

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 2018

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

Directors Dessie Larkin (Chair Emeritus, appointed 2012 - 2019)
Traolach O'Fionnain
Shaun Hannigan
Michéal O'Fearraigh
Una Campbell
Meábh Uí Chonnacháin
Fintan Moloney
Patricia McBride
James Pat McDaid
Gary Doherty
Joe Peoples

Secretary Eunan Kelly

Company number 383383

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

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

Auditor Stewart & MacLochlainn
Portland House
Port Road
Letterkenny
Co. Donegal

Bankers 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 2018.

Directors

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

Dessie Larkin (Chair Emeritus, appointed 2012 - 2019)
Traolach O'Fionnain
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 309 performances in 29 venues spread across 16 towns, villages and islands over 23 days and nights between 7th July to 29th July 2018. Festival attendance in 2018 was 32,261 (2017 ; 36,351).

	2018 (% of capacity)	2017 (% of capacity)
Total ticketed attendance for events produced directly by Earagail Arts Festival	4,846 (71%)	4,334 (62%)
Total ticketed attendance for events produced by partner organisations	5,438 (73%)	4,239 (70%)

A further 21,977 attended 25 free performances 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 €12,102, the total liabilities have decreased by €17,936 resulting in a total increase in net assets of €5,834.

Principal risks and uncertainties

In common with all companies operating in Ireland in this sector, the company's continues 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.

Dividends

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

Earagail Arts Festival Management Company CLG
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Directors report (continued)

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:

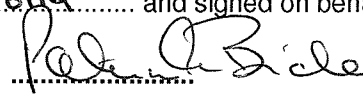
- so far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and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

Auditors

In accordance with section 383(2) of the Companies Act 2014, the auditors Stewart & MacLochlainn Chartered Accountants will continue in office.

This report was approved by the board of directors on 2016/15 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. 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 surplus or deficit 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.

 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**

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

We have audited the financial statements of Earagail Arts Festival Management Company CLG (the 'company') for the financial year ended 31 December 2018 which comprise the income and 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 2018 and of its surplus 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 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 in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the provisions available for small entities, in the circumstances set out in note 25 to the financial statements, 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 has 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

20 June 2019

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 2018

	Note	2018 €	2017 €
Income			
Box office receipts		50,436	44,876
Miscellaneous income		2,487	1,700
Friends and patrons		1,595	1,070
Sponsorship	7	6,200	5,700
In kind artistic support	8	161,500	65,000
		222,218	118,346
Grants			
Grant Income	9	303,100	310,325
Other earned income			
Special projects income		-	7,253
		-	7,253
<u>Total income</u>		525,318	435,924
Expenditure			
Programme costs	10	(159,204)	(192,595)
Marketing costs	11	(49,471)	(53,072)
Administrative expenses	12	(151,124)	(134,289)
In kind artistic costs		(161,500)	(65,000)
		(521,299)	(444,956)
<u>Total expenditure</u>		(521,299)	(444,956)
Net income over expenditure		4,019	(9,032)
Other operating income		7,327	6,933
Surplus/(deficit) for the financial year		11,346	(2,099)

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 2018

	Note	2018 €	€	2017 €	€
Fixed assets					
Tangible assets	15	40,557		41,823	
			40,557		41,823
Current assets					
Debtors	16	6,201		37,383	
Cash at bank and in hand		57,118		36,772	
		63,319		74,155	
Creditors: amounts falling due within one year	17	(18,497)		(34,619)	
Net current assets			44,822		39,536
Total assets less current liabilities			85,379		81,359
Creditors: amounts falling due after more than one year	18		(4,794)		(5,993)
Net assets			80,585		75,366
Capital and reserves					
Capital reserves	23		61,987		68,114
Income and expenditure account	23		18,598		7,252
Members funds			80,585		75,366

These financial statements were approved by the board of directors on^{2018/19}..... 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 2018

	Capital reserves	Income and expenditure account	Total
	€	€	€
At 1 January 2017	68,114	9,351	77,465
Surplus/(deficit) for the financial year		(2,099)	(2,099)
Amortised in year	5,734	-	-
Total comprehensive income for the financial year	<u>5,734</u>	<u>(2,099)</u>	<u>(2,099)</u>
At 31 December 2017 and 1 January 2018	61,987	7,252	69,239
Surplus/(deficit) for the financial year		11,346	11,346
Amortised in year	6,128	-	-
Total comprehensive income for the financial year	<u>6,128</u>	<u>11,346</u>	<u>11,346</u>
At 31 December 2018	<u><u>68,115</u></u>	<u><u>18,598</u></u>	<u><u>80,585</u></u>

