

**Company registration number: 383383**

**Earagail Arts Festival Management Company CLG  
(A Company Limited by Guarantee and not having Share Capital)**

**Financial statements**

**for the financial year ended 31 December 2017**

**Earagail Arts Festival Management Company CLG  
(A Company Limited by Guarantee and not having Share Capital)**

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**Earagail Arts Festival Management Company CLG**  
**Company limited by guarantee**

**Directors and other information**

<b>Directors</b>	Dessie Larkin Traolach O'Fionnáin Shaun Hannigan Michéal O'Fearraigh Una Campbell Meábh Uí Chonnacháin Fintan Moloney Patricia McBride James Pat McDaid Gary Doherty Joe Peoples
<b>Secretary</b>	Eunan Kelly
<b>Company number</b>	383383
<b>Registered office</b>	Unit 2C Riverside Office Park Neil T. Blaney Road Letterkenny Co. Donegal
<b>Business address</b>	Unit 2C Riverside Office Park Neil T. Blaney Road, Letterkenny Co. Donegal
<b>Auditor</b>	Stewart & MacLochlainn Portland House Port Road Letterkenny Co. Donegal
<b>Bankers</b>	Bank of Ireland Main Street, Letterkenny, Co. Donegal.

**Earagail Arts Festival Management Company CLG  
Company limited by guarantee**

**Directors and other information (continued)**

**Solicitors**

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

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Directors report**

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

**Directors**

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

Dessie Larkin  
 Traolach O'Fionnáin  
 Shaun Hannigan  
 Michéal O'Fearraigh  
 Una Campbell  
 Meábh Uí Chonnacháin  
 Fintan Moloney  
 Patricia McBride  
 James Pat McDaid  
 Gary Doherty  
 Joe Peoples

**Principal activities**

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.

**Business review**

The festival promoted 165 performances in 30 venues spread across 16 towns, villages and islands over 20 days and nights between 4th July to 23rd July 2017. Festival attendance in 2017 was 36,351 which represents an 8 % decrease on 2016 (39,869). An expanded Art 2016 commemorative programme including an extensively expanded visual arts programme in 2016 accounts for an elevated attendance (ticketed and non-ticketed) in 2016.

	<b>2017 (% of capacity)</b>	<b>2016 (% of capacity)</b>
Total ticketed attendance for events produced directly by Earagail Arts Festival	4,334 (62%)	4,315 (70%)
Total ticketed attendance for events produced by partner organisations	4,239 (70%)	1,154 (77%)
Total number of performances/iterations	165	179

A further 27,778 attended 43 free performances/iterations across the country. All of the attendees at ticketed events were observational audience members, an estimated 30% of free events attendees were ambient audience members.

**Assets and liabilities and financial position**

The total assets of the company have decreased by €889, the total liabilities have increased by €6,945 resulting in a total decrease in net assets of €7,834.

**Principal risks and uncertainties**

In common with all companies operating in Ireland in this sector, the company's continued operations are dependant upon ongoing support and grant assistance of state and other agencies. However, the company is strategically planned to widen their sources of finance through facilitating and delivering other special projects.

**Likely future developments**

The directors are not expecting to make any significant changes in the nature of the business in the near future.

**Earagail Arts Festival Management Company CLG  
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**Directors report (continued)**

**Dividends**

During the financial year the directors have not paid any dividends or recommended payment of a final dividend.

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

There were no post balance sheet events.

**Research and development**

The company did not engage in research and development activities during the financial year.

**Accounting records**

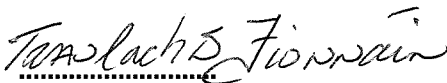
The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting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

**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.

This report was approved by the board of directors on 14 June 2018 and signed on behalf of the board by:



Traolach O'Fionnain  
Director



Patricia McBride  
Director

**Earagail Arts Festival Management Company CLG**  
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**Directors responsibilities statement**

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

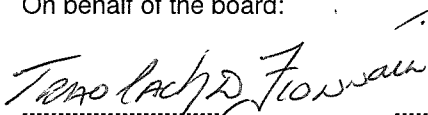

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of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

On behalf of the board:

 ..... Traolach O'Fionnain Director	 ..... Patricia McBride Director
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**Independent auditor's report to the members of  
Earagail Arts Festival Management Company CLG (continued)**

**Report on the audit of the financial statements**

***Opinion***

We have audited the financial statements of Earagail Arts Festival Management Company CLG for the financial year ended 31 December 2017 which comprise the income & expenditure account, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies set out in note 2. 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 2017 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 further described in the 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 in Ireland, including the Ethical Standard 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***

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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 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.



