ordinator	3,000	3,000
Production Manager	5,000	6,210
Programme Consultancy	-	-
Research and development	1,375	3,606
Insurance	3,612	3,370
Visual Arts Programme	-	-
	<u>15,987</u>	<u>19,314</u>
Total Programme Costs	<u>141,019</u>	<u>259,661</u>

Earagail Arts Festival Management Company Ltd.
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Notes to the financial statements
for the year ended 31 December 2014

..... continued

7. Marketing costs

	2014	2013
	€	€
Programme design and print	19,489	20,723
Advertising	7,995	5,451
PR	12,713	15,781
Website development	2,601	2,885
Other marketing costs	1,528	9,517
Box office commission	6,567	7,381
Launch events	940	7,421
Market research	3,583	2,155
	<u>55,416</u>	<u>71,314</u>

8. Administrative Expenses

	2014	2013
	€	€
Wages and salaries	97,528	85,267
Employers PRSI	10,476	9,166
Marketing officers	2,984	6,000
Staff Training	420	40
Rent	10,580	2,701
Light and heat	2,591	2,096
Printing, postage and stationery	1,661	2,604
Telephone	3,541	3,542
Computer costs	261	191
Travel & accommodation expenses	2,507	1,709
Legal and professional	162	-
Accountancy	615	615
Audit fees	2,645	2,645
Bank charges	860	780
General expenses	2,191	4,613
Subscriptions	575	595
Depreciation on FF & Equipment	5,365	5,710
	<u>144,962</u>	<u>128,274</u>

Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Notes to the financial statements
for the year ended 31 December 2014

..... continued

9. Operating (deficit)/surplus	2014	2013
	€	€
Operating (deficit)/surplus is stated after charging :		
Depreciation	5,365	5,710
Audit fees	<u>2,645</u>	<u>2,645</u>
10. Employees		
Number of employees		
The average numbers of employees during the year were:	2014	2013
Admin staff	2	2
Marketing	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>
Employment costs	2014	2013
	€	€
Wages and salaries	97,528	85,267
Social welfare costs	<u>10,476</u>	<u>9,166</u>
	<u>108,004</u>	<u>94,433</u>

11. Taxation

The Company has been granted Charitable Status for taxation purposes from the Revenue Commissioners. Their charity number is CHY 16078.

Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Notes to the financial statements
for the year ended 31 December 2014

..... continued

12. Tangible fixed assets

	Plant and equipment	Total
	€	€
Cost		
At 1 January 2014	196,029	196,029
Additions	2,320	2,320
	<hr/>	<hr/>
At 31 December 2014	198,349	198,349
	<hr/>	<hr/>
Depreciation		
At 1 January 2014	157,290	157,290
Charge for the year	5,365	5,365
	<hr/>	<hr/>
At 31 December 2014	162,655	162,655
	<hr/>	<hr/>
Net book values		
At 31 December 2014	35,694	35,694
	<hr/>	<hr/>
At 31 December 2013	38,739	38,739
	<hr/>	<hr/>

13. Debtors

	2014	2013
	€	€
Other Debtors	3,208	9,437
Prepayments	4,289	80
	<hr/>	<hr/>
	7,497	9,517
	<hr/>	<hr/>

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

	2014	2013
	€	€
Trade creditors	1,489	1,805
Other creditors	622	350
Accruals	4,203	3,260
PAYE / PRSI	2,566	2,455
	<hr/>	<hr/>
	8,880	7,870
	<hr/>	<hr/>

Earagail Arts Festival Management Company Ltd.
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Notes to the financial statements
for the year ended 31 December 2014

..... continued

15. Value Added Tax Provision

The operating (deficit)/surplus for 2014 has been derived after making appropriate provision for the VAT charge on the fees of foreign artists for the year ended 31st December 2014.

The amount paid to Revenue for VAT on Artists fees for the year ended 31st December 2014 is €2,131 (2013 : €3,490).

16. Capital Reserves

The Company assumed the festival assets and liabilities from Donegal County Council with effect from 1st June 2004 and the net assets have been brought to Capital Reserves in the sum of €120,897.

In 2008, it was agreed to amortise these reserves against the depreciation charge on the assets to which they relate:

Capital Reserves	2014	2013
At 1 January 2014	88,964	91,549
Amortised in year	(5,365)	(2,585)
At 31 December 2014	<u>83,599</u>	<u>88,964</u>

17. Reconciliation of Revenue Reserves

	2014	2013
	€	€
(Deficit)/Surplus For The Year	(601)	16,846
Opening Revenue Reserves	(1,043)	(17,889)
Closing Revenue Reserves	<u>(1,644)</u>	<u>(1,043)</u>

18. Related party transactions

There were no related party transactions with the Directors during the year.

Earagail Arts Festival Management Company Ltd.
(A Company Limited by Guarantee and not having a Share Capital)

Notes to the financial statements
for the year ended 31 December 2014

..... continued

19. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	€	€	€
Cash at bank and in hand	47,535	109	47,644
Net funds	<u>47,535</u>	<u>109</u>	<u>47,644</u>

20. Going concern

The accounts have been prepared on a going concern basis.

As described in the director's report on page 2, the company organises, promotes and runs the Earagail Arts Festival in North Donegal. These services are largely financed by the receipt of grant aid from various bodies, specifically for the current year, The Arts Council, Fáilte Ireland, Donegal County Council and Údaras na Gaeltachta.

The current difficult economic environment has resulted in a reduction in the level of exchequer funding made available to the various government departments for the funding of different types of community programmes. The directors believe that that their operations would be impossible without the continued financial assistance of government funding.

The directors and management meet on a regular basis to discuss the financial position of the company. The company is reliant on the financial assistance of government funding and box office receipts within the community to run the programme. Funding has been granted by the Arts Council for the year ended 31st December 2015. These circumstances create material uncertainties over the future of the company. Nevertheless, the directors have a reasonable expectation that the company will continue to operate. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

21. Company Limited by Guarantee

The company is one limited by guarantee not having a share capital. The liability of each member, in the event of the company being wound up is €1.27.

22. APB Ethical Standard - Provisions Available for Small Entities

In common with many other businesses of our size and nature we use our auditors to assist in the preparation of the financial statements.

Earagail Arts Festival Management Company Ltd.
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Notes to the financial statements
for the year ended 31 December 2014

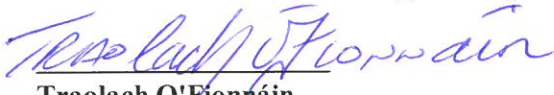
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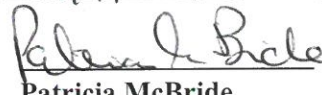
23. Accounting Periods

The current accounts are for a full year. The comparative accounts are for a full year.

24. Approval of financial statements

The financial statements were approved by the Board on 16/4/2015 and signed on its behalf by


Traolach O'Fionnain
Director


Patricia McBride
Director