

**EDWARDS – MACLIAMMOIR
DUBLIN GATE THEATRE
PRODUCTIONS DAC
Reports and Financial Statements
For the financial year ended
31 December 2018**

Registered number: 27768

EDWARDS – MACLIAMMOIR DUBLIN GATE THEATRE PRODUCTIONS DAC

REPORTS AND FINANCIAL STATEMENTS

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DIRECTORS AND OTHER INFORMATION AT DATE OF APPROVAL OF FINANCIAL STATEMENTS

Directors	Peter Crowley Jim Clery Anne Marie Curran James Morris Séamus Given (appointed 15 March 2019) Sandra Thorpe (appointed 15 March 2019)
Secretary	James Morris (appointed 7 th March 2018)
Auditors	Ruddell & Co. Chartered Accountants & Registered Auditors 16 Church Street Dungannon Co Tyrone
Bankers	Bank of Ireland O'Connell Street Dublin 1
Solicitors	Gore & Grimes Cavendish House Smithfield Dublin 7
Registered office	One Spencer Dock North Wall Quay Dublin 1

EDWARDS – MACLIAMMOIR DUBLIN GATE THEATRE PRODUCTIONS DAC

DIRECTORS' REPORT

The directors present their annual report and audited financial statements of the company for the financial year ended 31 December 2018

Objective and Activities

The company's principal activity continues to be the production and staging of plays. Its objective is to provide facilities to run the theatre for the benefit of the community by promoting participation in the arts and fostering artistic knowledge and appreciation.

Companies Act 2014

The Companies Act 2014 commenced on 1 June 2015. The Company converted to a designated activity company on 22nd September 2016

Review of business and future developments

The 2018 Annual Report reflects a year of recovery and renewal at the Gate.

In the first quarter of the year the company received and implemented the recommendations of the independent Cunningham review. This is an on-going process and is underpinned by a commitment to ensuring the Gate operates to best practice standards in promoting a safe and supportive environment for all practitioners to operate in.

The first half of the artistic programme included Look Back In Anger, Emmet Kirwan's Late at The Gate, Stephen Sondheim's musical Assassins and The Rape of Lucrece which were all critically well received but sales were overshadowed by the media exposure of the legacy issues. This was more than offset by the second half of the year where shows including The Snapper, Hamlet with Ruth Negga in the title role and a hugely successful revival of The Great Gatsby were effectively sold out. The Directors believe this unprecedented run of 9 months of sold out shows marked the emergence of the theatre from the shadow of the legacy issues and demonstrates the potential for the theatre to deliver critically acclaimed shows, strong audience appeal whilst developing a new audience alongside our committed existing patrons.

In overall terms box office revenues increased to €2.983m (2017 €2.152m). Key statistics are:

	2018	2017
Box Office Revenue	€2,983,039	€2,152,027
No. of Shows	7	6
Audience numbers	89,560	70,545

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However, the Theatre continues to be impacted by the structural underfunding which was called out in the 2017 Bonar Keenlyside report which also challenged the theatre to produce and take higher creative risks and more diverse work. Despite stronger box office returns, the year finished with an operating loss of €171,000 – albeit reduced from €337,000 in 2017. This has resulted in a net deficit at the end of the year of €114,000 – well below the Board’s target of minimum reserves of €500,000. The elimination of this deficit and a return to positive reserves remains a key ongoing priority for the board and the new Management Team.

The facts are that delivering on the change required at the Gate and to invest in the necessary change and renewal of the theatre in terms of artistic offering, audience reach and approach to diversity and dignity at work, requires an increased level of funding both from the State and philanthropic sources. Failure to achieve this would represent a massive missed opportunity to create a world class theatre delivering significant career opportunities for Irish talent and risks undermining the mission of the theatre. The Board is focused on trying to deliver the increased funding and is in on-going discussions with the Arts Council of Ireland on this alongside setting up of a new development function at the Theatre.

In 2019 the Gate was nominated for 8 Irish Times Theatre awards, which brings the total to 16 nominations for the Outsider season programme. The ultimate success of the theatre will be dependent on securing a longer term and structurally sound funding base from our three primary sources of income, being Box office receipts, our grant from the Arts Council of Ireland and donations from Philanthropic and sponsorship sources. The journey to secure these is underway at present and requires support from all of our stakeholders in order to unlock the great potential of our theatre.

Results

The deficit for the year and the appropriation thereof is set out in the income and expenditure account on page 10.