**Independent auditor's report to the members of  
Earagail Arts Festival Management Company CLG (continued)**

***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:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with applicable legal requirements.

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 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.

**Independent auditor's report to the members of  
Earagail Arts Festival Management Company CLG (continued)**

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.
- 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.

  
Patrick Keating

For and on behalf of  
Stewart & MacLochlainn  
Chartered Accountants and Registered Auditors  
Portland House  
Port Road  
Letterkenny  
Co. Donegal

14 June 2018

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Income and expenditure account**  
**Financial year ended 31 December 2017**

	Note	2017 €	2016 €
<b>Income</b>			
Box office receipts		44,876	34,932
Non box office receipts		1,700	950
Friends and patrons		1,070	1,400
Sponsorship	7	5,700	14,435
In kind artistic support	8	65,000	196,712
		118,346	248,429
<b>Grants</b>			
Grant Income	9	317,578	298,402
<b>Other earned income</b>			
Special projects income		-	-
		435,924	546,831
<b>Expenditure</b>			
Programme costs	10	(192,595)	(153,970)
Marketing costs	11	(53,072)	(48,742)
Administrative expenses	12	(134,289)	(127,997)
In kind artistic costs		(65,000)	(196,712)
		(444,956)	(527,421)
<b>Net income over expenditure</b>		(9,032)	19,410
Other operating income		6,933	5,552
<b>(Deficit)/surplus for the financial year</b>		(2,099)	24,962

All the activities of the company are from continuing operations.

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

The notes on pages 13 to 26 form part of these financial statements.

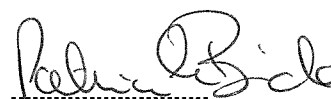
**Earagail Arts Festival Management Company CLG**  
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**Balance sheet**  
**As at 31 December 2017**

	Note	2017 €	€	2016 €	€
<b>Fixed assets</b>					
Tangible assets	15	41,823		45,415	
			41,823		45,415
<b>Current assets</b>					
Debtors	16	37,383		13,886	
Cash at bank and in hand		36,772		57,566	
		74,155		71,452	
<b>Creditors: amounts falling due within one year</b>	17	(34,619)		(26,476)	
<b>Net current assets</b>			39,536		44,976
<b>Total assets less current liabilities</b>			81,359		90,391
<b>Creditors: amounts falling due after more than one year</b>	18		(5,993)		(7,191)
<b>Net assets</b>			75,366		83,200
<b>Capital and reserves</b>					
Capital reserve	23		68,114		73,849
Income and expenditure account	23		7,252		9,351
<b>Members funds</b>			75,366		83,200

These financial statements were approved by the board of directors on 14 June 2018 and signed on behalf of the board by:

  
 .....  
 Traolach O'Fionnain  
 Director

  
 .....  
 Patricia McBride  
 Director

The notes on pages 13 to 26 form part of these financial statements.

**Earagail Arts Festival Management Company CLG**  
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**Statement of changes in equity**  
**Financial year ended 31 December 2017**

	Capital reserve	Income and expenditure account	<b>Total</b>
	€	€	€
<b>At 1 January 2016</b>	78,202	(15,611)	62,591
(Deficit)/surplus for the financial year		24,962	24,962
Amortised in year	(4,353)	-	(4,353)
<b>Total comprehensive income for the financial year</b>	(4,353)	24,962	20,609
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2016 and 1 January 2017</b>	73,849	9,351	83,200
(Deficit)/surplus for the financial year		(2,099)	(2,099)
Amortised in year	(5,734)	-	(5,734)
<b>Total comprehensive income for the financial year</b>	(5,734)	(2,099)	(7,833)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2017</b>	<u>68,115</u>	<u>7,252</u>	<u>75,366</u>

