

Company registration number: 85990

The Hawk's Well Theatre Company Limited By Guarantee

Financial statements

for the financial year ended 31 December 2019

The Hawk's Well Theatre Company Limited By Guarantee

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The Hawk's Well Theatre Company Limited By Guarantee
Company limited by guarantee

Directors and other information

Directors	Roddy Quinn Gerard Moore (Resigned 29th May 2019) Chris McManus (Appointed 31st July 2019) Martha Kearns (Resigned 26th November 2019) Sinead Maguire (Resigned 29th May 2019) Declan Bree (Resigned 29th May 2019) Elaine Coghill (Appointed 24th September 2019) Des Power Niall Rhatigan (Resigned 26th November 2019) Una Mannion (Resigned 20th November 2019) Rosaleen O'Grady (Appointed 13th August 2019)
Secretary	Penelope Kenny
Company number	85990
Registered office	Temple Street Sligo
Business address	Temple Street Sligo
Auditor	McMoreland Duffy Rouse 2nd Floor Castle House 9 Castle Street Sligo
Bankers	Allied Irish Banks plc 26 Stephen Street Sligo
Solicitors	Michael Monahan 47 John Street Sligo
Registered Charity Number	20065928
CHY (Revenue) Number	17611

The Hawk's Well Theatre Company Limited By Guarantee

Directors report

The directors present their annual report and the audited financial statements of the company for the financial year ended 31 December 2019.

The financial statements have been prepared by the company in accordance with accounting standard issued by the Financial Reporting Council, including FRS102 "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 1st January 2015.

Structure, Governance & Management

The company is constituted as a company limited by guarantee and does not have a share capital. Accordingly the liability of the members is limited to €1 each in the event of a winding up.

The company is governed by a Board of Directors of which two directors are nominated by Sligo County Council. The Board of Directors met on six occasions in 2019.

Legal Status

The Hawk's Well Theatre Company Limited By Guarantee is a company registered in Ireland and is a company limited by guarantee. The objects of the company are charitable in nature and it has established charitable status with the Revenue Commissioners (CHY Number 17611). The company has also registered with the Charities Regulator (Number 20065928)

Appointment of Directors

The board of directors of the company elect a chairperson for their meetings following each annual general meeting. The directors of the company hold office for three years unless otherwise agreed. In accordance with the Constitution, the directors shall not be required to retire by rotation.

Directors

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

Roddy Quinn	Elaine Coghill
Gerard Moore	Des Power
Chris McManus	Niall Rhatigan
Martha Kearns	Una Mannion
Sinead Maguire	Rosaleen O'Grady
Declan Bree	

Principal activities

The principal activity of the company is to advance education in the Arts by encouraging, developing, fostering and stimulating public interest in all aspects of the Arts and, in general, social, economic and cultural events. The company also provides the facility and opportunity for the organisation of artistic and cultural events.

Development and performance

The company returned a surplus for the year of €171,264. (31 December 2018: €195,793 (as restated)). The directors are satisfied with the performance of the company.

Assets and liabilities and financial position

The assets of the company increased by €208,106 and the liabilities increased by €36,843 resulting in an increase in net assets of €171,264. The net assets of the company as at 31 December 2019 were €474,958 (31 December 2018: €303,695).

The Hawk's Well Theatre Company Limited By Guarantee

Directors report (continued)

Principal risks and uncertainties

The operation and management of an Arts Centre involves the taking of certain risks. This is the essence of the activity of an Arts Centre, and accordingly this risk is a constant consideration of the directors when making decisions.

The global COVID-19 pandemic has given rise to significant issues across many sectors and industries globally including the financial services sector, which may impact on the Theatre's currently ability to open in line with government health guidelines.

