

**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 2022**

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

**Contents**

	<b>Page</b>
Directors and other information	<b>1 - 2</b>
Directors report	<b>3 - 5</b>
Directors responsibilities statement	<b>6</b>
Independent auditor's report to the members	<b>7 - 10</b>
Income & Expenditure Account	<b>11</b>
Balance sheet	<b>12</b>
Statement of changes in equity	<b>13</b>
Statement of cash flows	<b>14</b>
Notes to the financial statements	<b>15 - 24</b>

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

**Directors and other information**

**Directors**

Traolach O'Fionnain  
Pauric McGarvey  
Poilin NicGeidigh  
Una Campbell  
Meabh Uí Chonnacháin  
Fintan Moloney  
Patricia McBride  
Gary Doherty  
Fadi Mustapha  
Martin McDermott  
Patsy Lafferty

**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 2022.

**Directors**

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

Traolach O'Fionnáin  
Pauric McGarvey  
Poilin NicGeidigh  
Una Campbell  
Meábh Uí Chonnacháin  
Fintan Moloney  
Patricia McBride  
Gary Doherty  
Fadl Mustapha  
Martin McDermott  
Patsy Lafferty

**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.

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

**Directors report (continued)**

**Business Review**

The return to a full live festival presented 658 events/iterations/projects/exhibitions of which 99% were live physical events and 1% online performances/iterations from across Donegal between 9th and 24th July 2022 to an audience of 68,176 with the estimated broadcast and online audiences for events co-produced with ANIAR for broadcast through TG4 to be 599,000 globally (1,347,000 if broadcast on BBC Alba) and Cosan Gabhla (Móiscéal) 9,000. Earagail Arts Festival completed a governance review (commenced in 2020) and a new strategic plan for the period 2023 -2025 was approved in 2022.

**Assets and liabilities and financial position**

The total assets of the company has decreased by €10,429, the total liabilities have decreased by €14,656 resulting in a total increase in net assets of €4,227.

**Principal risks and uncertainties**

Although the ongoing Covid situation has improved in public health concerns, research has demonstrated there remains reluctance among certain age groups and demographic sections of the community in attending indoor performances (Theatre Forum research June 2022).The impact of Covid continues to affects artists (with cancellations, Fidget Feet, Little John Nee), audiences and staff (absences due to sickness and isolation) affected 4 core members of staff at critical periods in advance of and during the festival in 2022. The unexpected Cost of Living Crisis has had the additional effect on ticket purchasing, with a reduction in multiple buying for multiple family / higher value ticketed events and hesitancy for family groups to purchase tickets for a number of shows. With this in mind, Earagail Arts Festival undertook to increase the number of free admission events and offered a Pay What You Want for family spectator events in addition to already planned subvention of performances in isolated and disenfranchised communities.

**Likely future developments**

Although the effects of the Covid 19 pandemic have waned, rising inflationary costs and lesser disposable income due the cost of living may impact negatively on future festivals.

**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**

Owing to lesser Covid restrictions, the company engaged in increased 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.

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

**Directors report (continued)**

**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 7 June 2023 and signed on behalf of the board by:



Traolach O'Fionnain  
Director



Meabh Uí Chonnacháin  
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 2022 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 3. 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 2022 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 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.

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

***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.

***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.

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

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.

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.

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

*James G. Devine*

James G Devine (Senior Statutory Auditor)

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

7 June 2023

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

**Income & expenditure account**  
**Financial year ended 31 December 2022**

	Note	2022 €	2021 €
<b>Income</b>	<b>5</b>	580,703	425,742
<b>Total Income</b>		<u>580,703</u>	<u>425,742</u>
Programme and marketing costs		(373,788)	(264,304)
Administrative expenses		(203,887)	(178,894)
Other operating income	<b>6</b>	7,612	21,787
<b>Operating profit</b>	<b>7</b>	<u>10,640</u>	<u>4,331</u>
<b>Profit before taxation</b>		<u>10,640</u>	<u>4,331</u>
Tax on profit	<b>9</b>	-	-
<b>Profit for the financial year</b>		<u><u>10,640</u></u>	<u><u>4,331</u></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 15 to 24 form part of these financial statements.**

