

Smock Alley Company Limited
(A company limited by guarantee, without a share capital)

Directors' Report and Financial Statements

for the year ended 31 December 2018

Smock Alley Company Limited
(A company limited by guarantee, without a share capital)
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Smock Alley Company Limited

(A company limited by guarantee, without a share capital)

DIRECTORS' / TRUSTEES AND OTHER INFORMATION

for the year ended 31 December 2018

Directors

Mark Lambert
Patrick Sutton
Philomena Byrne
Gerard Dempsey
Patrick Laffan (Deceased)

Company Secretary

Niamh Byrne

Company Number

422241

Charity Number

20063740/17241

Registered Office

Exchange Street Lower,
Dublin 8.

Auditors

Meagher Moynihan,
Chartered Accountants and Statutory Auditors,
17 Mespil Road,
Dublin 4.

Bankers

Bank of Ireland,
34 College Green,
Dublin 2.

Solicitors

Compton Solicitors,
Pembroke House,
Pembroke Street Upper,
Dublin 2.

Business Address

Exchange Street Lower,
Dublin 8.

Smock Alley Company Limited

(A company limited by guarantee, without a share capital)

DIRECTORS' / TRUSTEES REPORT

for the year ended 31 December 2018

The directors/trustees present their report and the audited financial statements for the year ended 31 December 2018.

This is the second set of financial statements prepared by Smock Alley Company Limited by Guarantee in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the Republic of Ireland" ("FRS 102") as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015. The company has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland, however it is considered best practice.

Reference and Administrative Details

The organisation is a charitable company with a registered office at Exchange St Lower, Dublin 8. The company trades under the name Smock Alley. The company's registered number is 422241.

The company has been granted a charitable status under Sections 207 and 208 of the Taxes Consolidation Act 1997, Charity No 20063740/17241 and is registered with the Charities Regulatory Authority.

The artistic director is Patrick Sutton who has 40 years of experience. The day to day management of the charity is directed by the following individuals in addition to the Artistic Director who are considered key management personnel;

Director of Programming & Finance: Aisling Mooney (replaced Cliona Dukes May 2018)

Events Manager: Conor Byrne

Technical Manager: David Halpin

Box Office & Marketing Manager: Osgar Dukes

Bar & Catering Manager: Paul Clune

The day to day of the external advisors engaged by the Company are as follows:

Bankers	Bank of Ireland, 34 College Green, Dublin 2.
Solicitors	Compton Solicitors, Pembroke House, Pembroke Street Upper, Dublin 2.
Auditors	Meagher Moynihan, Chartered Accountants and Statutory Auditors, 17 Mespil Road, Dublin 4.

Directors/Trustee and Secretary

The names of the persons who at any time during the financial year and since the year end unless otherwise stated were directors/trustees:

Secretary:

Niamh Byrne

Directors:

Gerard Dempsey

Mark Lambert

Patrick Sutton

Philomena Byrne

Patrick Laffan (Deceased)

Trustees:

Philomena Byrne

Patrick Sutton

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DIRECTORS' / TRUSTEES REPORT

for the year ended 31 December 2018

Principle Activities and Objectives:

The charity has two trustees who meet on a monthly basis and are responsible for the strategic direction of the charity. The charity is ran on a day to day basis by the general manager, and the artistic director is responsible for ensuring that the charity meets its long and short term objectives.

The charity's principle activities and objectives are as follows:

The principal activity of the company is that of the restoration and operation of the Smock Alley Theatre. The net asset value of the company increased from (€215,820) in the prior period to (€202,480) in the current period.

Our constitution states that we acquire the Smock Alley Theatre premises at West Essex Street, Dublin and to restore, reinstate and maintain the theatre and to make same available for the performance and instruction of theatre, drama, music, dance and film.

The main objective of the company is to produce high quality relevant engaging and accessible theatre for a diverse audience. The ambition this year was to increase the quality of these productions and to bring artists with various abilities and disabilities to the stage.

The main achievements of the charity are:

Recent successes include the growth of our Scene + Heard new work festival & the success of those works in progress in becoming full productions, becoming established as a hub for a range of different festivals servicing different strands of the public (Literature, Science, Mental Health, Theatre etc.), engagement with more international groups which attract different cultural groups to the theatre, positioning ourselves as a hub for training & mentoring for the emerging artist, an increase in additional offerings to diversify & increase income (dinner offerings, tours & packages).

Business Review and Financial Results:

In 2018 Smock Alley hosted the Scene + Heard Festival over 3 Venue Spaces, 24 Days 109 New Shows, 6,460 audience members and one Snow Storm which meant facilitating the rescheduling of nearly a week of shows. Each year we invite the public to play a central part of the festival as feedback from the audience is an important part of the process of development of new work.