Principal risks and uncertainties

In terms of liquidity and cash flow risk, the company’s objective is to maintain a balance between the continuity of funding and flexibility through the use of borrowings. The company’s policy is to ensure that sufficient resources are available either from cash balances, cash flows and near cash liquid investments to ensure all obligations can be met when they fall due. The directors note the importance of Arts Council funding in order to meet the financial obligations of the current level of service which the company provides to the Irish community.

The company’s sales are exposed principally to fluctuations in the general economic conditions in Ireland. The company has considered the prevalent risks and will continue to closely monitor them and react appropriately, while ensuring that the high quality associated with the Gate Theatre both in Ireland and abroad is maintained.

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DIRECTORS' REPORT (CONTINUED)

Events after the end of the financial year

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

Directors

The names of the persons who were directors at any time during the year ended 31 December 2018 are set out below. Unless indicated otherwise they served as directors for the entire year.

David Bunworth (retired 7th March 2018)
Jim Clery
Peter Crowley
Anne Marie Curran
James Morris
Grace Smith (retired 7th March 2018)

Subsequent to the year-end Séamus Given and Sandra Thorpe were appointed as directors on 15 March 2019.

Company secretary

The names of the people below acted as Company Secretary during the year

Teerth Chung (Retired 30th January 2018)
Grace Smith (Appointed 30th January 2018, retired 7th March 2018)
James Morris (appointed 7th March 2018)

Directors and secretary and their interests

Peter Crowley, in his capacity as chairperson of the company, holds 4,500 (2017; 4,500) ordinary shares in the company. These shares are jointly held with the two other trustees of the Gate Theatre Trust. None of the other directors or the company secretary has any interests in the share capital of the company.

Political donations

The company made no political donations in either the current or preceding financial year.

Accounting Records

The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are maintained at the premises of the Gate Theatre at Cavendish Row, Dublin 1.

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DIRECTORS' REPORT (CONTINUED)

Statement on relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

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

Auditors

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

Approved by the board of directors and signed on its behalf by



Director



Director

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DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council, and promulgated by the Institute of Chartered Accountants in Ireland ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.



*Chartered Accountants & Registered Auditors
incorporating RJ Burton & Company*

*16 Church Street, Dungannon, Co. Tyrone, BT71 6AB
Tel: (028) 8772 2043*

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDWARDS – MACLIAMMOIR DUBLIN GATE THEATRE PRODUCTIONS LIMITED

We have audited the financial statements of Edwards – MacLiammoir Dublin Gate Theatre Productions Limited for the year ended 31 December 2018 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The relevant 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 the Institute of Chartered Accountants in Ireland.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS EDWARDS – MACLIAMMOIR
DUBLIN GATE THEATRE PRODUCTIONS LIMITED (continued)**

Arts Council Funding

In forming our opinion, we have considered the adequacy of the disclosures made in the Going Concern paragraph on page 18 of the financial statements concerning the uncertainty as to future levels of Arts Council funding and the adequacy of banking facilities for the company. In view of the significance of these uncertainties, we consider that they should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion on financial statements

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 deficit for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, the requirements of the Companies Act 2014.

Matters on which we are required to report by 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.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

A handwritten signature in black ink that reads "Jonathan Ruddell".

Jonathan Ruddell
for and on behalf of Ruddell & Co.
Chartered Accountants and Statutory Audit Firm
Dungannon
25 April 2019

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INCOME AND EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Notes	2018	2017
		Total €	Total €
Turnover	3	3,514,427	2,579,254
Other operating income	4	<u>1,164,667</u>	<u>1,340,683</u>
Total Income		4,679,094	3,919,937
Net operating expenses	6	(4,764,351)	(4,114,261)
Exceptional Item	7	<u>(77,892)</u>	<u>(133,592)</u>
Operating (Deficit)		(163,149)	(327,916)
Interest payable and similar charges	8	(8,419)	(9,233)
Interest receivable		<u>-</u>	<u>-</u>
(Deficit) on ordinary activities before taxation	9	(171,568)	(337,149)
Tax on surplus on ordinary activities	13	-	-
(Deficit) for the financial year		(171,568)	(337,149)
Reserves balance carried forward		<u>57,561</u>	<u>394,710</u>
Reserves closing balance		<u>(114,007)</u>	<u>57,561</u>