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Statement of cash flows**  
**Financial year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the financial year	(2,099)	24,962
<i>Adjustments for:</i>		
Depreciation of tangible assets	6,933	6,931
Government grant income	(6,933)	(5,552)
Accrued expenses/(income)	(6,341)	8,868
Amortisation of reserves	(5,736)	(4,353)
<i>Changes in:</i>		
Trade and other debtors	(23,497)	(6,744)
Trade and other creditors	13,286	6,614
Cash generated from operations	<u>(24,387)</u>	<u>30,726</u>
Net cash (used in)/from operating activities	<u>(24,387)</u>	<u>30,726</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	<u>(3,340)</u>	<u>(16,078)</u>
Net cash used in investing activities	<u>(3,340)</u>	<u>(16,078)</u>
<b>Cash flows from financing activities</b>		
Government grant income	<u>6,933</u>	<u>5,552</u>
Net cash from financing activities	<u>6,933</u>	<u>5,552</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(20,794)</u>	<u>20,200</u>
<b>Cash and cash equivalents at beginning of financial year</b>	<u>57,566</u>	<u>37,366</u>
<b>Cash and cash equivalents at end of financial year</b>	<u><u>36,772</u></u>	<u><u>57,566</u></u>

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements**  
**Financial year ended 31 December 2017**

**1. General information**

Earagail Arts Festival Management Company CLG is a limited company incorporated in the Republic of Ireland (Registered no 383383). The registered office is Unit 2C, Riverside Office Park, Neil T. Blaney Road. The company operates in the organisation, promotion and running of the annual Earagail Arts Festival in North Donegal.

**2. Accounting policies and measurement bases**

**Basis of preparation**

These statutory financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and with the Companies Act 2014.

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

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

**Income**

**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, 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.

**Funding income towards Operating Costs**

Funding income from the The Arts Council, Failte Ireland, Donegal County Council, Ealaín na Gaeltachta and other agencies is recognised in the Income and Expenditure Account to match the funded costs. Funding income received in advance of incurring the funding supported expenditure are transferred to deferred income and are released against the matching expenditure when incurred.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**Earagail Arts Festival Management Company CLG**  
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**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2017**

**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.

**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:

Fittings fixtures and equipment                      - 12.5% straight line

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.

**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.



**Earagail Arts Festival Management Company CLG  
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**Notes to the financial statements (continued)  
Financial year ended 31 December 2017**

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

**Earagail Arts Festival Management Company CLG  
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**Notes to the financial statements (continued)  
Financial year ended 31 December 2017**

**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.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

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 profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss 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.

**3. Judgements and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgments and estimates in arriving at the figures in the financial statements. The areas requiring a higher degree of judgment, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

Bad debts

Provision is made for expected bad debts included in debtors. The provision is based on the up to date knowledge of the debtor concerned and recent payment history of the debtor.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is based on estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed regularly, and amended where necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets.

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2017**

**4. 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.

**5. Operating (deficit)/surplus**

Operating (deficit)/surplus is stated after charging/(crediting):

	<b>2017</b>	<b>2016</b>
	€	€
Depreciation of tangible assets	6,933	6,931
Impairment of trade debtors	1,350	-
Fees payable for the audit of the financial statements	2,645	2,645
	2,645	2,645

**6. Income**

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

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2017**

**7. Grants received from exchequer funds**

Name of grantor	Name of grant	Purpose of grant	Total grant awarded €	Grant taken to Income in year €	Grant received in year €	(Grant deferred) / due at year end €
Arts Council	Annual funding	Artistic & education programming, marketing and administration	180,000	180,000	180,000	-
Faillte Ireland	National festivals and participative events programme 2017	Marketing, international sales plan, research and artistic programming	35,000	35,000	17,500	17,500
Faillte Ireland	National festivals and participative events programme 2017	Shoulder season festival marketing and development	10,000	10,000	5,000	5,000
Ealaín Na Gaeltachta	Scéim na bhFéilte	Artistic & education programming, marketing and administration of Gaeltacht Gaelic events	6,000	6,000	6,000	-
Foras na Gaeilge	CC17016 Baird Nua Apiseach / The Modern Bards	Artistic & education programming, marketing and administration of Gaelic events	5,500	5,500	10,500	(5,000)
Donegal County Council	Revenue Grant 2017	Artistic & education programming, marketing and administration	58,500	58,500	58,500	-
Regional Cultural Centre	Partnership income for DIFRW and RCC concerts and exhibitions	Artistic programming and marketing of events at RCC	15,000	15,000	20,150	(5,150)
			<u>310,000</u>	<u>310,000</u>	<u>297,650</u>	<u>12,350</u>

All grants are for the term year ended 31st December 2017.