This Dublin 8 based festival showcases the best tasters of never before seen theatre, comedy and music from the North, West, South and East of Ireland. A variety of wild and wonderful performances within 60 minutes are showcased for the audiences. The public then chooses which they like best – by Secret Ballot, Video Booth, Tablet Tale or our 4 word Twitter challenge. In 2018, 21 of the work in progress pieces went on to become full productions.

Smock Alley 1662 hosted 12 other festivals, 2 works specifically for young audiences, 37 plays, 1 Irish language production, 6 music productions, 5 dance shows, 2 comedy productions, 6 stand ups and various charity fundraising events.

Smock Alley produced “The Shaughraun” by Dion Boucicault as the summer production employing 9 actors and 3 technicians for rehearsals and the 5-week run.

Smock Allies in conjunction Scene and Heard continued the training programme started in 2017 with a series of lectures and a teaching programme for Production Managers. Industry experts were invited in to give presentations on best practice within the industry.

The residencies for 2019 were announced in June 2018 and the work began immediately with one full production in 2018 in both venues with Rise productions and Glass Mask productions.

The festivals continue to bring in large audiences and the Crime Writing festival now called Murder One made Smock Alley its home. Inchicore VEC, The Gaiety School of Acting and Dublin Institute of Technology all showcased their student's talents at Smock Alley over the year.

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DIRECTORS' / TRUSTEES REPORT

for the year ended 31 December 2018

International work from the United States, the United Kingdom, Japan and Korea appeared on the stages and Smock Alley continues to draw artists from around the world.

The Banquet Hall at Smock Alley was hired for various events from conferences, presentations, art exhibitions, training days, yoga, Christmas parties, wedding ceremonies and numerous receptions. The income generated is a vital part of the operating budget. The company received the same funding in 2018 from the Arts Council of Ireland as it did in 2017.

The company reported a profit of €13,340 in the current period compared with a profit of €46,444 in the prior period.

Reserves Policy

The company's sustained profitability in the present period has ensured that the working capital position has been stabilised. It is envisaged that this progress will continue for another twelve months at which time the reserves policy will be reviewed in context of the company's capital expenditure programme for the theatre.

Going Concern:

The working capital position of the company is based on the continued support of the bank and its long term creditors. The board is engaged with its long term creditors in ongoing negotiations to agree structured repayment arrangements. The creditors have stated their willingness to continue to support the company. The board has prepared projections for the period to June 2020 based on the proposed arrangement which demonstrate that the company will remain profitable and will meet all its obligations. On that basis, in the opinion of the directors, it is appropriate to prepare the financial statements on a going concern basis.

Structure, Governance and Management

In 2016 senior management held a series of meetings to create a five year strategic plan (2017-2021). This is the framework document that informs our seasonal planning and our day to day operations. Staff meetings are held bi-weekly with a standing agenda of Things Done, Things to Do, Issues where we reflect on where we are in relation to the objectives and budgetary targets we have set for that particular period.

Overall budgets are set by the Director of Programming & Finance and agreed with the Artistic Director & Board. Individual budgets are given to senior management for the areas which they manage and report on progress at the staff meeting. The Board are given a financial update at each board meeting. We have adopted the guidelines given in the Statement of Recommended Practice (SORP) for charities as outlined in the Arts Council's document 'Recommended Guidelines for Financial Reporting'.

All aspects of the running of the theatre, governance, staffing, operations, marketing, resources, fundraising and our 2017-2018 strategic plan, are outlined in this document. The strategic plan for 2019-2020 will be undertaken in 2019 to create new targets and identify new opportunities, threats and initiatives.

Our affiliations are chosen strategically and reflect the wide range of skills, interests and relationships that help us focus on achieving our mission of arts provision. In 2018 we partnered with several other visitor attractions (Christchurch & Marsh's Library) to create a Murder Mystery Walking Tour enticing new types of audiences to the theatre. We have also applied to be a UNESCO World Heritage Site.

In terms of our board make-up and management - as per article 4.3, at the annual general meeting in every subsequent year, one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third shall retire from office. As per article 4.4, the Directors to retire in every year shall be those who have been longest in office since the last election, but as between persons who became directors on the same day, those to retire shall (unless they otherwise agree amongst themselves) be determined by lot. As per article 4.5, a retiring director shall be eligible for re-election.

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DIRECTORS' / TRUSTEES REPORT

for the year ended 31 December 2018

Future Developments

Capital funding has been secured to complete planned activities such as renovating office space and soundproofing our Banquet Hall space alongside the creation of a small café space. However the funding is grant based and is not accessible at present.