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BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	€	2018 €	€	2017 €
Fixed Assets					
Tangible assets	14		<u>6,139,493</u>		<u>6,299,091</u>
Current Assets					
Stocks	15		21,450		20,759
Debtors	16		235,891		313,161
Cash at bank and in hand			<u>347,705</u>		<u>205,815</u>
			605,046		539,735
Creditors: Amounts falling due within one year	17		<u>(1,350,600)</u>		<u>(1,104,570)</u>
Net current (Liabilities)			<u>(745,554)</u>		<u>(564,835)</u>
			5,393,939		5,734,256
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	18		(5,264,560)		(5,462,539)
Provisions for liabilities			<u>(243,386)</u>		<u>(214,156)</u>
			<u>(5,507,946)</u>		<u>(5,676,695)</u>
Net (liabilities)/assets			<u>(114,007)</u>		<u>57,561</u>
Capital and reserves					
Called up share capital presented as equity	21		5,715		5,715
Income and Expenditure account			<u>(119,722)</u>		<u>51,846</u>
Shareholders' equity			<u>(114,007)</u>		<u>57,561</u>

Approved by the board of directors and signed on its behalf by





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STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Notes	2018 €	2017 €
Net cash flows from operating activities	22	<u>244,085</u>	<u>(184,999)</u>
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		-	-
Proceeds from sale of fixed asset investments		-	-
Interest received		-	-
Dividends received		-	-
Receipt of grants		-	7,000
Payments for intangible assets		-	-
Payments for tangible fixed assets		(51,497)	(19,653)
Payments for fixed asset investments		-	-
Payments for current asset investments		-	-
Capital fundraising		-	-
Net cash flows from investing activities		<u>(51,497)</u>	<u>(12,653)</u>
Cash flows from financing activities			
Repayment of borrowings		(42,279)	(41,255)
Interest paid		(8,419)	(9,233)
Interest element of finance lease rental payments		-	-
Repayment of capital element of finance leases and hire purchase contracts		-	-
Net cash flows from financing activities		<u>(50,698)</u>	<u>(50,488)</u>
Net increase / (decrease) in cash and cash equivalents		141,890	(248,140)
Cash and cash equivalents at beginning of financial year		<u>205,815</u>	<u>453,955</u>
Cash and cash equivalents at end of financial year	23	<u><u>347,705</u></u>	<u><u>205,815</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

1. General Information

These financial statements comprising the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 30 constitute the individual financial statements of Edwards – MacLiammoir Dublin Gate Theatre Productions Designated Activity Company for the financial year ended 31 December 2018.

Edwards – MacLiammoir Dublin Gate Theatre Productions Designated Activity Company is a company limited by shares (registered under Part 2 of Companies Act 2014), incorporated in the Republic of Ireland. The Registered Office is 1 Spencer Dock, North Wall Quay, Dublin 1. The principal place of business of the company is at Cavendish Row, Dublin 1. The nature of the company’s operations and its principal activities are set out in the Director’s Report on pages 3 to 6.

Statement of Compliance

The financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102). These are the first financial statements that comply with FRS 102.

Currency

The financial statements have been presented in Euro (€) which is also the functional currency of the company. In instances where amounts have been rounded to the nearest Euro, this is indicated by the symbol €.

2. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company’s financial statements.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention modified to include certain items at fair value. 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 the Institute of Chartered Accountants in Ireland.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Tangible fixed assets

All tangible fixed assets are initially recorded at historic cost. This includes legal fees, stamp duty and other non-refundable purchase taxes, and also any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, which can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset systematically over its expected useful life, on a straight line basis, as follows:

Bar building	-	over 50 years
Fixtures and equipment	-	over 5 years
Computers	-	over 3 years
Copyrights	-	over 10 years
Buildings and new wing	-	over 50 years
Buildings / warehouse facility	-	over 25 years
Air conditioning	-	over 15 years

The residual value and useful lives of tangible assets are considered annually for indicators that these may have changed. Where such indicators are present, a review will be carried out of the residual value, depreciation method and useful lives, and these will be amended if necessary. Changes in depreciation rates arising from this review are accounted for prospectively over the remaining useful lives of the assets.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value using the first in first out method. Net realisable value is based on normal selling price, less further costs expected to be incurred to completion and disposal.

