

SMC Chartered Accountants

Company registration number: 383383

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

Financial statements

for the financial year ended 31st December 2021

**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	Traolach O'Fionnain Shaun Hannigan (Resigned 13th March 2022) Michéal O'Fearraigh (Resigned 28th March 2022) Una Campbell Meábh Uí Chonnacháin Fintan Moloney Patricia McBride Gary Doherty Joe Peoples (Resigned 7th September 2021) Martin McDermott Ian McGarvey
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	SMC Chartered Accountants Ltd Unit 3, First Floor, Glenview Business Park Mountain Top Letterkenny Co. Donegal

Earagail Arts Festival Management Company CLG
Company limited by guarantee

Directors and other information (continued)

Bankers

Bank of Ireland
Main Street
Letterkenny
Co. Donegal

Solicitors

Brian J. McMullins Solicitors
Tirconnell Street
Ballyshannon
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 2021.

Directors

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

Traolach O'Fionnain
 Shaun Hannigan (Resigned 13th March 2022)
 Michéal O'Fearraigh (Resigned 28th March 2022)
 Una Campbell
 Meábh Uí Chonnacháin
 Fintan Moloney
 Patricia McBride
 Gary Doherty
 Joe Peoples (Resigned 7th September 2021)
 Martin McDermott
 Ian McGarvey

Principal activities

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

Business Review

The re-purposed festival presented 283 events/iterations/projects/exhibitions of which 80% were live physical events and 20% online performances/iterations from across Donegal between 4th and 25th July 2021, to an audience of 36,459 continuing to work with arts partners across the county.

	2021 (% of capacity)	2020 (% of capacity)
Total ticketed attendance for events produced directly by Earagail Arts Festival	676 (92%)	95 (43%) (LJ Nee, Rathmullan)
Total non-ticketed attendance for outdoor event produced directly by Earagail Arts Festival	6,957	134 (LJ Nee)
Total number of performances/iterations	283	137

Assets and liabilities and financial position

The total assets of the company have increased by €25,667, the total liabilities have increased by €27,412 resulting in a total decrease in net assets of €1,745.

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

Directors report (continued)

Principal risks and uncertainties

The impact of Covid 19 fundamentally changed how the company operates with the activities of the company influenced by how long the pandemic lasts. The directors are using all possible business tools and strategies to manage these risks in the months ahead.

Likely future developments

The directors are hopeful that as the effects of the COVID 19 pandemic wane, the festival can return to its normal status in 2022.

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 are no events post year end affecting the company.

Research and development

The company engaged in limited 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 Unit 2C, Riverside Office Park, Neil T. Blaney Road, Letterkenny.

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.

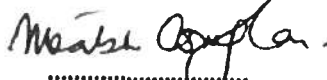
Auditors

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

This report was approved by the board of directors on ^{21/6/2022} and signed on behalf of the board by:



.....
Traolach O'Fionnain
Director



.....
Meabh Uí Chornacháin
Director

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

Directors responsibilities statement

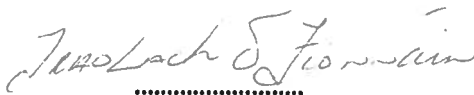
The directors are responsible for preparing the directors report and the financial statements in accordance with applicable Irish law and regulations.

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 profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

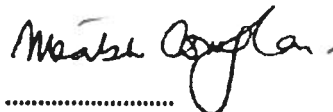
In preparing these financial statements, the directors are required to:

- 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.



.....
Traolach O'Fionnain
Director



.....
Meabh Uí Chonnacháin
Director

**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 2021 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 2021 and of its profit 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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

We have nothing to report in this regard.

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.

James G Devine

**For and on behalf of
SMC Chartered Accountants Ltd
Unit 3, First Floor,
Glenview Business Park
Mountain Top
Letterkenny
Co. Donegal**