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

**Balance sheet**  
As at 31 December 2022

	Note	2022 €	€	2021 €	€
<b>Fixed assets</b>					
Tangible assets	11	28,179		27,551	
			28,179		27,551
<b>Current assets</b>					
Debtors	12	18,230		8,458	
Cash at bank and in hand		148,132		168,961	
		166,362		177,419	
<b>Creditors: amounts falling due within one year</b>	13	(123,006)		(136,464)	
<b>Net current assets</b>			43,356		40,955
<b>Total assets less current liabilities</b>			71,535		68,506
<b>Creditors: amounts falling due after more than one year</b>	14		(2)		(1,200)
<b>Net assets</b>			71,533		67,306
<b>Capital and reserves</b>					
User defined reserve 3	17		37,552		43,965
Profit and loss account	17		33,981		23,341
<b>Members funds</b>			71,533		67,306

These financial statements were approved by the board of directors on 7 June 2023 and signed on behalf of the board by:



Traolach O'Fionnain  
Director



Meabh Uí Chonnacháin  
Director

The notes on pages 15 to 24 form part of these financial statements.

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

**Statement of changes in equity**  
**Financial year ended 31 December 2022**

	User defined reserve 3 €	Profit and loss account €	Total €
<b>At 1 January 2021</b>	43,965	19,010	49,662
Profit for the financial year		4,331	4,331
<b>Total comprehensive income for the financial year</b>	-	4,331	4,331
<b>At 31 December 2021 and 1 January 2022</b>	37,552	23,341	53,993
Profit for the financial year		10,640	10,640
<b>Total comprehensive income for the financial year</b>	-	10,640	10,640
<b>At 31 December 2022</b>	37,552	33,981	64,633

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

**Statement of cash flows**  
**Financial year ended 31 December 2022**

	2022	2021
	€	€
<b>Cash flows from operating activities</b>		
Profit for the financial year	10,640	4,331
<i>Adjustments for:</i>		
Depreciation of tangible assets	7,612	7,087
Government grant income	(7,612)	(7,087)
Accrued expenses/(income)	(12,373)	15,265
<i>Changes in:</i>		
Trade and other debtors	(9,772)	6,013
Trade and other creditors	(2,283)	12,147
Cash generated from operations	<u>(13,788)</u>	<u>37,756</u>
Net cash (used in)/from operating activities	<u>(13,788)</u>	<u>37,756</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	<u>(8,239)</u>	<u>(3,551)</u>
Net cash used in investing activities	<u>(8,239)</u>	<u>(3,551)</u>
<b>Cash flows from financing activities</b>		
Government grant income	<u>7,612</u>	<u>7,087</u>
Net cash from financing activities	<u>7,612</u>	<u>7,087</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(14,415)</u>	<u>41,292</u>
<b>Cash and cash equivalents at beginning of financial year</b>	<u>168,961</u>	<u>133,558</u>
<b>Cash and cash equivalents at end of financial year</b>	<u>154,546</u>	<u>174,850</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 2022**

**1. General information**

The company is a private company limited by guarantee, registered in Republic of Ireland. The address of the registered office is Unit 2C, Riverside Office Park, Neil T. Blaney Road, Letterkenny, Co. Donegal.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**3. Accounting policies and measurement bases**

**Basis of preparation**

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**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2022**

**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.

**Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**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 2022**

**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**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2022**

**Government grants**

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

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

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

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

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

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

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2022**

**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 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.

**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. 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 2022**

**6. Other operating income**

	<b>2022</b>	<b>2021</b>
	€	€
Government grant income	7,612	7,087
Other operating income	-	14,700
	7,612	21,787

**7. Operating Surplus**

Operating profit is stated after charging/(crediting):