Tax clearance is compliant with the circulars including Circular 44/2006 "Tax Clearance Procedures, Grants, Subsidies and similar type payments."

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2017**

<b>8. In Kind Artistic Sponsorship</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Visual Arts	30,000	30,000
Partner Events	31,000	17,600
Accomodation Partners	4,000	5,000
Willy Doherty Exhibition	-	130,000
Celtic connections & Belfast CQAF	-	14,112
	<u>65,000</u>	<u>196,712</u>
<b>9. Grant Income</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Other public grants	5,500	5,400
Arts council	180,000	170,000
Failte ireland - EAF	35,000	35,000
Failte ireland - other festivals	10,000	-
Ealaín na Gaeltachta	6,000	4,000
RCC	15,000	10,000
Beyond borders	-	15,420
Other festivals income	7,253	-
Made in Scotland	325	-
Donegal county council	58,500	58,582
	<u>317,578</u>	<u>298,402</u>

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2017**

**10. Programme Costs**

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Wages and salaries	16,000	15,625
Employer's PRSI contributions	1,720	1,418
Artists fees	86,663	70,560
VAT on foreign artists fees	8,222	3,106
Production staff/crew costs	3,230	4,339
Equipment hire	5,928	3,250
Artists travel	12,624	7,408
Artists subsistence	6,342	2,189
Artists accomodation	9,640	4,873
Programme production costs	3,970	742
Venue hire	3,237	4,102
Health and safety support	2,460	1,486
Beyond borders fund expenses	-	16,811
Failte other festival costs	12,857	-
	<u>172,893</u>	<u>135,909</u>
Artist Liason officer	4,125	4,125
Volunteers Co-ordinator	3,375	3,000
Production Manager	5,000	5,000
Research and development	3,073	2,354
Insurance	4,129	3,582
	<u>19,702</u>	<u>18,061</u>
<b>Total Programme costs</b>	<b><u>192,595</u></b>	<b><u>153,970</u></b>

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2017**

**11. Marketing costs**

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Programme design and print	16,547	16,006
Advertising	4,916	4,780
PR & international advertising	9,435	10,362
Website design & online marketing	6,214	2,707
International sales & other marketing costs	8,231	8,300
Box office commission	6,819	5,320
Launch events	280	688
Market research	630	579
	<u>53,072</u>	<u>48,742</u>

**12. Administrative Expenses**

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Wages and salaries	84,919	83,124
Employer's PRSI contributions	9,080	8,936
Staff training	128	-
Marketing officers	3,000	600
Rent & service charge	11,472	11,472
Water rates	87	261
Light and heat	1,881	1,884
Printing, postage and stationery	805	869
Telephone	3,826	4,092
Computer costs	616	504
Travel & accomodation expenses	2,627	3,418
Legal and professional	1,460	374
Accountancy fees	-	308
Auditors remuneration	2,645	2,645
Bank charges	574	574
Bad debts	1,350	-
General expenses	2,447	1,100
Subscriptions	439	905
Depreciation of tangible assets	6,933	6,931
	<u>134,289</u>	<u>127,997</u>

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2017**

**13. Staff costs**

The average number of persons employed by the company during the financial year, including the directors, was as follows:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Admin staff	2	2
Marketing	1	1
	<u>3</u>	<u>3</u>

The aggregate payroll costs incurred during the financial year were:

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Wages and salaries	100,919	98,749
Social insurance costs	10,800	10,354
	<u>111,719</u>	<u>109,103</u>

**14. Taxation**

As a registered charity, the company has been granted charitable status for taxation purposes from the Revenue Commissioners under reference CHY 16078.