Whilst, it is not possible to quantify the financial effect of the pandemic at this date due to the ongoing uncertainties in relation to the timing and outcome, the Board are of the view that no additional financial adjustments to the financial statements are required. The Board feel that it has put in place adequate measures and controls to mitigate the risk and uncertainties to ensure the company can withstand the current pandemic. These include;

- Liaising with the Arts Council regarding their grant and the relaxing of the rules around same.
- Lay off of all non-essential and part-time staff members.
- Development of an online programme to host events and support artists.
- Availing of any relevant supports applicable such as the The Wage Subsidy Scheme
- Review and reduction of overhead costs insofar as possible
- Regular meetings between the Board and Senior Management
- Review of Theatre premises to enable social distancing once allowed to reopen under public health guidelines.

The extent to which the coronavirus (COVID-19) and our precautionary measures may impact our business will depend on future developments which are highly uncertain. However with the ongoing support of the Arts Council and the short term change of direction to online provision should ensure that the company can continue in business.

Likely future developments

Since the year end, following restrictions placed on the company's business as a result of the outbreak of the Covid-19 pandemic, the company has temporarily ceased trading. This decision was taken to ensure the safety of all staff is preserved and to ensure that government recommendations and restrictions are complied with. The directors intend to recommence trading once all restrictions have been lifted and once it is safe for staff to return to work. Following the planned recommencement of trading, the directors plan to develop the activities of the company so that it will return to normal trading activities as soon as possible. In the intervening period, the company has reduced its cost base so that the burden of costs borne during the non-trading period is mitigated.

The company obtained confirmation of substantial funding from the Department of Arts in February 2017 to enable it to carry out much needed upgrade works to the premises. Matched funding will be provided by a number of local entities and the company will fundraise to cover any shortfall. This vastly improved facility is likely to allow the company to grow further in future years. The company has accumulated matched funds totalling €486,002 by 31 December 2019 of which €82,377 has been invested in some capital upgrades with €8,781 used for other renovation expenses. Covid 19 has slowed down the raising of matched funding but the directors are keeping this under review.

The Hawk's Well Theatre Company Limited By Guarantee

Directors report (continued)

Reserves Policy

It is generally accepted that registered charitable organisations such as The Hawk's Well Theatre Company Limited By Guarantee should aim to have a reserve policy in place to cover unforeseen circumstances. The Directors have considered this and have adopted a new reserves policy for the company. They propose to fund reserves to a level that will cover three months of operational expenses to ensure the company can continue in the event of unexpected difficulties arising. It is planned that the required reserves will be built up over a six year period and retained in a separate demand bank account for immediate access. The organisation's planning and budgeting for 2020 and future years will include funding the required level of reserves.

The reserves policy of the company takes into account the following risk items:

- Risks associated with the income, including funding, being lower than the budgeted amounts
- Risks associated with expenditure being higher than the budgeted amounts
- The organisation's contractual commitments.
- The potential costs associated with redundancies or reorganisations should they be required.

The level of reserves will be kept under constant review through ongoing financial reporting with the company's management accounts and the annual audited accounts.

Events after the end of the reporting period

With the exception of the global COVID-19 pandemic there have been no other significant events affecting the company since the year end. As outlined above the board have taken temporary precautionary measures intended to help minimize the risk of the virus to the company.

Accounting records

The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are located at Temple Street, Sligo.

Relevant audit information

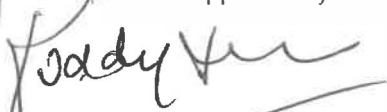
In the case of each of the persons who are directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

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

Auditors

In accordance with Section 383 (2) of the Companies Act 2014, the auditors, McMoreland Duffy Rouse, Chartered Accountants & Statutory Audit Firm, have indicated their willingness to continue in office.

This report was approved by the board of directors on 29 May 2020 and signed on behalf of the board by:


Roddy Quinn
Director


Des Power
Director

The Hawk's Well Theatre Company Limited By Guarantee

Directors responsibilities statement

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the 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.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Hawk's Well Theatre Company Limited By Guarantee for the financial year ended 31 December 2019 which comprise the consolidated statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its profit for the financial year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.; and
- have been 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 the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the company's ability to continue as a going concern particularly in light of the global pandemic. The company has current net assets of €474,958.

Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors report is consistent with the financial statements; and
- in our opinion, the directors report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's 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 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.

Kathya ✓

Kathya Rouse

For and on behalf of
McMoreland Duffy Rouse
Chartered Accountant & Statutory Audit Firm
2nd Floor Castle House
9 Castle Street
Sligo

29 May 2020

The Hawk's Well Theatre Company Limited By Guarantee

Consolidated statement of financial activities
Financial year ended 31 December 2019

	Note	Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds 2019	Total Funds 2018 As restated
		€	€	€	€	€
Income						
Donations & grants	4	286,468	263,676	147,972	698,116	739,792
<i>Income from charitable activities:</i>						
Operation of theatre and arts centre	5	896,626	-	-	896,626	784,475
<i>Income from other trading activities:</i>						
Commercial trading operations	6	113,527	-	-	113,527	99,810
Total Income		1,296,621	263,676	147,972	1,708,269	1,624,077
Expenditure						
<i>Costs of raising funds:</i>						
Commercial trading operations		73,941	-	-	73,941	64,871
Other Costs		-	-	-	-	-
<i>Expenditure on charitable activities:</i>						
Operation of theatre and arts centre:	9	1,187,698	263,676	11,690	1,463,064	1,363,413
Total Expenditure		1,261,639	263,676	11,690	1,537,005	1,428,284
Net income/(expenditure) and net movement in funds for the year		34,982	-	136,282	171,264	195,793
Reconciliation of funds						
Total funds brought forward		55,687	-	248,007	303,694	142,113
Total funds carried forward		90,669	-	384,289	474,958	337,906

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The Hawk's Well Theatre Company Limited By Guarantee

Balance sheet
As at 31 December 2019

		2019		2018	
	Note	€	€	As restated €	€
Fixed assets					
Tangible assets	12	133,038		139,391	
			133,038		139,391
Current assets					
Stocks	13	4,708		4,681	
Debtors	14	60,701		42,140	
Cash at bank and in hand		598,740		402,869	
		664,149		449,690	
Creditors: amounts falling due within one year	16	(290,486)		(253,643)	
Net current assets			373,663		196,047
Total assets less current liabilities			506,701		335,438
Creditors: amounts falling due after more than one year	17		(31,743)		(31,743)
Net assets			474,958		303,695
The funds of the charity:					
Designated funds			384,289		248,007
Restricted funds			-		-
Unrestricted funds	22		90,669		55,688
Total charity funds			474,958		303,695

These financial statements were approved by the board of directors on 29 May 2020 and signed on behalf of the board by:


Roddy Quinn
Director


Des Power
Director

The notes on pages 13 to 25 form part of these financial statements.

The Hawk's Well Theatre Company Limited By Guarantee

Statement of changes in funds
Financial year ended 31 December 2019

	Profit and loss account €	Total €
At 1 January 2018 (as previously reported)	142,113	142,113
Prior period adjustments	(34,211)	(34,211)
At 1 January 2018 (restated)	107,902	107,902
Surplus for the financial year	195,793	195,793
Total comprehensive income for the financial year	195,793	195,793
At 31 December 2018 and 1 January 2019	303,694	303,694
Surplus for the financial year	171,264	171,264
Total comprehensive income for the financial year	171,264	171,264
At 31 December 2019	474,958	474,958