Earagail Arts Festival Management Company CLG
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Statement of cash flows
Financial year ended 31 December 2018

	2018	2017
	€	€
Cash flows from operating activities		
Surplus/(deficit) for the financial year	11,346	(2,099)
<i>Adjustments for:</i>		
Depreciation of tangible assets	7,326	6,933
Government grant income	(7,327)	(6,933)
Accrued expenses/(income)	(1,602)	(6,341)
Amortisation of reserves	(6,126)	(5,736)
<i>Changes in:</i>		
Trade and other debtors	31,182	(23,497)
Trade and other creditors	(15,719)	13,286
Cash generated from operations	<u>19,080</u>	<u>(24,387)</u>
Net cash from/(used in) operating activities	<u>19,080</u>	<u>(24,387)</u>
Cash flows from investing activities		
Purchase of tangible assets	(6,061)	(3,340)
Net cash used in investing activities	<u>(6,061)</u>	<u>(3,340)</u>
Cash flows from financing activities		
Government grant income	7,327	6,933
Net cash from financing activities	<u>7,327</u>	<u>6,933</u>
Net increase/(decrease) in cash and cash equivalents	20,346	(20,794)
Cash and cash equivalents at beginning of financial year	36,772	57,566
Cash and cash equivalents at end of financial year	<u>57,118</u>	<u>36,772</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 2018

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.

Earagail Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2018

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 2018

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.

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.

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.

Earagail Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2018

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 trade debtors. The provision is based on the up to date knowledge of the customers concerned and recent payment history of the customer.

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.

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 surplus/(deficit)

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

	2018	2017
	€	€
Depreciation of tangible assets	7,326	6,933
Impairment of trade debtors	108	1,350
Fees payable for the audit of the financial statements	2,645	2,645
	<u> </u>	<u> </u>

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
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Notes to the financial statements (continued)
Financial year ended 31 December 2018

7. Grants received from exchequer funds

Earagail Arts Festival Company CLG was in receipt of grants from various public bodies during the year, there has been no duplication in the use of these 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 2018	Marketing, international sales plan, research and artistic programming	35,000	35,000	35,000	-
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	8,100	8,100	8,100	-
Donegal County Council	Revenue Grant 2018	Artistic & education programming, marketing and administration	59,000	59,000	59,000	-
Regional Cultural Centre	Partnership income for DIFRW and RCC concerts and exhibitions	Artistic programming and marketing of events at RCC	15,000	15,000	15,000	-
			<u>303,100</u>	<u>303,100</u>	<u>303,100</u>	<u>-</u>

All grants are for the term year ended 31st December 2018.

The company has adequate financial control systems in place to manage granted funds.

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 2018

8. In Kind Artistic Sponsorship	2018	2017
	€	€
Visual Arts	40,000	30,000
Partner Events	118,000	31,000
Accomodation Partners	3,500	4,000
	<u>161,500</u>	<u>65,000</u>

9. Grant Income	2018	2017
	€	€
Other public grants	8,100	5,500
Arts council	180,000	180,000
Failte ireland - EAF	35,000	35,000
Failte ireland - other festivals	-	10,000
Ealaín na Gaeltachta	6,000	6,000
RCC	15,000	15,000
Made in Scotland	-	325
Donegal county council	59,000	58,500
	<u>303,100</u>	<u>310,325</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 2018

10. Programme Costs

	2018	2017
	€	€
Wages and salaries	-	16,000
Employer's PRSI contributions	-	1,720
Artists fees	92,385	86,663
VAT on foreign artists fees	4,353	8,222
Production staff/crew costs	4,416	3,230
Equipment hire	4,638	5,928
Artists travel	7,527	12,624
Artists subsistence	6,682	6,342
Artists accomodation	6,830	9,640
Programme production costs	1,023	3,970
Venue hire	5,469	3,237
Health and safety support	2,472	2,460
Special projects	2,481	-
Faillte other festival costs	-	12,857
	<u>138,276</u>	<u>172,893</u>
Artist Liason officer	5,000	4,125
Volunteers Co-ordinator	4,000	3,375
Production Manager	5,000	5,000
Research and development	2,751	3,073
Insurance	4,177	4,129
	<u>20,928</u>	<u>19,702</u>
Total Programme costs	<u>159,204</u>	<u>192,595</u>