**15. Tangible assets**

	<b>Fixtures, fittings and equipment</b>	<b>Total</b>
	<b>€</b>	<b>€</b>
<b>Cost</b>		
At 1 January 2017	213,400	213,400
Additions	3,340	3,340
<b>At 31 December 2017</b>	<u>216,740</u>	<u>216,740</u>
<b>Depreciation</b>		
At 1 January 2017	167,984	167,984
Charge for the financial year	6,933	6,933
<b>At 31 December 2017</b>	<u>174,917</u>	<u>174,917</u>
<b>Carrying amount</b>		
<b>At 31 December 2017</b>	<u>41,823</u>	<u>41,823</u>
At 31 December 2016	<u>45,416</u>	<u>45,416</u>



**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2017**

**16. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Other debtors	35,044	11,336
Prepayments	2,339	2,550
	<u>37,383</u>	<u>13,886</u>

All debtors are due within one year. Debtors are shown net of impairment in respect of doubtful debts. The fair values of other receivables approximate to their carrying amounts.

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

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Trade creditors	7,661	3,412
Credit cards	1,405	1,792
Other creditors	10,645	-
Tax and social insurance:		
PAYE and social welfare	7,146	7,330
VAT	161	-
Accruals	6,402	12,743
DAHRRGA capital grants deferred income	1,199	1,199
	<u>34,619</u>	<u>26,476</u>

The repayment terms of trade creditors vary between on demand and ninety days. No interest is payable on trade creditors. Taxes are subject to the terms of the relevant legislation. The terms of the accruals are based on the underlying contracts.

**18. Creditors: amounts falling due after more than one year**

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
DAHRRGA Capital grant scheme	5,993	7,191
	<u>5,993</u>	<u>7,191</u>

**19. Value Added Tax Provision**

The operating (Loss)/profit for 2017 has been derived after making appropriate provision for the VAT charge on the fees of foreign artists for the year ended 31st December 2017.

The amount paid to Revenue for VAT on Artists fees for the year ended 31st December 2017 is €8,222 (2016 : €3,106).

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2017**

**20. DAHRRGA capital grant**

	<b>2017</b>	<b>2016</b>
	€	€
At the start of the financial year	8,390	-
Grants received or receivable	-	9,589
Released to profit or loss	(1,199)	(1,199)
At the end of the financial year	<u>7,191</u>	<u>8,390</u>

The amounts recognised in the financial statements for dahrrga capital grant are as follows:

	<b>2017</b>	<b>2016</b>
	€	€
Recognised in creditors:		
Deferred government grants due within one year	1,199	1,199
Deferred government grants due after more than one year	5,993	7,191
	<u>7,192</u>	<u>8,390</u>
Recognised in other operating income:		
Government grants released to profit or loss	<u>1,199</u>	<u>1,199</u>

Grants may become repayable if conditions attaching are not met.

**21. Financial instruments**

The carrying amount for each category of financial instruments is as follows:

	<b>2017</b>	<b>2016</b>
	€	€
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Other debtors	36,394	11,336
Cash at bank and in hand	36,772	57,566
	<u>73,166</u>	<u>68,902</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	7,661	3,412
Other creditors	19,357	9,122
	<u>27,018</u>	<u>12,534</u>

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2017**

**22. Appropriations of income and expenditure account**

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
At the start of the financial year	9,351	(15,611)
(Deficit)/surplus for the financial year	(2,099)	24,962
<b>At the end of the financial year</b>	<b>7,252</b>	<b>9,351</b>

**23. Reserves**

The income and expenditure account represents cumulative surpluses and deficits recognised in the income and expenditure account net of transfers to / from other reserves.

**24. 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:

<b>Capital Reserves</b>	<b>2017</b>	2016
At 1 January 2017	73,849	78,202
Amortised in year	(5,735)	(4,353)
At 31 December 2017	68,114	73,849

**25. Controlling party**

The company is limited by guarantee and there is no controlling party.

**26. 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 economic environment has resulted in a reduction in the level of exchequer funding made available to the various government departments. The directors believe that their operations would be impossible without the continued financial assistance of government funding. The company is reliant upon 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 2018. 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 financial statements.

**Earagail Arts Festival Management Company CLG  
(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)  
Financial year ended 31 December 2017**

**27. Security provided to the company's bank**

Bank of Ireland hold a letter of guarantee in the amount of €10,000.

