

**Smock Alley Company Limited**

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

**Directors' Report and Financial Statements**

**for the year ended 31 December 2017**

**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 2017

**Directors**

Mark Lambert  
Patrick Sutton  
Philomena Byrne  
Niamh Byrne  
Gerard Dempsey  
Patrick Laffan

**Company Secretary**

Niamh Byrne

**Company Number**

422241

**Charity Number**

20063740

**Registered Office**

8 Exchange Street Lower,  
Dublin 8  
Republic of Ireland

**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.

**Smock Alley Company Limited**  
(A company limited by guarantee, without a share capital)  
**DIRECTORS' / TRUSTEES REPORT**  
for the year ended 31 December 2017

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

This is the first 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 UK and Republic of Ireland" ("FRS 102") as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015. Previously the company applied FRS 102 but did not apply the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 Charities SORP). 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 8 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 17241 and is registered with the Charities Regulatory Authority.

The CEO is Patrick Sutton who has 40 year of experience. The day to day management of the charity is directed by the following individuals in addition to the CEO who are considered key management personnel;

Director of Programming & Finance: Cliona Dukes

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:

<b>Bankers</b>	Bank of Ireland 34 College Green, Dublin 2.
<b>Solicitors</b>	Compton Solicitors Pembroke House. Pembroke Street Upper, Dublin 2.
<b>Auditors</b>	Meagher Moynihan, 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

**Trustees:**  
Philomena Byrne  
Patrick Sutton

**Smock Alley Company Limited**  
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**DIRECTORS' / TRUSTEES REPORT**  
for the year ended 31 December 2017

**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 chief executive officer is responsible for ensuring that the charity meets its long and short term

The Charity's objects and principle activities are to:

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 areas of the charity activity are:

Our policy agreed by the board is to produce high quality, relevant and engaging theatre that is accessible. Accessible not only to the indoctrinated theatre going audience that we welcome but also to those who are not regular theatre goers or indeed who have never been to the theatre at all before. It is part of Smock Alley's overall mission to increase audiences, not only for ourselves, but for the Arts in general by engaging, welcoming and respecting newcomers to the performance arts world – be they interested in creating themselves or in simply admiring the creations

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).

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 (€262,266) in the prior period to (€215,820) in the current period.

**Key Performance Indicators:**

**Business Review and Financial Results:**

The directors present their report and the audited financial statements for 12 months ending 31<sup>st</sup> December 2017.

**Directors' Statement**

These accounts represent the first year of Jan-Dec yearly accounts, the previous audit being an 18 month accounting period in order to make sure the business was aligned with funding application requirements which was previously on a July-June accounting year.

In 2017 Smock Alley Theatre hosted 10 festivals and 231 companies presenting 645 performances. We welcomed approximately 59,113 attendees to the venue, which represents an average of 70% attendance per show, and, presented new works spanning 11 genres.

Smock Alley Theatre's reputation as a champion of new work is cemented with our new work festival Scene + Heard which continues its growth. Having had over 300 applicants and programming 95 new companies, who gained the time & space to present emerging ideas, and receive audience feedback, we welcomed 6,436 attendees (a 37% increase on last year's attendance). We support new practice by artists at all stages of their careers as well as the emerging artist. Applications for the Scene + Heard Festival cover a range of artists – those emerging from training and wishing to put on their first professional show, those more established artists who want to trial new ideas for audiences to input & feedback on, and artists established mid-career who would like to move from one art-form or one role to another (actor to director, director-writer, trial of new or multi-disciplinary art forms). The festival contributes to what is presented and toured nationally & internationally. Of this year's 95 presentations 17 have been or will be produced as full productions around Ireland & internationally. We feel that the festival has become a critical necessity for emerging and established artists to showcase work for further development, and, for audiences to engage in new work by feeling that their guidance and input is being taken on board for future developments of the pieces.

In tandem with our Scene + Heard Festival we have created a training arm primarily focused on those careers for which there is no training available in Ireland. Having identified a lack in the industry we created Smock Generator – a six month training programme for Creative Producers delivered by industry professionals and covering all aspects of producing. The programme culminated in hands on work experience with productions in the festival which has resulted in many new creative relationships forming. 15 Creative Producers have



## **Smock Alley Company Limited**

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## **DIRECTORS' / TRUSTEES REPORT**

for the year ended 31 December 2017

completed the course and are continuing to work in the industry addressing the dearth of producers that are currently working. Having been declined funding from the Arts Council's training strand we successfully secured funding from a private philanthropist to allow the programme to take place. The 2018 festival will continue with this programme offering training for Production Managers

Alongside this we continued to provide our in-house productions to our audiences. A classic Irish production for the month of August of The Rivals which welcomed 3,299 attendees, followed by our newly commissioned Christmas show of The Grimm Tale of Cinderella, welcoming 3,062 attendees.