The Hawk's Well Theatre Company Limited By Guarantee

**Statement of cash flows
Financial year ended 31 December 2019**

	Note	2019	2018
		€	€
Cash flows from operating activities			
Surplus for the financial year		171,264	195,793
<i>Adjustments for:</i>			
Depreciation of tangible assets		9,846	19,786
Government grant income		-	(14,951)
(Gain)/loss on disposal of tangible assets		(2,300)	-
Accrued expenses/(income)		29,131	16,465
<i>Changes in:</i>			
Stocks		(27)	(1,532)
Trade and other debtors		(2,620)	21,042
Trade and other creditors		(7,512)	(39,128)
Cash generated from operations		<u>197,782</u>	<u>197,475</u>
Net cash from operating activities		<u><u>197,782</u></u>	<u><u>197,475</u></u>
Cash flows from investing activities			
Purchase of tangible assets		(3,493)	(82,377)
Proceeds from sale of tangible assets		2,300	-
Net cash used in investing activities		<u>(1,193)</u>	<u>(82,377)</u>
Cash flows from financing activities			
Government grant income		-	14,951
Net cash from financing activities		<u>-</u>	<u>14,951</u>
Net increase/(decrease) in cash and cash equivalents		196,589	130,049
Cash and cash equivalents at beginning of financial year	15	<u>401,776</u>	<u>271,726</u>
Cash and cash equivalents at end of financial year	15	<u><u>598,365</u></u>	<u><u>401,775</u></u>

The Hawk's Well Theatre Company Limited By Guarantee

Notes to the financial statements Financial year ended 31 December 2019

1. Statement of compliance

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

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015 - Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2014.

The company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are prepared in Euro, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

Going Concern

The company made a surplus of €171,264 and has net current assets of €474,958 at the year end. During the first quarter of 2020, the Covid-19 pandemic has spread initially from Asia to Europe and subsequently worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are restrictions placed on "non-essential" businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus.

Like many businesses, The Hawk's Well Theatre Company Limited by Guarantee is exposed to the effects of the Covid-19 pandemic. In March 2020, as a result of the reduction in economic activity and the recommendations and restrictions placed on businesses the company has decided to temporarily cease trading. During this period, the company has laid off staff and reduced working hours for staff who have been retained. Other costs have also been reduced during the non-trading period where possible. The company will also use government supports provided to businesses during this time.

Based on the measures taken to reduce costs, the directors believe that the company is well positioned to return to full trading capacity once the period of uncertainty passes. However, the directors believe that the above circumstances represent a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis.

The Hawk's Well Theatre Company Limited By Guarantee

Notes to the financial statements (continued) Financial year ended 31 December 2019

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable the income will be received and the amount can be measured reliably.

Income from government and other grants, whether capital or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attaching to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Fund accounting

Unrestricted Funds

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. These funds are generated from a variety of sources including, but not limited to, Arts Council funding, Sligo County Council funding, ticket sales from local and professional drama and donations.

Designated Funds

Designated funds are unrestricted funds which have been generated for use for a specific purpose. Currently the theatre are fundraising to match a grant which has been approved by the Department of Arts for a significant renovation project for the theatre.

Restricted Funds

Restricted funds represents grants and sponsorship which the grantor has specified are to be solely used for particular areas of the charity's work or for specific artistic projects being undertaken by the company. Such purposes are within the overall aims of the company.

Fund accounting

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following heading:

- Costs of raising funds comprise the costs of commercial trading including the bar.
- Expenditure on charitable activities includes the costs of performances, exhibition and other educational activities undertaken to further the purpose of the charity and the associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

The Hawk's Well Theatre Company Limited By Guarantee

Notes to the financial statements (continued)

Financial year ended 31 December 2019

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	- 4%
Theatre equipment	- 10%
Fittings fixtures and equipment	- 10%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks comprise consumable items and goods held for resale. Inventories are stated at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis and includes invoice price. Net realisable value comprises the actual or estimated selling price less all further costs to completion or to be incurred in marketing, selling and distribution.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the statement of financial activity. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the statement of financial activity.

The Hawk's Well Theatre Company Limited By Guarantee

Notes to the financial statements (continued) Financial year ended 31 December 2019

Government grants

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

Government grants are recognised using the performance model.

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

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. Limited by guarantee

The company is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to €1.