Earagail Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2018

11. Marketing costs

	2018	2017
	€	€
Programme design and print	17,019	16,547
Advertising	4,650	4,916
PR & international advertising	7,322	9,435
Website design & online marketing	4,924	6,214
International sales & other marketing costs	6,942	8,231
Box office commission	6,865	6,819
Launch events	1,249	280
Market research	500	630
	<u>49,471</u>	<u>53,072</u>

12. Administrative Expenses

	2018	2017
	€	€
Wages and salaries	85,573	84,919
Employer's PRSI contributions	9,241	9,080
Staff training	115	128
Marketing officers	15,816	3,000
Rent & service charge	11,781	11,472
Water rates	56	87
Light and heat	2,102	1,881
Printing, postage and stationery	513	805
Telephone	4,025	3,826
Computer costs	931	616
Travel & accomodation expenses	4,483	2,627
Legal and professional	2,250	1,460
Accountancy fees	615	-
Auditors remuneration	2,645	2,645
Bank charges	531	574
Bad debts	108	1,350
General expenses	2,653	2,447
Subscriptions	360	439
Depreciation of tangible assets	7,326	6,933
	<u>151,124</u>	<u>134,289</u>

Earagail Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2018

13. Staff costs

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

	Year ending	Year ending
	2018	2017
	Number	Number
Admin staff	2	2
Marketing	-	1
	2	3
	2	3

The aggregate payroll costs incurred during the financial year were:

	2018	2017
	€	€
Wages and salaries	85,573	100,919
Social insurance costs	9,241	10,800
	94,814	111,719
	94,814	111,719

14. Taxation

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

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 2018

15. Tangible assets

	Fixtures, fittings and equipment €	Total €
Cost		
At 1 January 2018	216,739	216,739
Additions	6,061	6,061
At 31 December 2018	<u>222,800</u>	<u>222,800</u>
Depreciation		
At 1 January 2018	174,917	174,917
Charge for the financial year	7,326	7,326
At 31 December 2018	<u>182,243</u>	<u>182,243</u>
Carrying amount		
At 31 December 2018	<u>40,557</u>	<u>40,557</u>
At 31 December 2017	<u>41,822</u>	<u>41,822</u>

16. Debtors

	2018 €	2017 €
Other debtors	5,631	35,044
Prepayments	570	2,339
	<u>6,201</u>	<u>37,383</u>

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

Earagail Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2018

17. Creditors: amounts falling due within one year

	2018	2017
	€	€
Trade creditors	588	7,661
Credit cards	875	1,405
Other creditors	3,650	10,645
Tax and social insurance:		
PAYE and social welfare	7,108	7,146
VAT	277	161
Accruals	4,800	6,402
Government grants	1,199	1,199
	<u>18,497</u>	<u>34,619</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

	2018	2017
	€	€
DAHRRGA grants	4,794	5,993
	<u>4,794</u>	<u>5,993</u>

19. Value Added Tax Provision

The operating Surplus/(deficit) for 2018 has been derived after making appropriate provision for the VAT charge on the fees of foreign artists for the year ended 31st December 2018.

The amount paid to Revenue for VAT on Artists fees for the year ended 31st December 2018 is €4,353 (2017 : €8,222).

Earagail Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2018

20. DAHRRGA capital grant

	2018	2017
	€	€
At the start of the financial year	7,192	8,391
Released to profit or loss	(1,199)	(1,199)
	<u>5,993</u>	<u>7,192</u>

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

	2018	2017
	€	€
Recognised in creditors:		
Deferred government grants due within one year	1,199	1,199
Deferred government grants due after more than one year	4,794	5,993
	<u>5,993</u>	<u>7,192</u>
Recognised in other operating income:		
Government grants released to profit or loss	1,199	1,199
	<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:

	2018	2017
	€	€
Financial assets that are debt instruments measured at amortised cost		
Other debtors	5,631	36,394
Cash at bank and in hand	57,118	36,772
	<u>62,749</u>	<u>73,166</u>
Financial liabilities measured at amortised cost		
Trade creditors	588	7,661
Other creditors	9,325	18,452
	<u>9,913</u>	<u>26,113</u>

22. Appropriations of income and expenditure account

	2018	2017
	€	€
At the start of the financial year	7,252	9,351
Surplus/(deficit) for the financial year	11,346	(2,099)
	<u>18,598</u>	<u>7,252</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 2018

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

Special Capital Reserve

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:

	2018	2017
	€	€
At 1 January 2018	37,462	43,197
Amortised in year	(6,127)	(5,735)
At 31 December 2018	31,335	37,462

VAT Reserve

A VAT reserve was created in 2010 to provide for a possible liability for VAT on payments to foreign artists prior to 2010.