Post Balance Sheet Events

There has been no significant events affecting the company since the year end.

Principal Risks and Uncertainties

The principle risk facing Smock Alley is the uncertainty of funding and the lack of core cost funding. With state bodies continuing to refuse to fund core costs in their funding strands there is increasing pressure on the organisation to seek private donor & corporate sponsors and to hit increasingly larger attendance & bar sales targets but with a minimal staff who are already taking on several extra roles. There is currently no dedicated staff member to development & fundraising which makes the task a more lengthy one with no guarantee of success.

Accounting Records

The Directors acknowledge their responsibilities under Sections 281 to 285 of the Companies Act 2014 to keep adequate accounting records for the company. The Directors have employed appropriate, qualified accounts personnel and have maintained appropriate computerised accounting systems.

The accounting records of the company are kept at the registered office and principal place of business at Exchange Street Lower, Dublin 8.

Auditors

The auditors, Meagher Moynihan Chartered Accountants and Statutory Auditors, have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

On behalf of the board

Niamh Byrne
Secretary

Niamh Feely

Philomena Byrne
Director

Philomena Byrne

Date: 18th September 2019

Smock Alley Company Limited

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DIRECTORS'/TRUSTEES' RESPONSIBILITIES STATEMENT

for the year ended 31 December 2018

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 Companies Act 2014 and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland including FRS 102 The Financial Reporting Standard applicable in the UK and Ireland (Generally Accepted Accounting Practice in Ireland) as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015.

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 to the financial year end 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 for the company financial statements and then apply them consistently;
- make judgements and 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 surplus or deficit of the company to be determined with reasonable accuracy and 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.

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

Signed on behalf of the board

Niamh Byrne
Secretary

Niamh Feely

Philomena Byrne
Director

Philomena Byrne

Date: 18th September 2019

INDEPENDENT AUDITOR'S REPORT
to the Members of Smock Alley Company Limited
(A company limited by guarantee, without a share capital)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Smock Alley Company Limited ('the company') for the year ended 31 December 2018 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related 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", as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard; and
- have been properly 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

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. The financial statements are in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT
to the Members of Smock Alley Company Limited
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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 any 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.

Emphasis of Matter

We draw attention to the going concern note in the financial statements which describes the uncertainty related to the company's ongoing negotiations with its long term creditors and the implications for the preparation of the financial statements on a going concern basis.

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 they 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 the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 10, which is to be read as an integral part of our report.

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 any 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.



Ger Redmond
for and on behalf of
Meagher Moynihan,
Chartered Accountants and Statutory Auditors,
17 Mespil Road,
Dublin 4.

Date: 18th September 2019

Smock Alley Company Limited

(A company limited by guarantee, without a share capital)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)

as at 31 December 2018

		2018	2017
Income	5	1,309,873	1,268,209
Expenditure		(1,288,298)	(1,212,198)
Surplus/(deficit) before interest		21,575	56,011
Interest payable and similar expenses	7	(8,235)	(9,567)
Surplus/(deficit) before tax		13,340	46,444
Surplus/(deficit) for the year		13,340	46,444
Total Comprehensive Income		13,340	46,444

Approved by the board on 18th September 2019 and signed on its behalf by:

Niamh Byrne
Secretary

Niamh Feely

Philomena Byrne
Director

Philomena Byrne

Smock Alley Company Limited

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BALANCE SHEET

as at 31 December 2018

	Notes	2018 €	2017 €
Fixed Assets			
Tangible assets	10	1,622,483	1,700,129
Current Assets			
Stocks	11	4,050	3,947
Debtors	12	120,180	94,322
Cash and cash equivalents		50	7,095
		124,280	105,364
Creditors: Amounts falling due within one year	13	(281,077)	(249,847)
Net Current Liabilities		(156,797)	(144,483)
Total Assets less Current Liabilities		1,465,686	1,555,646
Creditors			
Amounts falling due after more than one year	14	(1,668,166)	(1,771,466)
Net Liabilities		(202,480)	(215,820)
Reserves			
Income and expenditure account		(202,480)	(215,820)
Equity attributable to owners of the company		(202,480)	(215,820)

Approved by the board on 18th September 2019 and signed on its behalf by:Niamh Byrne
Secretary*Niamh Feely*Philomena Byrne
Director*Philomena Byrne*

Smock Alley Company Limited
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CASH FLOW STATEMENT
for the year ended 31 December 2018