21 June 2022

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

Income & expenditure account (continued)
Financial year ended 31 December 2021

	Note	2021 €	2020 €
Grant income			
Grant Income	8	314,319	258,220
Earned Income			
Ticket sales		17,541	880
Other Income		382	788
		<u>17,923</u>	<u>1,668</u>
Sponsorship (In-kind), Value of support in-kind 7 (inc. hotel, theatre, visual arts)		93,500	22,500
Special Projects Income			
Special Projects Income		-	6,500
<u>Total Income</u>		<u>425,742</u>	<u>288,888</u>
Expenditure			
Programme cost	9	149,397	109,652
Marketing Costs	10	24,407	24,315
Administrative expenses	11	175,894	149,759
In Kind Artistic costs		93,500	22,500
<u>Total Expenditure</u>		<u>443,198</u>	<u>306,226</u>
Net expenditure over income		(17,456)	(17,338)
Other operating income	12	21,787	17,695
Surplus for the financial year		<u>4,331</u>	<u>357</u>

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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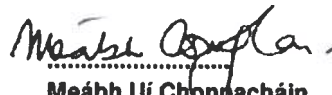
Balance sheet
As at 31 December 2021

	Note	2021 €	€	2020 €	€
Fixed assets					
Tangible assets	16	27,551		31,087	
			27,551		31,087
Current assets					
Debtors	17	8,458		14,471	
Cash at bank and in hand		168,961		133,558	
		177,419		148,029	
Creditors: amounts falling due within one year	18	(136,464)		(107,854)	
Net current assets			40,955		40,175
Total assets less current liabilities			68,506		71,262
Creditors: amounts falling due after more than one year	19		(1,200)		(2,398)
Net assets			67,306		68,864
Capital and reserves					
Capital Reserves	23		43,965		49,854
Income and expenditure account	23		23,341		19,010
Members funds			67,306		68,864

These financial statements were approved by the board of directors on 21 JUNE 2022 and signed on behalf of the board by:



.....
Traolach O'Fionnain
 Director



.....
Meabh Uí Chonracháin
 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 2021

	Capital reserves	Income and expenditure account	Total
	€	€	€
At 1 January 2020	55,744	18,653	74,397
Surplus for the financial year		357	357
Amortised in year	(5,890)		(5,890)
Total comprehensive income for the financial year	(5,890)	357	(5,533)
At 31 December 2020 and 1 January 2021	49,854	19,010	68,864
Surplus for the financial year		4,331	4,331
Amortised in year	(5,889)		(5,889)
Total comprehensive income for the financial year	(5,889)	4,331	(1,558)
At 31 December 2021	43,965	23,341	67,306

Earagail Arts Festival Management Company CLG
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Statement of cash flows
Financial year ended 31 December 2021

	2021	2020
	€	€
Cash flows from operating activities		
Surplus for the financial year	4,331	357
<i>Adjustments for:</i>		
Depreciation of tangible assets	7,087	7,088
Government grant income	(7,087)	(7,088)
Amortisation of reserves	(5,889)	(5,890)
Accrued expenses/(income)	15,265	3,157
<i>Changes in:</i>		
Trade and other debtors	6,013	(2,439)
Trade and other creditors	12,147	75,691
Cash generated from operations	<u>31,867</u>	<u>70,876</u>
Net cash from operating activities	<u>31,867</u>	<u>70,876</u>
Cash flows from investing activities		
Purchase of tangible assets	(3,551)	(1,587)
Net cash used in investing activities	<u>(3,551)</u>	<u>(1,587)</u>
Cash flows from financing activities		
Government grant income	7,087	7,088
Net cash from financing activities	<u>7,087</u>	<u>7,088</u>
Net Increase/(decrease) in cash and cash equivalents	35,403	76,377
Cash and cash equivalents at beginning of financial year	<u>133,558</u>	<u>57,181</u>
Cash and cash equivalents at end of financial year	<u>168,961</u>	<u>133,558</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 2021**

1. General information

The company is a private company limited by guarantee, registered in Republic of Ireland (Registration no 383383). The address of the registered office is Unit 2C, Riverside Office Park, Neil T. Blaney Road, Letterkenny, Co.Donegal. 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 financial statements have been prepared in compliance with FRS 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.

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.

**Earagail Arts Festival Management Company CLG
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**Notes to the financial statements (continued)
Financial year ended 31 December 2021**

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, Fáilte 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.

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.

**Earagall Arts Festival Management Company CLG
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**Notes to the financial statements (continued)
Financial year ended 31 December 2021**

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.

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.

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.