	<b>2022</b>	<b>2021</b>
	€	€
Depreciation of tangible assets	7,612	7,087
Fees payable for the audit of the financial statements	2,860	2,675
	2,860	2,675

**8. Staff costs**

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

	<b>2022</b>	<b>2021</b>
	Number	Number
Administrative	2	2
Marketing	1	1
Production	1	1
	4	4

The aggregate payroll costs incurred during the financial year were:

	<b>2022</b>	<b>2021</b>
	€	€
Wages and salaries	140,129	103,188
Social insurance costs	17,083	10,196
	157,212	113,384

**9. 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 2022**

**10. Appropriations of profit and loss account**

	<b>2022</b>	<b>2021</b>
	€	€
At the start of the financial year	23,341	19,010
Profit for the financial year	10,640	4,331
<b>At the end of the financial year</b>	<u><u>33,981</u></u>	<u><u>23,341</u></u>

**11. Tangible assets**

	Fixtures, fittings and equipment	<b>Total</b>
	€	€
<b>Cost</b>		
At 1 January 2022	231,412	231,412
Additions	8,239	8,239
<b>At 31 December 2022</b>	<u><u>239,651</u></u>	<u><u>239,651</u></u>
<b>Depreciation</b>		
At 1 January 2022	203,860	203,860
Charge for the financial year	7,612	7,612
<b>At 31 December 2022</b>	<u><u>211,472</u></u>	<u><u>211,472</u></u>
<b>Carrying amount</b>		
<b>At 31 December 2022</b>	<u><u>28,179</u></u>	<u><u>28,179</u></u>
At 31 December 2021	<u><u>27,552</u></u>	<u><u>27,552</u></u>

**12. Debtors**

	<b>2022</b>	<b>2021</b>
	€	€
Other debtors	15,441	8,441
Prepayments	2,789	17
	<u><u>18,230</u></u>	<u><u>8,458</u></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**  
**(A Company Limited by Guarantee and not having Share Capital)**

**Notes to the financial statements (continued)**  
**Financial year ended 31 December 2022**

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

	<b>2022</b>	<b>2021</b>
	€	€
Trade creditors	5,009	997
Bills of exchange payable	1,354	1,252
Other creditors	88,900	94,664
Tax and social insurance:		
PAYE and social welfare	11,782	9,354
VAT	-	1,863
Accruals	14,762	27,135
Government grants	1,199	1,199
	<b>123,006</b>	<b>136,464</b>

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.

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

	<b>2022</b>	<b>2021</b>
	€	€
Government grants	2	1,200
	<b>2</b>	<b>1,200</b>

**15. DAHRRGA Capital Grant**

	<b>2022</b>	<b>2021</b>
	€	€
At the start of the financial year	2,399	3,597
Released to profit or loss	(1,198)	(1,198)
At the end of the financial year	<b>1,201</b>	<b>2,399</b>

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

	<b>2022</b>	<b>2021</b>
	€	€
Recognised in creditors:		
Deferred government grants due within one year	1,199	1,199
Deferred government grants due after more than one year	2	1,200
	<b>1,201</b>	<b>2,399</b>
Recognised in other operating income:		
Government grants released to profit or loss	1,199	1,198
	<b>1,199</b>	<b>1,198</b>

Grants may become repayable if conditions attaching are not met.



**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 2022**

**16. Financial instruments**

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

	2022	2021
	€	€
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Other debtors	15,441	8,441
Cash at bank and in hand	148,132	168,774
	163,573	177,215
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	5,009	997
Other creditors	105,016	123,051
	110,025	124,048

**17. 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

**18. Controlling party**

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

**19. 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 2022 this funding amounted to €418,270 which equates to 72% of the company's total income (2021 : €314,319; 74%). 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 2022 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 2023 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.

**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 2022**

**20. 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.

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

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

**22. Approval of financial statements**

The board of directors approved these financial statements for issue on 7 June 2023.