Turnover

Turnover is stated net of trade discounts, volume rebates, VAT and similar taxes and derives from the provision of goods and services falling within the company's ordinary activities. Gift vouchers sold to customers in advance of the redemption of the voucher at the end of the financial year are not recognised as income and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
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Government grants

Grants are recognised using the accruals model when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants towards capital expenditure are credited to deferred income and are released to the income and expenditure account over the expected useful life of the related assets, by equal annual instalments. Grants towards revenue expenditure are released to the income and expenditure account as the related expenditure is incurred.

Retirement benefit costs

The company operates a defined contribution scheme. Retirement benefit contributions in respect of the scheme for employees are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme. The assets are held separately from those of the company in an independently administered fund. Differences between the amounts charged in the income and expenditure account and payments made to the retirement benefit scheme are treated as assets or liabilities.

Once-off termination payments that are not required by contract, legislation, or other obligations or commitments, are recognised in the financial year in which they become payable.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the financial year end date. Non monetary items that are measured at historical cost are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary items measured at fair value are translated at the rate of exchange at the date of the valuation. All foreign exchange differences are taken to the income and expenditure account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

Financial Instruments

Share Capital of the Company

Ordinary Share Capital

The ordinary share capital of the company is presented as equity.

Cash and cash equivalents

Cash consists of cash on hand and demand deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

Other financial assets

Other financial assets including trade debtors for goods sold to customers on short-term credit, are initially measured at the undiscounted amount of cash receivable from that customer, which is normally the invoice price, and are subsequently measured at amortised cost less impairment, where there is objective evidence of an impairment.

Loans and borrowings

All loans and borrowings, both assets and liabilities are initially recorded at the present value of cash payable to the lender in settlement of the liability discounted at the market interest rate. Subsequently loans and borrowings are stated at amortised cost using the effective interest rate method. The computation of amortised cost includes any issue costs, transaction costs and fees, and any discount or premium on settlement, and the effect of this is to amortise these amounts over the expected borrowing period. Loans with no stated interest rate and repayable within one year or on demand are not amortised. Loans and borrowings are classified as current assets or liabilities unless the borrower has an unconditional right to defer settlement of the liability for at least twelve months after the financial year end date.

Other financial liabilities

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Impairment of financial assets

At the end of each reporting period, the company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including loans, trade debtors and cash. If there is objective evidence of impairment, impairment losses are recognised in the income and expenditure account in that financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

Judgments and key sources of estimation uncertainty

The directors consider the accounting estimates and assumptions below to be its critical accounting estimates and judgements:

Going Concern

As a result of losses incurred in 2018 the liabilities of the company at 31 December 2018 exceeded assets by €114,007. In order to meet its liabilities as they fall due the company is dependent on box office receipts, Arts Council funding and philanthropic funding. The funding position of the Gate has become increasingly the difficult as it invests in change and renewal at the theatre whilst endeavouring to surmount the structural underfunding of the theatre identified in the 2017 Bonar Keelyside report. Delivering the 2019 programme within the ACI award has necessitated some significant modification to the intended programme alongside setting strong box office targets and elimination of important artist development initiatives. The Board is entering discussions with the Arts Council on a 3 year plan and related funding package and is hopeful that this can deliver the necessary financial stability the theatre needs to enable it to continue to deliver on its remit as a high quality Irish producing house. The company is also dependent on funding from banking facilities. The directors are of the opinion that overdraft facilities will inter alia be provided to allow the company to meet its liabilities as they fall due. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments made to reflect an inadequate funding level from the Art Council, a reduction in box office receipts to an inadequate level or a reduction in or withdrawal of banking facilities.

Impairment of Trade Debtors

The company trades with a small number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The company uses estimates based on historical experience and current information in determining the level of debts for which an impairment charge is required. The level of impairment required is reviewed on an ongoing basis. The total amount of trade debtors is €2,353 (2017: €89,967).

Impairment of Stocks

The company holds stocks amounting to €21,450 (2017: €20,759) at the financial year end date. The directors are of the view that an adequate charge has been made to reflect the possibility of stocks being sold at less than cost. However, this estimate is subject to inherent uncertainty.