**Earagail Arts Festival Management Company CLG
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**Notes to the financial statements (continued)
Financial year ended 31 December 2021**

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 or 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. 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

4. Operating Surplus

Operating surplus is stated after charging/(crediting):

	2021	2020
	€	€
Depreciation of tangible assets	7,087	7,088
Fees payable for the audit of the financial statements	2,675	2,663
	<u> </u>	<u> </u>

5. Income

The whole of the turnover 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 2021

6 Grants received from exchequer funds

Earagail Arts Festival Management 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	Grants taken to Income in year	Grants received In year	Grants deferred/ due at year end
			€	€	€	€
Arts Council	Annual strategic funding	Artistic & education programming, marketing and administration	170,000	170,000	245,000	(75,000)
Arts Council	Public Participation Officer funding	To fund Public Participation Officer	21,760	21,760	21,760	-
Arts Council	COVID-19 costs funding	To offset COVID-19 related costs	7,933	7,933	7,933	-
Arts Council	Capacity Building Support Scheme	Support artistic & strategic development	29,876	29,876	12,651	2,761
Faite Ireland	National festivals and participative events programme 2021	Marketing, international sales plan, research and artistic programming	8,750	8,750	8,750	-
Ealain Na Gaeltachta	Scéim na bhFéilte	Artistic & education programming, marketing and administration of Gaeltachí Gaelic events	8,000	8,000	8,000	-
Foras na Gaeilge	CC17016 Baird Nua Apiseach/ The Modern Bards	Artistic & education programming, marketing and administration of Gaelic events	9,000	9,000	9,000	-
Donegal County Council	Revenue Grant 2021	Artistic & education programming, marketing and administration	59,000	59,000	59,000	-
			<u>314,319</u>	<u>314,319</u>	<u>372,094</u>	<u>(72,239)</u>

All grants are for the term year ended 31 December 2021.

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.

Earagall 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 2021

7. In Kind Artistic Sponsorship

	2021	2020
	€	€
Visual Arts	61,500	20,000
Partner Events	-	2,500
Countrywide Theatre & Comedy	20,000	-
Countrywide Music	12,000	-
	<u>93,500</u>	<u>22,500</u>

8. Grant Income

	2021	2020
	€	€
Foras Na Gaeilge	9,000	5,720
Arts Council Strategic Funding	170,000	170,000
Arts Council Public Participation Officer funding	21,760	-
Arts Council to offset COVID-19 related costs	7,933	-
Festivals Capacity Building Support 2021 Round 1	16,071	-
Festivals Capacity Building Support 2021 Round 2	13,805	-
Failte Ireland	8,750	17,500
Ealain na Gaeltachta	8,000	6,000
Donegal county council	59,000	59,000
	<u>314,319</u>	<u>258,220</u>

Earagail Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2021

9. Programme Costs

	2021	2020
	€	€
Artists fees	70,912	89,850
VAT on foreign artists fees	5,740	-
Public participation officers	20,341	-
Employer's PRSI contributions	847	-
Production staff/crew costs	9,453	8,352
Production staff subsistence	541	-
Equipment Hire	5,131	1,956
Artists travel and accomodation	6,226	400
Artists subsistence	1,514	154
Programme production costs	9,334	2,069
COVID-19 costs	10,437	-
Courier charges	57	-
	<u>140,533</u>	<u>102,781</u>
Research and development	1,864	1,195
Production manager	4,000	4,000
Insurance	3,000	1,676
	<u>8,864</u>	<u>6,871</u>
Total Programme Costs	<u>149,397</u>	<u>109,652</u>

10. Marketing Costs

	2021	2020
	€	€
Programme design and print	3,164	3,521
Advertising	5,188	1,039
PR & international advertising	2,391	8,216
Website design & online marketing	4,365	7,224
International sales & other marketing costs	1,693	2,309
Box office commission	5,546	-
Market research	2,060	2,006
	<u>24,407</u>	<u>24,315</u>

Earagall Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2021

11. Administrative Expenses

	2021	2020
	€	€
Wages and salaries	103,188	97,689
Employer's PRSI contributions	10,196	10,676
Staff training	1,125	168
Rent & Service Charges	11,661	11,782
Rates	60	46
Light and heat	1,183	612
Printing, postage and stationery	318	349
Telephone	3,570	4,643
Computer costs	3,146	1,261
Travel & accomodation expenses	2,016	1,918
Legal and professional	27,378	8,079
Accountancy fees	185	369
Auditors remuneration	2,675	2,663
Bank charges	442	506
General expenses	884	1,131
Subscriptions	780	779
Depreciation of tangible assets	7,087	7,088
	<u>175,894</u>	<u>149,759</u>