4. Donations and Grants

Income arises from:

	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Designated Funds 2019 €	Total 2019 €	2018 €
Programme & Other Grants	45,510	-	-	45,510	28,326
Arts Council Revenue Grants	170,000	-	-	170,000	165,000
Arts Council Commission Grant	-	10,000	-	10,000	-
Department of Arts	-	-	-	-	4,500
Sligo County Council Revenue Grants	48,000	-	-	48,000	45,000
DSP Wages Grant	-	243,354	-	243,354	252,411
DSP Training & Materials Grant	-	13,772	-	13,772	11,907
Friends of Theatre Scheme & donations	10,508	-	-	10,508	7,983
Corporate Friends Scheme	9,000	-	-	9,000	8,530
Renovation Project Donations	-	-	79,457	79,457	98,340
Renovation Project Grants	-	-	68,515	68,515	102,844
Capital grant released	-	-	-	-	14,951
	283,018	267,126	147,972	698,116	739,792

The Hawk's Well Theatre Company Limited By Guarantee

**Notes to the financial statements (continued)
Financial year ended 31 December 2019**

5. Income from charitable activities

Income arises from:

	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Designated Funds 2019 €	Total 2019 €	2018 €
Local & professional drama	875,676	-	-	875,676	773,280
Other miscellaneous income	20,950	-	-	20,950	11,195
	<u>896,626</u>	<u>-</u>	<u>-</u>	<u>896,626</u>	<u>784,475</u>

The whole of the income is attributable to the principal activity of the company wholly undertaken in Ireland.

6. Income from other trading activities

Income arises from:

	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Designated Funds 2019 €	Total 2019 €	2018 €
Bar Income	113,527	-	-	113,527	99,810
	<u>113,527</u>	<u>-</u>	<u>-</u>	<u>113,527</u>	<u>99,810</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in Ireland.

The Hawk's Well Theatre Company Limited By Guarantee

**Notes to the financial statements (continued)
Financial year ended 31 December 2019**

7. Summary of Grants received in year

Grant making agency	Grant Programme	Purpose	Term	Amount of Grant Received	Amount of grant included as income in current year
The Arts Council	Annual Programming Grant	To spend on Artistic Programming	Annual Funding	€170,000	€170,000
The Arts Council	Project Grant	To assist with TRAD project	One-off	€10,000	€10,000
Sligo County Council	Annual Programming Grant	To spend on Artistic Programming	Annual Funding	€48,000	€48,000
Sligo County Council	Arts Programme	To assist with specific arts training	One-off	€800	€800
Sligo County Council	Creative Ireland	To assist with specific arts programming	One-off	€2,000	€2,000
MSLETB	Arts Programme	To assist with specific arts training	One-off	€2,000	€2,000
MSLETB	Arts Programme	To assist with specific arts training	One-off	€1,800	€1,800
MSLETB	Arts Programme	To assist with specific arts training	One-off	€2,000	€2,000
Department of Social Protection	CE Scheme	To provide employment and overhead funding	Annual	€257,126	€257,126
Sligo LCDC	Arts Programme	To assist with specific project	One-off	€3,450	€3,450
HSE	Lottery grant	To assist with workshops	One-off	€3,400	€3,400

The Hawk's Well Theatre Company Limited By Guarantee

Notes to the financial statements (continued)
Financial year ended 31 December 2019

8. Net income for the year

Net income for the year is stated after charging/(crediting):

	2019	2018
	€	€
Depreciation of tangible assets	9,846	19,786
(Gain)/loss on disposal of tangible assets	(2,300)	-
Cost of stocks recognised as an expense	48,808	40,330
Fees payable for the audit of the financial statements	4,018	3,998
	<u> </u>	<u> </u>

The Hawk's Well Theatre Company Limited By Guarantee

Notes to the financial statements (continued)
Financial year ended 31 December 2019