	2018	2017
	€	€
At 31 December 2018	30,652	30,652

25. Ethical standards

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the Revenue Commissioners and assist with the preparation of the financial statements.

26. Controlling party

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

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 2018

27. 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 2019. 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.

28. True and fair view override

In preparing the financial statements the directors have departed from the prescribed format for financial statements as set out in the Companies Act 2014. In the opinion of the directors the format of the financial statements as presented in these financial statements better describes the not for profit activities undertaken by the company. The principal departure from the prescribed formats as set down by the Companies Act 2014 is the replacement of the title "Profit and Loss Account" with the title "Income and Expenditure Account" and some consequential changes in the notes to the financial statements.

29. Security provided to the company's bank

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

30. Approval of financial statements

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

**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 2018

	2018	2017
	€	€
Income		
Box office receipts	50,436	44,876
Miscellaneous income	2,487	1,700
Friends and patrons	1,595	1,070
Sponsorship	6,200	5,700
Other public grants	8,100	5,500
Arts council	180,000	180,000
Faillte ireland - EAF	35,000	35,000
Faillte ireland - other festivals	-	10,000
Alaín na Gaeltachta	6,000	6,000
RCC	15,000	15,000
Other festivals income	-	7,253
Made in Scotland	-	325
Donegal county council	59,000	58,500
In Kind Artistic Support	161,500	65,000
	<u>525,318</u>	<u>435,924</u>
Gross profit	525,318	435,924
Gross profit percentage	100.0%	100.0%
Overheads		
Distribution costs		
Wages and salaries	-	(16,000)
Employer's PRSI contributions	-	(1,720)
Artists fees	(92,385)	(86,663)
VAT on foreign artists fees	(4,353)	(8,222)
Production staff/crew costs	(4,416)	(3,230)
Equipment hire	(4,638)	(5,928)
Artists travel	(7,527)	(12,624)
Artists subsistence	(6,682)	(6,342)
Artists accomodation	(6,830)	(9,640)
Programme production costs	(1,023)	(3,970)
Venue hire	(5,469)	(3,237)
Health and safety support	(2,472)	(2,460)
Research and development	(2,751)	(3,073)
Programme design and print	(17,019)	(16,547)
Special projects	(2,481)	-
Faillte other festival costs	-	(12,857)
Advertising	(4,650)	(4,916)
PR & international advertising	(7,322)	(9,435)
Website design & online marketing	(4,924)	(6,214)
International sales & other marketing costs	(6,942)	(8,231)
Box office commission	(6,865)	(6,819)
Launch events	(1,249)	(280)
Market research	(500)	(630)
In Kind Artistic Costs	(161,500)	(65,000)
Artist liason officer	(5,000)	(4,125)

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 2018

	2018	2017
	€	€
Volunteers co-ordinator	(4,000)	(3,375)
Production manager	(5,000)	(5,000)
Administrative expenses		
Wages and salaries	(85,573)	(84,919)
Employer's PRSI contributions	(9,241)	(9,080)
Staff training	(115)	(128)
Marketing officers	(15,816)	(3,000)
Rent & service charge	(11,781)	(11,472)
Water rates	(56)	(87)
Insurance	(4,177)	(4,129)
Light and heat	(2,102)	(1,881)
Printing, postage and stationery	(513)	(805)
Telephone	(4,025)	(3,826)
Computer costs	(931)	(616)
Travel & accommodation expenses	(4,483)	(2,627)
Legal and professional	(2,250)	(1,460)
Accountancy fees	(615)	-
Auditors remuneration	(2,645)	(2,645)
Bank charges	(531)	(574)
Bad debts	(108)	(1,350)
General expenses	(2,653)	(2,447)
Subscriptions	(360)	(439)
Depreciation of tangible assets	(7,326)	(6,933)
	<u>(521,299)</u>	<u>(444,956)</u>
Other operating income		
Government grants released to the P/L account	1,199	1,199
Amortisation of reserves	6,128	5,734
	<u>7,327</u>	<u>6,933</u>
Operating surplus/(deficit)	11,346	(2,099)
Operating surplus/(deficit) percentage	2.2%	0.5%
Surplus/(deficit) before taxation	<u>11,346</u>	<u>(2,099)</u>