**28. Approval of financial statements**

The board of directors approved these financial statements for issue on 14 June 2018.

**Earagail Arts Festival Management Company CLG  
(A Company Limited by Guarantee and not having Share Capital)**

**The following pages do not form part of the statutory accounts.**

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Detailed income and expenditure account**  
**Financial year ended 31 December 2017**

	2017	2016
	€	€
<b>Income</b>		
Box office receipts	44,876	34,932
Non box office receipts	1,700	950
Friends and patrons	1,070	1,400
Sponsorship	5,700	14,435
Other public grants	5,500	5,400
Arts council	180,000	170,000
Failte ireland - EAF	35,000	35,000
Failte ireland - other festivals	10,000	-
Ealaín na Gaeltachta	6,000	4,000
RCC	15,000	10,000
Beyond borders	-	15,420
Other festivals income	7,253	-
Made in Scotland	325	-
Donegal county council	58,500	58,582
In Kind Artistic Support	65,000	196,712
	<u>435,924</u>	<u>546,831</u>
<b>Gross profit</b>	435,924	546,831
<b>Gross profit percentage</b>	100.0%	100.0%
<b>Overheads</b>		
<b>Distribution costs</b>		
Wages and salaries	(16,000)	(15,625)
Employer's PRSI contributions	(1,720)	(1,418)
Artists fees	(86,663)	(70,560)
VAT on foreign artists fees	(8,222)	(3,106)
Production staff/crew costs	(3,230)	(4,339)
Equipment hire	(5,928)	(3,250)
Artists travel	(12,624)	(7,408)
Artists subsistence	(6,342)	(2,189)
Artists accomodation	(9,640)	(4,873)
Programme production costs	(3,970)	(742)
Venue hire	(3,237)	(4,102)
Health and safety support	(2,460)	(1,486)
Research and development	(3,073)	(2,354)
Programme design and print	(16,547)	(16,006)
Beyond borders fund expenses	-	(16,811)
Failte other festival costs	(12,857)	-
Advertising	(4,916)	(4,780)
PR & international advertising	(9,435)	(10,362)
Website design & online marketing	(6,214)	(2,707)
International sales & other marketing costs	(8,231)	(8,300)
Box office commission	(6,819)	(5,320)
Launch events	(280)	(688)
Market research	(630)	(579)
In Kind Artistic Costs	(65,000)	(196,712)

**Earagail Arts Festival Management Company CLG**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Detailed income and expenditure account (continued)**  
**Financial year ended 31 December 2017**

	<b>2017</b>	2016
	€	€
Artist liason officer	(4,125)	(4,125)
Volunteers co-ordinator	(3,375)	(3,000)
Production manager	(5,000)	(5,000)
<b>Administrative expenses</b>		
Wages and salaries	(84,919)	(83,124)
Employer's PRSI contributions	(9,080)	(8,936)
Staff training	(128)	-
Marketing officers	(3,000)	(600)
Rent & service charge	(11,472)	(11,472)
Water rates	(87)	(261)
Insurance	(4,129)	(3,582)
Light and heat	(1,881)	(1,884)
Printing, postage and stationery	(805)	(869)
Telephone	(3,826)	(4,092)
Computer costs	(616)	(504)
Travel & accomodation expenses	(2,627)	(3,418)
Legal and professional	(1,460)	(374)
Accountancy fees	-	(308)
Auditors remuneration	(2,645)	(2,645)
Bank charges	(574)	(574)
Bad debts	(1,350)	-
General expenses	(2,447)	(1,100)
Subscriptions	(439)	(905)
Depreciation of tangible assets	(6,933)	(6,931)
	<u>(444,956)</u>	<u>(527,421)</u>
<b>Other operating income</b>		
Government grants released to the P/L account	1,199	1,199
Amortisation of reserves	5,734	4,353
	<u>6,933</u>	<u>5,552</u>
<b>Operating (deficit)/surplus</b>	(2,099)	24,962
<b>Operating (deficit)/surplus percentage</b>	0.5%	4.6%
<b>(Loss)/profit before taxation</b>	<u>(2,099)</u>	<u>24,962</u>