Apart from our own productions we are also a receiving theatre for a range of other productions, spanning all genres and all levels of experience. We are continuously engaging our surrounding community & further afield with our offerings thereby meeting our mission statement of providing an enjoyable, quality experience, challenging & engaging audiences, in a friendly, feel good atmosphere.

In that vein 2017 also saw us increase our international relationships. We were delighted to programme several international companies with a view towards engaging with those communities living in Ireland or indeed the visitors to our shores. We hosted companies from the UK, Norway, France, India, Japan, Korea, and the USA thereby significantly increasing our first time attendees and growing Smock Alley's recognition across diverse communities in Dublin and beyond.

This also feeds in to the tourism aspect of Smock Alley. As an important historical site in the theatre world, as well as the Irish landscape, we are continuing to raise the international profile of the theatre. This year we joined the VisitTheatre Organisation who highlight historically significant theatres around the world. We are also awaiting the outcome of our application to UNESCO as a World Heritage Site. We continue to offer our free historical tours alongside our in-house productions and have grown our ticketed group tours throughout the year. In the future we are planning on creating packages to target the cruise ship market.

Smock Alley Theatre is in the lucky position of having an event room in the Banquet Hall which has become very popular with event manager & wedding planners in the country. This space holds a wide range of events such as product launches, gala dinners & wedding ceremonies. This space is a valuable resource in terms of diversifying our income streams and is to date the main source of profit in order to keep the theatre functioning as to date no core cost funding has been received. An anomaly in charging rates was identified last year which management has rectified this year and has in no small part contributed to the turn-around in finances.

The financials this year show that a profit can be achieved through incredible hard work and tight financial management of the theatre. There are still, however, difficulties in the leasehold agreement and in the lack of core funding available. Smock Alley Theatre have been in discussions with our landlords TBCT to renegotiate the terms of the lease which currently puts all responsibility on the theatre for the repair and maintenance of the entire building both inside and out. There is a positive discussion taking place and the hope is that TBCT will accept regular landlord duties in terms of taking responsibility for the structural repairs & maintenance which will free up further finances to increase our artistic output or to be diverted into a development & fundraising strand for the theatre thereby increasing our self-sufficiency. Alongside this funding has been secured from both the Department of Arts and TBCT for capital works in the building – namely creating some office space for administrative staff (who to date have been working in an adjoining building) and for the soundproofing of the Banquet Hall space which would allow for further bookings which to date have been untenable due to noise restrictions. These changes would further increase Smock Alley's capacity to earn income thereby eliminating the current financial shortfall and constant search for core funding which is not forthcoming.

Similarly to 2016 despite all funding application, requests and presentations with the Department of Arts, The Arts Council and Dublin City Council, no core cost funding has been forthcoming. While continuing to apply these requests in the correct manner the board have undertaken different fundraising efforts as without core funding there is a significant chance that Smock Alley Theatre will not be sustainable. Smock Alley Theatre celebrates its 6<sup>th</sup> (356<sup>th</sup>) birthday in May 2018 and despite the seemingly insurmountable odds in terms of finances, with vigilant management and loyal staff the theatre has flourished to become a significant part of the cultural landscape in Ireland. The board are immensely proud of the achievements to date and are very positive about the future of Smock Alley.

### **Results and Dividends**

The company reported a profit of €46,443 in the current period compared with a loss of €112,913 in the prior period.

### *Reserves Policy*

The company's return to 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.

# **Smock Alley Company Limited**

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## **DIRECTORS' / TRUSTEES REPORT**

for the year ended 31 December 2017

*Going Concern:*

*Achievements and Performance*

### **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 Director & Board. Individual budgets are given to senior management for their areas which they manage and report on progress at the staff meeting. The board are given a financial update at each board meeting. We are transparent in our audited financial statements. 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 2018 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 are partnering 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.

### **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.

### **Principal Risks and Uncertainties**

The principle risk facing Smock Alley CLG 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.

In order to comply with the requirements of the act, a full time management accountant is employed. The accounting records of the company are kept at the registered office and principal place of business at 8 Exchange Street Lower, Dublin 8.