Useful Lives of Tangible and Intangible Fixed Assets

Long-lived assets comprising primarily of property, fixtures and equipment represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the financial year. The net book value of Tangible Fixed Assets subject to depreciation at the financial year end date was €6,139,493 (2017: €6,299,091).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. Turnover

	2018 €	2017 €
Geographic analysis of turnover:		
Republic of Ireland	<u>3,514,427</u>	<u>2,579,254</u>
Total	<u>3,514,427</u>	<u>2,579,254</u>
Classes of turnover:		
Box office income	2,983,039	2,152,027
Bar	343,295	295,055
Programmes	65,520	61,395
Café	21,803	16,088
Miscellaneous Receipts	<u>100,770</u>	<u>54,689</u>
Total	<u>3,514,427</u>	<u>2,579,254</u>

4. Other operating income

	2018 €	2017 €
Arts Council Revenue Subsidy	960,000	860,000
Philanthropic Funding & Sponsorship	<u>204,667</u>	<u>480,683</u>
Total	<u>1,164,667</u>	<u>1,340,683</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

5. Arts Council Grant

Current Year	Name of Grantor	Name of Grant	Purpose	Term	Accrued (Deferred) Grant 31-Dec-17	Amount of Grant awarded	Cash Received in period	Recognised as income in 2018	Accrued (Deferred) Grant 31-Dec-18
					€	€	€	€	€
	The Arts Council	Strategic Funding 2018	Revenue Funding	12 months	(215,000)	960,000	945,000	960,000	(200,000)

Prior Year	Name of Grantor	Name of Grant	Purpose	Term	Accrued (Deferred) Grant 31-Dec-16	Amount of Grant awarded	Cash Received in period	Recognised as income in 2018	Accrued (Deferred) Grant 31-Dec-17
					€	€	€	€	€
	The Arts Council	Strategic Funding 2018	Revenue Funding	12 months	(400,000)	860,000	675,000	860,000	(215,000)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

6. Net operating expenses

Net operating expenses are made up as follows:

	2018	2017
	€	€
Variable production overheads	2,484,396	2,020,996
Fixed operating expenses	2,100,660	1,942,922
Bar expenses	265,835	250,903
Programme expenses	36,249	31,038
Café expenses	32,109	24,102
Miscellaneous expenses	802	-
Sponsorship received written back	(125,746)	(125,746)
Capital Grants amortised	(29,954)	(29,954)
	<u>4,764,351</u>	<u>4,114,261</u>

7. Exceptional Items

	2018	2017
	€	€
Exceptional Costs	<u>77,892</u>	<u>133,592</u>

Exceptional costs relate to costs associated with dealing with allegations of abuse of power made against the Gate's former artistic director and the related independent review process in 2017 and 2018.

8. Interest payable and similar charges

	2018	2017
	€	€
On bank loans and overdrafts made to the company	8,419	9,233
On all other loans made to the company	-	-
Finance lease interest in respect of finance leases and hire purchase contracts	-	-
	<u>8,419</u>	<u>9,233</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

9. Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging/(crediting):

	2018	2017
	€	€
<i>Depreciation and amounts written off fixed assets:</i>		
Depreciation of tangible fixed assets owned	<u>211,095</u>	<u>211,050</u>
Operating lease rentals	-	-
Sponsorship amortised	155,700	155,700
Cost of stock recognised as an expense	121,174	112,504
Impairment of stock recognised as an expense in cost of sales (see note 13)	-	-
Realised loss / (gain) on foreign currency transactions	<u>(28)</u>	<u>5,061</u>

10. Directors' remuneration and transactions

The required disclosures in sections 305 and 306 of the Companies Act 2014 are nil for both financial years.

11. Staff costs

The average monthly number of persons employed by the company during the financial year analysed by category, was as follows:

	2018	2017
	Number	Number
Management	5	4
Administration	4	5
Production	30	22
Service	5	5
Sales	9	9
	<u>53</u>	<u>45</u>

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Their aggregate remuneration comprised:

	2018	2017
	€	€
Wages and salaries	2,139,104	1,758,349
Social insurance costs	220,017	184,290
Other retirement benefit costs (see note 12)	49,524	49,170
Other compensation costs – termination benefits	-	-
	<u>2,408,645</u>	<u>1,991,809</u>

The number of Employees with gross pay between

	2018	2017
€140,000 - €150,000	-	-
€130,000 - €139,999	-	-
€120,000 - €129,999	-	-
€110,000 - €119,999	-	-
€100,000 - €109,999	1	1
€90,000 - €99,999	-	-
€80,000 - €89,999	-	-
€70,000 - €79,999	1	1
€60,000 - €69,999	1	-

All the amounts stated above were treated as an expense of the company in the financial year. No amount was capitalised into assets.