**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 profit and loss account**  
**Financial year ended 31 December 2022**

	2022	2021
	€	€
<b>Income</b>		
Ticket sales	30,139	17,541
Other Income	227	382
Friends and Patrons	525	-
Sponsorship	6,542	-
Foras Na Gaeilge	9,000	9,000
Arts Council Strategic Funding	300,000	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	6,000	13,805
Failte Ireland	35,000	8,750
Ealain na Gaeltachta	9,000	8,000
RCC	270	-
Donegal county council	59,000	59,000
In Kind Artistic Support	125,000	93,500
	<u>580,703</u>	<u>425,742</u>
<b>Total Income</b>	<b>580,703</b>	<b>425,742</b>
<b>Total Income percentage</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Overheads</b>		
Programme and marketing costs	(373,788)	(264,304)
Administrative expenses	(203,887)	(178,894)
	<u>(577,675)</u>	<u>(443,198)</u>
<b>Other operating income</b>		
Government grants released to the P/L account	1,199	1,198
Amortisation of reserves	6,413	5,889
Sundry income	-	14,700
	<u>7,612</u>	<u>21,787</u>
<b>Operating profit</b>	<b>10,640</b>	<b>4,331</b>
<b>Operating profit percentage</b>	<b>1.8%</b>	<b>1.0%</b>
<b>Profit before taxation</b>	<b>10,640</b>	<b>4,331</b>

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

**Detailed profit and loss account (continued)**  
**Financial year ended 31 December 2022**

	2022	2021
	€	€
<b>Overheads</b>		
<b>Programme and marketing costs</b>		
Artists fees	(94,996)	(70,912)
VAT on foreign artists fees	(1,622)	(5,740)
Public participation officers	-	(20,341)
Employer's PRSI contributions	-	(847)
Production staff/crew costs	(10,125)	(9,453)
Production staff subsistence	-	(541)
Equipment Hire	(8,314)	(5,131)
Artists travel and accomodation	(25,023)	(6,226)
Artists subsistence	(5,504)	(1,514)
Programme production costs and insurance	(16,757)	(9,334)
Venue Hire	(8,679)	-
Health and safety support	(2,441)	-
Research and development	(3,478)	(1,864)
Programme design and print	(10,351)	(3,164)
Local and regional advertising and branding	(7,703)	(5,188)
International advertising	(5,214)	(2,391)
Website design & online marketing	(5,557)	(4,365)
International sales & other marketing costs	(3,518)	(1,693)
Box office commission	(20,051)	(5,546)
Launch events	(831)	-
Market research	(2,874)	(2,060)
In Kind Artistic costs	(125,000)	(93,500)
Production staff	(15,750)	(4,000)
COVID-19 costs	-	(10,437)
Courier charges	-	(57)
	<u>(373,788)</u>	<u>(264,304)</u>
<b>Administrative expenses</b>		
Wages and salaries	(104,283)	(103,188)
Public participation officers	(35,846)	-
Employer's PRSI contributions	(13,552)	(10,196)
Public participation officers Employer's PRSI	(3,531)	-
Staff training	-	(1,125)
Rent & Service Charges	(11,781)	(11,661)
Rates	(82)	(60)
Insurance	-	(3,000)
Light and heat	(1,937)	(1,183)
Printing, postage and stationery	(1,212)	(318)
Telephone	(3,483)	(3,570)
Computer costs	(2,824)	(3,146)
Travel & accomodation expenses	(4,279)	(2,016)
Legal and professional	(8,303)	(27,378)
Accountancy fees	-	(185)
Auditors remuneration	(2,860)	(2,675)
Bank charges	(545)	(442)

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

**Detailed profit and loss account (continued)**  
**Financial year ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
General expenses	(1,106)	(884)
Subscriptions	(651)	(780)
Depreciation of tangible assets	(7,612)	(7,087)
	<u>(203,887)</u>	<u>(178,894)</u>