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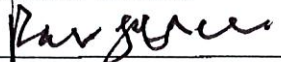
**DIRECTORS' / TRUSTEES REPORT**

for the year ended 31 December 2017

**auditors**

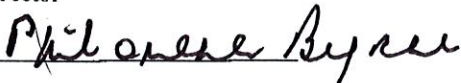
The auditors, Meagher Moynihan, Statutory Auditors, have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

**On behalf of the board**



Patrick Sutton

Director



Philomena Byrne

Director

Date: 01-08-18



## **Smock Alley Company Limited**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT**

for the year ended 31 December 2017

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:

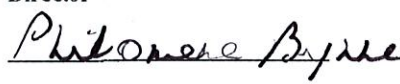
- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those 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

  
Patrick Sutton  
Director

  
Philomena Byrne  
Director

Date: 01.08.18

# **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 2017 which comprise the Income and Expenditure Account, the Balance Sheet, the Reconciliation of Members' Funds, 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 2017 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.

#### **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.



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

**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 11, 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: 3<sup>rd</sup> August 2018**

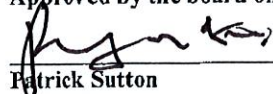
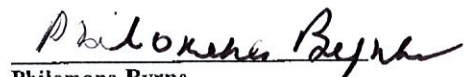
**Smock Alley Company Limited**

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

as at 31 December 2017

		2017	2016
Income	5	1,268,209	1,830,381
Expenditure		(1,212,199)	(1,926,352)
Surplus/(deficit) before interest		56,010	(95,971)
Interest payable and similar expenses	7	(9,567)	(16,939)
Surplus/(deficit) before tax		46,443	(112,910)
Tax on surplus/(deficit)		-	-
Surplus/(deficit) for the year		46,443	(112,910)
Total Comprehensive Income		46,443	(112,910)

Approved by the board on 01-08-18 and signed on its behalf by:Patrick Sutton  
DirectorPhilomena Byrne  
Director




**Smock Alley Company Limited**

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**BALANCE SHEET**

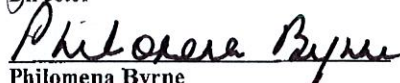
as at 31 December 2017

		2017	2016
	Notes	€	€
<b>Fixed Assets</b>			
Tangible assets	10	<u>1,700,129</u>	<u>1,761,463</u>
<b>Current Assets</b>			
Stocks	11	3,947	6,873
Debtors	12	94,322	101,341
Cash and cash equivalents		7,095	1,081
		<u>105,364</u>	<u>109,295</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(249,847)</u>	<u>(257,300)</u>
<b>Net Current Liabilities</b>		<u>(144,483)</u>	<u>(148,005)</u>
<b>Total Assets less Current Liabilities</b>		<u>1,555,646</u>	<u>1,613,458</u>
<b>Creditors:</b>			
Amounts falling due after more than one year	14	<u>(1,771,466)</u>	<u>(1,875,721)</u>
<b>Net Liabilities</b>		<u>(215,820)</u>	<u>(262,263)</u>
<b>Reserves</b>			
Income and expenditure account		<u>(215,820)</u>	<u>(262,263)</u>
Equity attributable to owners of the company		<u>(215,820)</u>	<u>(262,263)</u>

Approved by the board on 01-08-18 and signed on its behalf by:

Patrick Sutton

Director



Philomena Byrne

Director

**Smock Alley Company Limited**

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**CASH FLOW STATEMENT**

for the year ended 31 December 2017

	Notes	2017 €	2016 €
<b>Cash flows from operating activities</b>			
Surplus/(deficit) for the year		46,443	(112,910)
Adjustments for:			
Interest payable and similar expenses		9,567	16,939
Depreciation		80,729	174,292
Amortisation of Grants		-76,489	-114,733
		<u>60,250</u>	<u>36,412</u>
Movements in working capital:			
Movement in stocks		2,926	(6,873)
Movement in debtors		7,019	22,991
Movement in creditors		1,005	136,375
		<u>71,200</u>	<u>116,081</u>
Interest paid		<u>(9,567)</u>	<u>(16,939)</u>
<b>Net cash generated from operating activities</b>		<u><b>61,633</b></u>	<u><b>99,142</b></u>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		<u>(19,395)</u>	<u>(14,606)</u>
<b>Cash flows from financing activities</b>			
New long term loan and movement in financing		<u>(27,768)</u>	<u>(84,128)</u>
<b>Net increase in cash and cash equivalents</b>		<u><b>14,470</b></u>	<u><b>408</b></u>
<b>Cash and cash equivalents at beginning of financial year</b>		<u><b>(7,375)</b></u>	<u><b>(7,782)</b></u>
Rounding Adjustment			(1)
<b>Cash and cash equivalents at end of financial year</b>	<b>19</b>	<u><u><b>7,095</b></u></u>	<u><u><b>(7,375)</b></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 2017

## **1. GENERAL INFORMATION**

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

## **2. ACCOUNTING POLICIES**

This is the first 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 except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. 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 directors are confident that this support will continue in the next 12 months. The directors are confident based on the projections prepared for the next twelve months that the company can at least maintain its present trading performance and profitability. 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**

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

### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2017

continued

#### **Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

#### **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% Straight line
Fixtures, fittings and equipment	-	15% 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. Stocks are determined on a first-in first-out basis. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. 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.