9. Expenditure on Charitable Activities

	2019	2019	2019	2018	2018
	Unrestricted	Restricted	Designated	Total	Total
	Funds	Funds	Funds		
Costs directly allocated to activities	€	€	€	€	€
Artist Fees	594,751	-	-	594,751	558,311
Production and other project costs	94,882	3,608	-	98,490	46,154
Renovation fund costs	-	-	8,781	8,781	-
Staff Costs including training	318,544	-	-	318,544	300,962
DSP Staff Wages	-	249,963	-	249,963	254,099
DSP Staff training & recruitment	-	2,318	-	2,318	3,978
Rates	5,111	-	-	5,111	4,098
Insurance	6,657	-	-	6,657	7,713
DSP Insurance	-	2,517	-	2,517	2,517
Overheads	24,305	-	-	24,305	25,828
Repairs, maintenance and servicing	55,282	-	-	55,282	44,567
DSP maintenance	-	124	-	124	109
Print, postage & stationary	27,254	-	-	27,254	36,954
DSP Printing and stationary	-	2,471	-	2,471	3,749
Advertising	22,253	-	-	22,253	18,524
Travel & meeting expenses	1,438	-	-	1,438	3,990
Audit fees	3,095	-	-	3,095	3,075
DSP Audit Fees	-	923	-	923	923
Legal & Professional	3,495	-	-	3,495	13,124
DSP Bank charges	-	54	-	54	73
Sundry	25,994	1,698	-	27,692	14,864
Depreciation	6,937	-	3,729	10,666	16,057
(Gain)/Loss on disposal	(2,300)	-	-	2,300	-
	<u>1,187,698</u>	<u>263,676</u>	<u>12,510</u>	<u>1,463,884</u>	<u>1,359,669</u>

Included in the costs of the unrestricted funds above are expenses borne by the Hawks Well Theatre to support the renovation project in respect of events undertaken to raise funds for that project. The costs of the staff provided for renovation fundraising events are paid from the general theatre funds and not the renovation fund. The theatre's main activity also pays a staff member who spends approximately 90% of their time fundraising for the renovation project. There is no charge made to the renovation fund in relation to overheads and the use of the theatre. This support from the Hawks Well Theatre main activity to the renovation project is estimated to be approximately €80,000 in 2019. This doesn't include any estimate for the loss of income from additional performances which may have occurred in place of renovation fundraising events at the theatre.

The Hawk's Well Theatre Company Limited By Guarantee

**Notes to the financial statements (continued)
Financial year ended 31 December 2019**

10. Staff costs

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

	2019	2018
	Number	Number
Theatre & Bar Staff	36	34
	<u> </u>	<u> </u>

The aggregate payroll costs incurred during the financial year were:

	2019	2018
	€	€
Wages and salaries	304,811	287,672
DSP Wages	249,963	254,099
Social insurance costs	36,416	35,086
	<u>591,190</u>	<u>576,857</u>

Senior management team remuneration included above	2019	2018
	286,083	263,160
	<u> </u>	<u> </u>

Bands of €10,000 exceeding €60,000	2019	2018
€60,000 to €70,000	Number	Number
	1	1
	<u> </u>	<u> </u>

11. Taxation

The company is a registered charity with the Revenue Commissioners and accordingly is exempt from corporation tax.

The Hawk's Well Theatre Company Limited By Guarantee

Notes to the financial statements (continued)
Financial year ended 31 December 2019

12. Tangible assets

	Long leasehold property €	Plant and machinery €	Fixtures, fittings and equipment €	Total €
Cost				
At 1 January 2019	327,667	321,891	203,520	853,078
Additions	-	-	3,493	3,493
At 31 December 2019	<u>327,667</u>	<u>321,891</u>	<u>207,013</u>	<u>856,571</u>
Depreciation				
At 1 January 2019	234,439	295,790	183,458	713,687
Charge for the financial year	2,825	4,011	3,010	9,846
At 31 December 2019	<u>237,264</u>	<u>299,801</u>	<u>186,468</u>	<u>723,533</u>
Carrying amount				
At 31 December 2019	<u>90,403</u>	<u>22,090</u>	<u>20,545</u>	<u>133,038</u>
At 31 December 2018	<u>93,228</u>	<u>26,101</u>	<u>20,062</u>	<u>139,391</u>