12. Retirement benefit information

Retirement benefit costs

	2018	2017
	€	€
Retirement benefit charge	<u>49,524</u>	<u>49,170</u>

Defined contribution scheme

The company operates a defined contribution scheme, ‘Pension Scheme Fund’, for its employees. The scheme is externally financed in that the assets of the scheme are held separately from those of the company in an independently administered fund.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

13. Tax

The company was granted charitable status effective from 1 January 1995 and therefore no corporation tax charge is applicable in relation to its charitable activities, which encompass all activities of the company.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

Current financial year

	New Wing €	Comp Equip €	Bar €	Bar FF&E €	General FF&E €	Copyr- ights €	Buildings €	Total €
<i>Cost or valuation:</i>								
At 1 January 2018	6,313,647	21,738	242,149	14,489	540,847	5,206	1,591,165	8,729,241
Additions	-	11,769	-	-	39,728	-	-	51,497
Disposals	-	-	-	-	-	-	-	-
At 31 December 2018	6,313,647	33,507	242,149	14,489	580,575	5,206	1,591,165	8,780,738
<i>Depreciation</i>								
At 1 January 2018	1,142,880	13,889	140,439	14,489	522,647	5,206	590,600	2,430,150
Charge for financial year	126,273	8,612	4,843	-	31,354	-	40,013	211,095
Disposals	-	-	-	-	-	-	-	-
At 31 December 2018	1,269,153	22,501	145,282	14,489	554,001	5,206	630,613	2,641,245
<i>Net book value</i>								
At 31 December 2018	5,044,494	11,006	96,867	-	26,574	-	960,552	6,139,493
At 1 January 2018	5,170,767	7,849	101,710	-	18,200	-	1,000,565	6,299,091

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	New Wing	Comp Equip	Bar	Bar FF&E	General FF&E	Copyr- ights	Buildings	Total
<i>Cost or valuation:</i>								
At 1 January 2017	6,313,647	11,126	242,149	14,489	531,806	5,206	1,591,165	8,709,588
Additions	-	10,612	-	-	9,041	-	-	19,653
Disposals	-	-	-	-	-	-	-	-
At 31 December 2017	6,313,647	21,738	242,149	14,489	540,847	5,206	1,591,165	8,729,241
<i>Depreciation</i>								
At 1 January 2017	1,016,607	7,815	135,596	14,489	508,026	5,206	531,361	2,219,100
Charge for financial year	126,273	6,074	4,843	-	14,621	-	59,239	211,050
Disposals	-	-	-	-	-	-	-	-
At 31 December 2017	1,142,880	13,889	140,439	14,489	522,647	5,206	590,600	2,430,150
<i>Net book value</i>								
At 31 December 2017	5,170,767	7,849	101,710	-	18,200	-	1,000,565	6,299,091
At 1 January 2017	5,297,040	3,311	106,553	-	23,780	-	1,059,804	6,490,488

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

15. Stocks

	2018	2017
	€	€
Goods for resale	<u>21,450</u>	<u>20,759</u>

There is no material difference between the carrying amount of stock shown above and its replacement cost.

16. Debtors

	2018	2017
	€	€
Prepayments and sundry debtors	<u>235,891</u>	<u>313,161</u>

All debtors are due within one year. All trade debtors are due within the company's normal terms, which is thirty days. Trade debtors are shown net of impairment in respect of doubtful debts.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: amounts falling due within one year

	2018	2017
	€	€
Bank loans and overdrafts (note 19)	43,679	43,679
Obligations under finance leases and hire purchase contracts (note 19)	-	-
Trade creditors	140,863	153,026
Other creditors including tax and social insurance:		
Tax and social insurance		
VAT	26,497	13,334
PAYE	19,553	16,738
USC	3,324	3,906
PRSI	22,523	20,225
Accruals	240,162	285,755
Deferred Income		
Grants (note 20)	155,699	155,699
Other deferred income	698,300	412,208
Contributions to retirement benefit scheme	-	-
	<u>1,350,600</u>	<u>1,104,570</u>

The repayment terms of trade creditors vary between on demand and ninety days. No interest is payable on trade creditors.

The terms of the accruals are based on the underlying contracts.

Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

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

	2018	2017
	€	€
Bank loans (note 19)	14,207	56,486
Obligations under finance leases and hire purchase contracts (note 19)	-	-
Deferred Income - Grants (note 20)	<u>5,250,353</u>	<u>5,406,053</u>
	<u>5,264,560</u>	<u>5,462,539</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

19. Details of Borrowings

Bank loans and overdrafts

	2018	2017
	€	€
Current		
Overdraft	-	-
Warehouse loan	43,679	43,679
	<u>43,679</u>	<u>43,679</u>
Non-current		
Warehouse loan	14,207	56,486
	<u>14,207</u>	<u>56,486</u>
Total	<u>57,886</u>	<u>100,165</u>

The company has an unused bank overdraft facility of €150,000. Bank overdrafts are unsecured and repayable on demand.

The Warehouse loan is secured by a fixed charge on the freehold land and buildings, which are carried in the Balance Sheet at €403,207 (2017: €431,138) at the financial year end date. It carries a fixed interest rate of 2 % (2017 – 2%). It is repayable by instalments over the next 2 years.

Obligations under finance leases and hire purchase contracts

The company has no assets held under finance leases or hire purchase contracts.

EDWARDS – MACLIAMMOIR DUBLIN GATE THEATRE PRODUCTIONS DAC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

19. Details of Borrowings (continued)

Current financial year

Maturity analysis

	Within one year	Between one & five years	After five years	Total
	€	€	€	€
<i>Indebtedness repayable other than by instalments:</i>				
Bank overdraft	-	-	-	-
<i>Indebtedness repayable by instalments:</i>				
Bank loans	43,679	14,207	-	57,886
Finance Leases:				
Gross of finance charges	-	-	-	-
Finance charges and interest included in instalments	-	-	-	-
Net of finance charges	-	-	-	-
Total net indebtedness by instalments	43,679	14,207	-	57,886
Total	43,679	14,207	-	57,886

Prior financial year

Maturity analysis

	Within one year	Between one & five years	After five years	Total
	€	€	€	€
<i>Indebtedness repayable other than by instalments:</i>				
Bank overdraft	-	-	-	-
<i>Indebtedness repayable by instalments:</i>				
Bank loans	43,679	56,486	-	100,165
Finance Leases:				
Gross of finance charges	-	-	-	-
Finance charges and interest included in instalments	-	-	-	-
Net of finance charges	-	-	-	-
Total net indebtedness by instalments	43,679	56,486	-	100,165
Total	43,679	56,486	-	100,165

**NOTES TO THE FINANCIAL STATEMENTS
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20. Deferred Income

	2018	2017
	€	€
At 1 January	5,561,752	5,710,452
Grants received during the financial year	-	7,000
Amortisation in the financial year	(155,700)	(155,700)
At 31 December	<u>5,406,052</u>	<u>5,561,752</u>
	2018	2017
	€	€
Included in creditors:		
- amounts falling due within one year	155,699	155,699
- amounts falling due after more than one year	5,250,353	5,406,053
	<u>5,406,052</u>	<u>5,561,752</u>

In accordance with the accounting policy, grants are recognised based on the accrual model. These grants, which are for the purchase of buildings and buildings improvement, are recognised over the useful life of the buildings, which is between 15 and 50 years. There are no unfulfilled conditions or contingencies attaching to these grants.

21. Called up share capital presented as equity

	2018	2017
	€	€
Authorised:		
20,000 Ordinary shares of €1.27 each	<u>25,400</u>	<u>25,400</u>
	25,400	25,400
Issued, allotted, called up and fully paid:		
4,500 Ordinary shares of €1.27 each	<u>5,715</u>	<u>5,715</u>
	5,715	5,715

Ordinary Shares

The ordinary shares have no right to fixed income.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

22. Net cash flows from operating activities

	2018 €	2017 €
(Deficit) for the financial year	(171,568)	(337,149)
Adjustments for:		
Depreciation of tangible fixed assets	211,095	211,050
(Profit)/loss on disposal of tangible fixed assets	-	-
Loss on disposal of fixed asset investments	-	-
Deferred grants released	(29,954)	(29,954)
Sponsorship write back	(125,746)	(125,746)
Interest receivable	-	-
Interest payable	8,419	9,233
(Increase) in stocks	(691)	(5,006)
Decrease / (Increase) in debtors	77,270	85,470
Increase in creditors	275,260	7,103
Net cash flows from operating activities	<u>244,085</u>	<u>(184,999)</u>

23. Components of cash and cash equivalents

	2018 €	2017 €
Cash at bank and in hand	347,705	205,815
Bank overdraft	-	-
	<u>347,705</u>	<u>205,815</u>

24. Events after the end of the financial year

There have been no significant events affecting the company since the year end which requires disclosure.