	Notes	2018 €	2017 €
<u>Cash flows from operating activities</u>			
Surplus/(deficit) for the year		13,340	46,444
Adjustments for:			
Interest payable and similar expenses		8,235	9,279
Depreciation		81,500	80,729
Amortisation of Grants		(76,489)	(76,489)
		<u>26,586</u>	<u>59,963</u>
Movements in working capital:			
Movement in stocks		(103)	2,926
Movement in debtors		(25,858)	7,019
Movement in creditors		56,145	18,867
Movement in deferred income		(47,687)	(17,862)
		<u>9,083</u>	<u>70,913</u>
Interest paid		(8,235)	(9,279)
Net cash generated from operating activities		<u>848</u>	<u>61,634</u>
<u>Cash flows from investing activities</u>			
Payments to acquire tangible fixed assets		(3,854)	(19,395)
Cash flows from financing activities			
New long term loan and movement in financing		(26,811)	(27,766)
Net decrease in cash and cash equivalents		(29,817)	14,473
Cash and cash equivalents at beginning of financial year		7,095	(7,378)
Cash and cash equivalents at end of financial year	20	<u><u>(22,722)</u></u>	<u><u>7,095</u></u>

Smock Alley Company Limited

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

1. GENERAL INFORMATION

Smock Alley Company Limited is a company limited by guarantee incorporated in Republic of Ireland. The registered office is Exchange Street Lower, Dublin 8. The principal place of business of the company is Exchange Street Lower, Dublin 8. The nature of the company's operations and its principal activities are set out in the Directors'/Trustees' Report. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. ACCOUNTING POLICIES

This is the second set of accounts prepared by Smock Alley Company Limited by Guarantee in accordance with accounting standards issued by the Financial Reporting Council including FRS0102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as modified by the Statement of Recommended Practice "Accounting and Reporting Charities" effective 1 January 2015. The Company has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in Republic of Ireland however it's considered best practice. As noted below, the directors consider the adoption of SORP requirements as the most appropriate accounting practice and presentation to properly reflect and disclose the activities of the organisation.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015 and the Companies Act 2015.

Going Concern:

The working capital position of the company is based on the continued support of the bank and its long term creditors. The board is engaged with its long term creditors, who have stated their willingness to continue to support the company in ongoing negotiations, to agree structured repayment arrangements. The board has prepared projections for the period to June 2020 based on the proposed arrangement which demonstrate that the company will remain profitable and will meet all its obligations. On that basis, in the opinion of the directors, it is appropriate to prepare the financial statements on a going concern basis.

Income

All income resources are included in the Statement of Financial Activities when the Company is entitled to earn income, the amount can be quantified with reasonable accuracy and it's probable the income will be received. The specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.
- Income from government and other grants, whether 'capital' or 'revenue grants, is recognised when the Company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Grants, where entitlement is not conditional on the delivery of a specific performance by the Company is recognised within income from donations and legacies. Grants, where related to performance and specific deliverables, are accounted for as the Company earns the right to consideration by its performance and included within income from charitable activities.
- Investment income is included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned which is usually when the risk and rewards of ownership transfers; the sale can be reliably measured and it is probable there will be future inflows of economic activity.

Smock Alley Company Limited

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Long leasehold property	-	2.86% Straight line
Fixtures, fittings and equipment	-	20% Straight Line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Employee benefits

The company provides a short term benefits to its employees including holiday pay and other similar non-monetary benefits which are recognised in the period in which the service is received.

Prior period adjustment

There are no prior period adjustments.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Income and Expenditure Account.

Smock Alley Company Limited

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below.

(a) Establishing useful economic lives for depreciation purposes of property, plant and equipment

Long-lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these asset useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting policies.

(b) Providing for doubtful debts

The company makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact on the operating results. The level of provision required is reviewed on an on-going basis.

4. PERIOD OF FINANCIAL STATEMENTS

The financial statements are for a 12 month period. The comparative figures relate to the 12 month period ended 31 December 2017.

Smock Alley Company Limited
(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

5. INCOME

The income for the year has been derived from:

	2018	2017
	€	€
Box Office Sales	502,873	487,864
Bar Sales	150,756	151,709
Food Sales	65,555	77,390
Arts Council Grant Funding	70,000	50,000
Other income	520,689	501,246
	<u>1,309,873</u>	<u>1,268,209</u>

The whole of the company's income is attributable to its market in the Republic of Ireland and is derived from the principal trading activity of restoration and operation of the Smock Alley Theatre.

Name of Grantor: The Arts Council.

Name of Grant: Venues Funding Grant.

Purpose of Grant: To help finance the theatre's arts programme.

Accounting for grants: €70,000 was received and recognised as income in the year 2018.