13. Stocks

	2019 €	2018 €
Bar stock	<u>4,708</u>	<u>4,681</u>

14. Debtors

	2019 €	2018 €
Trade debtors	33,093	42,140
Prepayments and accrued income	27,608	-
	<u>60,701</u>	<u>42,140</u>

15. Cash and cash equivalents

	2019 €	2018 €
Cash at bank and in hand	598,740	402,869
Visa card due	(376)	(1,093)
	<u>598,364</u>	<u>401,776</u>

The Hawk's Well Theatre Company Limited By Guarantee

**Notes to the financial statements (continued)
Financial year ended 31 December 2019**

16. Creditors: amounts falling due within one year

	2019	2018
	€	€
Visa card balance	376	1,093
Trade creditors	12,071	55,908
Other creditors	43,202	42,742
Tax and social insurance:		
PAYE and social welfare	8,964	7,877
VAT	6,352	7,629
Accruals	69,729	24,657
Deferred income	149,792	113,737
	290,486	253,643

Deferred income represents ticket monies and other income received by the year end for events taking place after 31 December 2019

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

	2019	2018
	€	€
Other creditors	31,743	31,743

The other creditors relate to a loan forwarded by Sligo County Council a number of years ago. There is no formal repayment schedule attached to the loan.

18. Government grants

	2019	2018
	€	€
At the start of the financial year	-	14,951
Released to profit or loss	-	(14,951)
	-	-
At the end of the financial year	-	-

The amounts recognised in the financial statements for government grants are as follows:

	2019	2018
	€	€
Recognised in other operating income:		
Government grants released to profit or loss	-	14,951

The company have received approval for a capital grant of €550,000 from the Department of Arts to redevelop the Theatre. They are currently fundraising and arranging other grants in order to have matched funding to enable them to drawdown the grant.

The Hawk's Well Theatre Company Limited By Guarantee

Notes to the financial statements (continued)
Financial year ended 31 December 2019

19. Analysis of Net Assets between Funds

	Unrestricted Funds €	Restricted Funds €	Designated Funds €	Total €
Fixed Assets	133,038	-	-	133,038
Current Assets	227,014	43,202	393,933	664,149
Current liabilities	(236,820)	(43,202)	(10,464)	(290,486)
Long term liabilities	(31,743)	-	-	(31,743)
	<u>91,489</u>	<u>-</u>	<u>383,469</u>	<u>474,958</u>

20. Analysis of Movements on Funds

	Unrestricted Funds €	Restricted Funds €	Designated Funds €	Total €
At 1 January 2018	(26,659)	2,400	132,160	107,901
Net income/(expenditure) for the year	8,404	2,400	189,789	195,793
Transfer between funds	73,942	-	73,942	-
At 31 December 2018	<u>55,687</u>	<u>-</u>	<u>248,007</u>	<u>303,694</u>
At 1 January 2019	55,687	-	248,007	303,694
Net income/(expenditure) for the year	35,802	-	135,462	171,264
At 31 December 2019	<u>91,489</u>	<u>-</u>	<u>383,469</u>	<u>474,958</u>

The Hawk's Well Theatre Company Limited By Guarantee

Notes to the financial statements (continued)
Financial year ended 31 December 2019

21. Financial instruments

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

	2019	2018
	€	€
Financial assets that are debt instruments measured at their settlement value		
Trade debtors	33,093	42,140
Other debtors	27,608	2,300
Cash at bank and in hand	598,740	402,868
	<u>659,441</u>	<u>447,308</u>
Financial liabilities measured at their settlement value		
Bank and other loans	32,119	32,836
Trade creditors	55,273	58,992
Other creditors	234,837	196,641
	<u>322,229</u>	<u>288,469</u>

22. Reserves

The income & expenditure account represents cumulative gains and losses by the company to date.

The company has three different types of reserves and the purpose and restrictions applying to same are set out at Note 2.

The directors are currently implementing a new reserves policy as outlined in their report on pages 2 - 4.