25. Capital commitments

At the financial year end date the company had not entered into contracts for future capital expenditure.

26. Other financial commitments

At the financial year end date the company had not entered into contracts for future financial expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

27. Related party transactions and controlling party

Ultimate controlling party

The Edwards MacLiammoir Gate Theatre Trust is considered by the directors to be the company's ultimate controlling party as it holds 100% (2017: 100%) of the ordinary share capital of the company.

Key management personnel compensation

The remuneration disclosed in note 11 represents the total compensation paid to key management personnel.

Other related party transactions

There are no other related party transactions

28. Financial instruments

The analysis of the carrying amounts of the financial instruments of the company required under section 11 of FRS 102 is as follows:

	2018	2017
	€	€
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	2,533	89,967
Other debtors	66,066	567
Cash at bank and in hand	347,705	205,815
<i>Financial liabilities measured at amortised cost</i>		
Bank and other loans	57,886	100,165
Trade creditors	140,863	153,056

29. Approval of financial statements

The board of directors approved these financial statements and authorised them for issue on 25 April 2019.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Schedule	2018 €	2017 €
Production of plays			
Income	1	2,983,039	2,152,027
Less			
Variable overheads	2	<u>(2,484,396)</u>	<u>(2,020,996)</u>
Surplus on production of plays		<u>498,643</u>	<u>131,031</u>
Other operating income			
Arts Council revenue subsidy		960,000	860,000
Fundraising / Sponsorship	1	<u>204,667</u>	<u>480,683</u>
		<u>1,164,667</u>	<u>1,340,683</u>
Theatre operations			
Overheads	3	(2,109,079)	(1,952,155)
Bar / café surplus	4	67,154	36,138
Programmes surplus	4	29,271	30,357
Miscellaneous receipts		99,968	54,689
Sponsorship received written back		125,746	125,746
Capital grant amortised		<u>29,954</u>	<u>29,954</u>
		<u>(1,756,986)</u>	<u>(1,675,271)</u>
Exceptional Item		<u>(77,892)</u>	<u>(133,592)</u>
(Deficit) on ordinary activities		<u>(171,568)</u>	<u>(337,149)</u>

EDWARDS – MACLIAMMOIR DUBLIN GATE THEATRE PRODUCTIONS DAC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	2018 €	2017 €
SCHEDULE 1 – INCOME		
Box office receipts	2,983,039	2,152,027
Sponsorship	<u>204,667</u>	<u>480,683</u>
	<u>3,187,706</u>	<u>2,632,710</u>
 SCHEDULE 2 – VARIABLE PRODUCTION EXPENSES		
Actors' salaries	746,966	465,212
Sets and hire of props	220,738	263,822
Wigs and costumes	89,820	94,987
Technical and production expenses	529,038	409,501
Rehearsal costs	4,366	5,652
Set design and production fees	226,190	208,093
Royalties	270,019	154,937
Advertising and publicity	273,389	274,998
Credit card commissions	23,694	49,178
Travel and subsistence	<u>100,176</u>	<u>94,616</u>
	<u>2,484,396</u>	<u>2,020,996</u>
 SCHEDULE 3 – FIXED OPERATING EXPENSES		
Audit, accountancy and secretarial fees	11,610	9,395
Other professional fees	62,343	26,797
Rent and rates	90,000	90,000
Light and heat	56,707	54,325
Depreciation	211,096	211,050
Travel	7,826	8,507
Salaries and wages	1,120,226	1,115,982
Pension	48,617	44,188
Printing, stationery and office expenses	29,720	19,071
Telephone	14,424	15,598
Insurance	21,258	39,539
Ticket Usage	88,224	20,670
Repairs and cleaning	123,345	91,899
Marketing and promotion	109,171	124,908
Computer support	33,710	27,608
Bank Interest and Charges	8,419	9,233
General expenses	<u>72,383</u>	<u>43,385</u>
	<u>2,109,079</u>	<u>1,952,155</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 €	2017 €
SCHEDULE 4		
Bar / Café		
Revenue	365,098	311,143
Less Expenses	(297,944)	(275,005)
Surplus	<u>67,154</u>	<u>36,138</u>
Programmes		
Revenue	65,520	61,395
Less Expenses	(36,249)	(31,038)
Surplus	<u>29,271</u>	<u>30,357</u>