#### **Taxation**

Current tax represents the amount expected to be paid or recovered in respect of taxable income for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

#### **Prior period adjustment**

The company previously applied the extant Irish GAAP and there are no prior period adjustments on transition to FRS 102 Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1<sup>st</sup> January 2015.

#### **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.



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

**NOTES TO THE FINANCIAL STATEMENTS**

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for the year ended 31 December 2017

**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. See note 22 for details of this provision.

**4. PERIOD OF FINANCIAL STATEMENTS**

The comparative figures relate to the 18 month period ended 31 December 2016.

**5. INCOME**

The income for the year has been derived from:-

	2017 €	2016 €
Box Office Sales	487,864	729,387
Bar Sales	151,709	306,018
Food Sales	95,988	100,097
Other income	532,648	694,879
	<u>1,268,209</u>	<u>1,830,381</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.

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**6. OPERATING SURPLUS/(DEFICIT)**

Operating surplus/(deficit) is stated after charging:  
Depreciation of tangible fixed assets

	2017 €	2016 €
	<u>80,729</u>	<u>174,292</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

Interest

	2017 €	2016 €
	<u>9,567</u>	<u>16,939</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 2017

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**8. EMPLOYEES**

The average number of full time employees throughout the year was xx

	2017	2016
Administration and production staff	49	49

**9. DIRECTORS REMUNERATION AND TRANSACTIONS**

No members of the management committee received any remuneration during the year (2016: 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 (2016: Nil)

**10. TANGIBLE FIXED ASSETS**

	Long leasehold property €	Fixtures, fittings and equipment €	Total €
<b>Cost</b>			
At 1 January 2017	2,095,900	564,427	2,660,327
Additions	-	19,395	19,395
At 31 December 2017	2,095,900	583,822	2,679,722
<b>Depreciation</b>			
At 1 January 2017	358,227	540,637	898,864
Charge for the year	59,883	20,846	80,729
At 31 December 2017	418,110	561,483	979,593
<b>Net book value</b>			
At 31 December 2017	1,677,790	22,339	1,700,129
At 31 December 2016	1,737,673	23,790	1,761,463

**11. STOCKS**

	2017 €	2016 €
Finished goods and goods for resale	3,947	6,873

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

**12. DEBTORS**

	2017 €	2016 €
Trade debtors	44,322	51,341
Other debtors	50,000	50,000
	94,322	101,341

**Smock Alley Company Limited**

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

**NOTES TO THE FINANCIAL STATEMENTS**

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for the year ended 31 December 2017

<b>13. CREDITORS</b>	<b>2017</b>	<b>2016</b>
<b>Amounts falling due within one year</b>	<b>€</b>	<b>€</b>
Amounts owed to credit institutions	35,047	43,505
Trade creditors	98,765	65,043
Taxation	34,570	44,987
Other creditors	2,976	7,414
Accruals	78,489	96,351
	<u>249,847</u>	<u>257,300</u>
<b>14. CREDITORS</b>	<b>2017</b>	<b>2016</b>
<b>Amounts falling due after more than one year</b>	<b>€</b>	<b>€</b>
Bank loans	200,112	225,878
Other loans – Singman Limited	208,172	210,172
<b>15. GRANTS</b>		
Long term grant	1,439,671	1,554,404
Annual amortisation of grant	(76,489)	(114,733)
	<u>1,363,182</u>	<u>1,439,671</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 12)	35,047	43,505
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	1,666,325	1,770,580
	<u>1,806,513</u>	<u>1,919,226</u>
<b>16. TAXATION</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
<b>Creditors:</b>		
VAT	24,707	26,190
PAYE	9,863	18,797
	<u>34,570</u>	<u>44,987</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.

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**18. CAPITAL COMMITMENTS**

The company had no material capital commitments at the year-ended 31 December 2017.



**Smock Alley Company Limited**

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**NOTES TO THE FINANCIAL STATEMENTS**

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for the year ended 31 December 2017

**19. POST-BALANCE SHEET EVENTS**

The Director of Programming & Finance Cliona Dukes having steered the company since its opening in 2012 has departed in May 2018 and has been replaced by Aisling Mooney in the same role.

**20. CASH AND CASH EQUIVALENTS**

	2017 €	2016 €
Cash and bank balances	7,095	1,081
Bank overdrafts	-	(8,458)
	<u>7,095</u>	<u>(7,377)</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 by Guarantee 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 01-08-18.