23. Related party transactions

The company enjoys a close working relationship with Sligo County Council who provides funding to enable the company to carry out its charitable activities. Sligo County Council can nominate two directors out of a maximum of ten directors. The funding provided is set out in Note 7 and Note 18.

24. Key management personnel

The remuneration paid to key management personnel is outlined in Note 10.

In line with the requirements of the charity, the company's directors serve in a voluntary capacity and are not remunerated by the company.

25. Approval of financial statements

The board of directors approved these financial statements for issue on 29 May 2020.

The Hawk's Well Theatre Company Limited By Guarantee

The following pages do not form part of the statutory accounts.

The Hawk's Well Theatre Company Limited By Guarantee

**Detailed profit and loss account
Financial year ended 31 December 2019**

	2019	2018
	€	€
Income		
Local and professional drama	875,676	773,280
Programme grants	-	25,409
Other grants	45,510	2,917
Arts Council - Revenue Grants	170,000	165,000
Arts Council - Project grants	10,000	4,500
Sligo County Council - Revenue Grant	48,000	45,000
DSP Wages Grant	243,354	252,411
DSP Training/Materials Grant	13,772	11,907
Bar income	113,527	99,810
Friends Scheme & small donations	10,508	7,983
Renovation fund fundraising	79,457	98,340
Renovation Project grants	68,515	102,844
Corporate Friends Scheme	9,000	8,530
Other income	20,950	11,195
	1,708,269	1,609,126
Cost of sales		
Opening stock	(4,681)	(3,149)
Purchases	(48,835)	(41,862)
Bar Wages	(25,133)	(24,541)
Artist Fees & incidental related expenses	(594,751)	(558,311)
Production and other project costs	(98,490)	(46,154)
	(771,890)	(674,017)
Closing stock	4,708	4,681
	(767,182)	(669,336)
Gross profit	941,087	939,790
Gross profit percentage	55.1%	58.4%
Overheads		
Administrative expenses		
Wages and salaries	(279,678)	(263,131)
DSP Wages	(249,963)	(254,099)
Employer's PRSI contributions	(36,416)	(35,086)
Staff training	-	(50)
DSP Training	(2,024)	(3,978)
DSP - Recruitment Costs	(294)	(15)
Management expenses	-	(1,083)
Recruitment & HR costs	(2,450)	(2,695)
Water charges	(5,111)	(4,098)
Insurance	(6,657)	(7,713)

The Hawk's Well Theatre Company Limited By Guarantee

Detailed profit and loss account (continued)
Financial year ended 31 December 2019

	2019	2018
	€	€
DSP Insurance	(2,517)	(2,517)
Light and heat	(17,736)	(20,359)
Cleaning	(10,411)	(8,755)
Repairs and maintenance	(16,634)	(6,790)
DSP Maintenance	(124)	(109)
Box Office System Maintenance	(28,237)	(21,356)
Printing, postage and stationery	(27,254)	(36,954)
DSP Printing & stationery	(2,471)	(3,749)
Advertising	(22,253)	(18,524)
Telephone	(2,467)	(2,241)
Computer costs	(4,102)	(3,228)
Renovation Expenses	(8,781)	(7,666)
Travelling and entertainment	(1,438)	(2,907)
Legal and professional	(3,495)	(13,124)
Auditors remuneration	(3,095)	(3,075)
DSP audit fee	(923)	(923)
Bank charges	(9,951)	(9,397)
DSP Bank fees	(54)	(73)
General expenses	(5,125)	(5,859)
DSP other expenses	(1,698)	-
Subscriptions	(10,918)	392
Depreciation of tangible assets	(6,937)	(16,057)
Depreciation on renovation works	(2,909)	(3,729)
Gain/loss on disposal of tangible assets	2,300	-
	(769,823)	(758,948)
Other operating income		
Government grants released to the P/L account	-	14,951
	-	14,951
Operating profit	171,264	195,793
Operating profit percentage	10.0%	12.2%
Profit on ordinary activities before taxation	171,264	195,793