Employees: No employee of the Company receives benefits in excess of €60,000 per annum.

Restrictions: The grant is only to be applied to direct programming costs.

Financial control: The Company has confirmed that they have adequate financial controls on place to manage the funds granted to it by The Arts Council.

6. OPERATING SURPLUS/(DEFICIT)	2018	2017
	€	€
Operating surplus/(deficit) is stated after charging:		
Depreciation of tangible fixed assets	<u>81,500</u>	<u>80,729</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES	2018	2017
	€	€
Interest	<u>8,235</u>	<u>9,567</u>

8. EMPLOYEES

The average number of full time employees throughout the year was

	2018	2017
Administration and production staff	<u>32</u>	<u>29</u>

Smock Alley Company Limited

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

9. DIRECTORS REMUNERATION AND TRANSACTIONS

No members of the management committee received any remuneration during the year (2017: Nil).

No trustee or other person related to the Company had any personal interest in any contract or transaction entered into by the Company during the year (2017: Nil)

10. TANGIBLE FIXED ASSETS

	Long leasehold property €	Fixtures, fittings and equipment €	Total €
Cost			
At 1 January 2018	2,095,900	583,822	2,679,722
Additions	-	3,854	3,854
At 31 December 2018	<u>2,095,900</u>	<u>587,676</u>	<u>2,683,576</u>
Depreciation			
At 1 January 2018	418,110	561,483	979,593
Charge for the year	59,883	21,617	81,500
At 31 December 2018	<u>477,993</u>	<u>583,100</u>	<u>1,061,093</u>
Net book value			
At 31 December 2018	<u>1,617,907</u>	<u>4,576</u>	<u>1,622,483</u>
At 31 December 2017	<u>1,677,790</u>	<u>22,339</u>	<u>1,700,129</u>

11. STOCKS

	2018 €	2017 €
Goods for resale	<u>4,050</u>	<u>3,947</u>

The replacement cost of stock did not differ significantly from the figures shown.

12. DEBTORS

	2018 €	2017 €
Trade debtors	120,180	44,322
Other debtors	-	50,000
	<u>120,180</u>	<u>94,322</u>

13. CREDITORS

	2018 €	2017 €
Amounts falling due within one year		
Amounts owed to credit institutions	57,819	35,047
Trade creditors	148,576	98,765
Taxation	43,879	34,570
Other creditors	-	2,976
Accruals and deferred income	30,803	78,489
	<u>281,077</u>	<u>249,847</u>

Smock Alley Company Limited

(A company limited by guarantee, without a share capital)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

	2018	2017
14. CREDITORS		
Amounts falling due after more than one year	€	€
Grants	1,286,693	1,363,182
Bank loans	173,301	200,112
Other loans – Singman Limited	<u>208,172</u>	<u>208,172</u>
	<u>1,668,166</u>	<u>1,771,446</u>
15. GRANTS		
Long term grant	1,363,182	1,439,671
Annual amortisation of grant	<u>(76,489)</u>	<u>(76,489)</u>
	<u>1,286,693</u>	<u>1,363,182</u>
Loans		
Repayable in one year or less or on demand	35,047	35,047
Repayable between one and two years	35,047	35,047
Repayable between two and five years	70,094	70,094
Repayable in five years or more	276,332	303,143
	<u>416,520</u>	<u>443,331</u>
16. TAXATION	2018	2017
	€	€
Creditors:		
VAT	24,496	24,707
PAYE	<u>19,383</u>	<u>9,863</u>
	<u>43,879</u>	<u>34,570</u>

No charge to current or deferred corporation taxation arises as the Company has been granted charitable status under Section 207 and 208 of the Taxes Consolidation Act 1997

17. SHARE CAPITAL AND MEMBER LIABILITIES

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding €2.

Smock Alley Company Limited

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

18. CAPITAL COMMITMENTS

The company had no material capital commitments at the year-ended 31 December 2018.

19. POST-BALANCE SHEET EVENTS

The Director of Programming & Finance Cliona Dukes, having steered the company since its opening has departed in May 2018 and has been replaced by Aisling Mooney in the same role.

20. CASH AND CASH EQUIVALENTS

	2018	2017
	€	€
Cash and bank balances	50	7,095
Bank overdrafts	(22,772)	-
	<u>(22,722)</u>	<u>7,095</u>

21. APB ETHICAL STANDARDS

As small entity under the provision of the APB in relation to Ethical Standard we engage our auditor to provide basic bookkeeping and accounts preparation.

22. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year that requires disclosure.

23. TAX CLEARANCE

Smock Alley Company Limited has an up to date tax clearance certificate.

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18th September 2019.