12. Other operating income

	2021	2020
	€	€
Government capital grants released	1,198	1,198
Amortisation of reserves	5,889	5,890
Government wage subsidies received	14,700	10,607
	<u>21,787</u>	<u>17,695</u>

Earagail Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2021

13. Staff costs

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

	2021	2020
	Number	Number
Administrative	2	2
Marketing	1	1
Production	1	-
	<u>4</u>	<u>3</u>

The aggregate payroll costs incurred during the financial year were:

	2021	2020
	€	€
Wages and salaries	103,188	97,689
Social insurance costs	10,196	10,676
	<u>113,384</u>	<u>108,365</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. Appropriations of income and expenditure account

	2021	2020
	€	€
At the start of the financial year	19,010	18,653
Surplus for the financial year	4,331	357
At the end of the financial year	<u>23,341</u>	<u>19,010</u>

Earagail Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2021

16. Tangible assets		Fixtures, fittings and equipment	Total
		€	€
Cost			
At 1 January 2021	227,860	227,860	
Additions	3,551	3,551	
At 31 December 2021	<u>231,411</u>	<u>231,411</u>	
Depreciation			
At 1 January 2021	196,773	196,773	
Charge for the financial year	7,087	7,087	
At 31 December 2021	<u>203,860</u>	<u>203,860</u>	
Carrying amount			
At 31 December 2021	<u>27,551</u>	<u>27,551</u>	
At 31 December 2020	<u>31,087</u>	<u>31,087</u>	
17. Debtors		2021	2020
		€	€
Other debtors	8,441	10,900	
Prepayments	17	3,571	
	<u>8,458</u>	<u>14,471</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 2021

18. Creditors: amounts falling due within one year

	2021	2020
	€	€
Trade creditors	997	8,583
Credit cards	1,252	304
Other creditors	94,664	76,628
Tax and social insurance:		
PAYE and social welfare	9,354	9,270
VAT	1,863	-
Accruals	27,135	11,870
Government grants	1,199	1,199
	136,464	107,854

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.

19. Creditors: amounts falling due after more than one year

	2021	2020
	€	€
DAHRRGA grants	1,200	2,398

20. Value Added Tax Provision

The operating surplus for 2021 has been derived after making appropriate provision for the VAT charge on the fees of foreign artists for the year ended 31st December 2021.

The amount paid to Revenue for VAT on Artists fees for the year ended 31st December 2021 is €5,740 (31st December 2020: €-).

Earagall Arts Festival Management Company CLG
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Notes to the financial statements (continued)
Financial year ended 31 December 2021

21. DAHRRGA Capital Grant

	2021	2020
	€	€
At the start of the financial year	3,597	4,795
Released to income and expenditure account	(1,198)	(1,198)
At the end of the financial year	<u>2,399</u>	<u>3,597</u>

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

	2021	2020
	€	€
Recognised in creditors:		
Deferred government grants due within one year	1,199	1,199
Deferred government grants due after more than one year	1,200	2,398
	<u>2,399</u>	<u>3,597</u>
Recognised in other operating income:		
Government grants released to income and expenditure account	<u>1,198</u>	<u>1,198</u>

Grants may become repayable if conditions attaching are not met.

22. Financial Instruments

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

	2021	2020
	€	€
Financial assets that are debt instruments measured at amortised cost		
Other debtors	8,441	10,900
Cash at bank and in hand	168,774	133,558
	<u>177,215</u>	<u>144,458</u>
Financial liabilities measured at amortised cost		
Trade creditors	997	8,583
Other creditors	123,051	88,802
	<u>124,048</u>	<u>97,385</u>

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

Earagall 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 2021

24. 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:

	2021	2020
	€	€
At 1 January 2021	19,202	25,092
Amortised in Year	(5,889)	(5,890)
At 31 December 2021	<u>13,313</u>	<u>19,202</u>

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.

	2021	2020
	€	€
31 December 2021	<u>30,652</u>	<u>30,652</u>

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.

**Earagall 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 2021**

27. Going Concern

The activities of the company are largely financed by the receipt of grant in aid from various government agencies, specifically for the current year, the Arts Council, Fáilte Ireland, Donegal County Council, Ealaín na Gaeltachta and Foras na Gaeilge. In the year to 31 December 2021 this funding amounted to €314,319 which equates to 74% of the company's total income (2020 : €258,220; 89%). The directors consider that the current unprecedented economic situation presents significant challenges for the company now and into the immediate future as they are dependent on the exchequer for revenue which is made available to the various government agencies for funding. Although funding received from the Arts Council has actually increased in 2021 these developments may result in a reduction or abolition in some grant supports received by the company from the various government agencies in the future. The company has received confirmation from their funders that funding will be continued until 31 December 2022 but no such assurances can be provided in respect of periods after that date. The directors believe that it would be impossible for the company to continue in operational existence without the continued support of the Government agencies. Nevertheless, the directors have a reasonable expectation that these programmes will continue for the foreseeable future. For these reasons, they continue to adopt the going basis of accounting in preparing the annual 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 21 JUNE 2022.

**Earagail Arts Festival Management Company CLG
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The following pages do not form part of the statutory accounts.

Earagall 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 2021

	2021	2020
	€	€
Income		
Ticket sales	17,541	880
Other Income	382	788
Other Festivals (AGT- Little John Nee)	-	2,500
Foras Na Gaeilge	9,000	5,720
Arts Council Strategic Funding	170,000	170,000
Arts Council Public Participation Officer funding	21,760	-
Arts Council to offset COVID-19 related costs	7,933	-
Festivals Capacity Building Support 2021 Round 1	16,071	-
Festivals Capacity Building Support 2021 Round 2	13,805	-
Faillte Ireland	8,750	17,500
Ealain na Gaeltachta	8,000	6,000
RCC	-	4,000
Donegal county council	59,000	59,000
In Kind Artistic Support	93,500	22,500
	<u>425,742</u>	<u>288,888</u>
Total Income	425,742	288,888
Total Income percentage	100.0%	100.0%
Overheads		
Production costs		
Artists fees	(70,912)	(89,850)
VAT on foreign artists fees	(5,740)	-
Public participation officers	(20,341)	-
Employer's PRSI contributions	(847)	-
Production staff/crew costs	(9,453)	(8,352)
Production staff subsistence	(541)	-
Equipment Hire	(5,131)	(1,956)
Artists travel and accomodation	(6,226)	(400)
Artists subsistence	(1,514)	(154)
Programme production costs	(9,334)	(2,069)
Research and development	(1,864)	(1,195)
Production manager	(4,000)	(4,000)
COVID-19 costs	(10,437)	-
Courier charges	(57)	-
Insurance	(3,000)	(1,676)
Marketing costs		
Programme design and print	(3,164)	(3,521)
Advertising	(5,188)	(1,039)
PR & international advertising	(2,391)	(8,216)
Website design & online marketing	(4,365)	(7,224)
International sales & other marketing costs	(1,693)	(2,309)
Box office commission	(5,546)	-
Market research	(2,060)	(2,006)

Earagall 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 2021

	2021	2020
	€	€
Administrative expenses		
Wages and salaries	(103,188)	(97,689)
Employer's PRSI contributions	(10,196)	(10,676)
Staff training	(1,125)	(168)
Rent & Service Charges	(11,661)	(11,782)
Rates	(60)	(46)
Light and heat	(1,183)	(612)
Printing, postage and stationery	(318)	(349)
Telephone	(3,570)	(4,643)
Computer costs	(3,146)	(1,261)
Travel & accomodation expenses	(2,016)	(1,918)
Legal and professional	(27,378)	(8,079)
Accountancy fees	(185)	(369)
Auditors remuneration	(2,675)	(2,663)
Bank charges	(442)	(506)
General expenses	(884)	(1,131)
Subscriptions	(780)	(779)
Depreciation of tangible assets	(7,087)	(7,088)
In Kind costs		
In Kind Artistic costs	(93,500)	(22,500)
	<u>(443,198)</u>	<u>(306,226)</u>
Other operating income		
Government grants released to the P/L account	1,198	1,198
Amortisation of reserves	5,889	5,890
Sundry income	14,700	10,607
	<u>21,787</u>	<u>17,695</u>
Operating surplus	4,331	357
Operating surplus percentage	1.0%	0.1%
(Deficit)/Surplus before taxation	<u>4,331</u>	<u>357</u>