CrowleysDFK
Chartered Accountants

# MUNSTER LITERATURE CENTRE

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST DECEMBER 2013

CORK • DUBLIN

5 Lapps Quay Cork Ireland
Tel +353 21 4272900 Fax +353 21 4277621 Email info@crowleysdfk.ie Web www.crowleysdfk.ie

Directors: James O'Connor Tony Cooney Colette Nagle Edward Murphy Vincent Teo
Crowleys DFK Limited trading as Crowleys DFK. Registered Office: 5 Lapps Quay, Cork Company No. 393878.
A member firm of DFK International a worldwide association of independent firms.
Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in Ireland (ICAI).
Chartered Accountants Ireland is the operating name of ICAI.

MUNSTER LITERATURE CENTRE

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## MUNSTER LITERATURE CENTRE

## DIRECTORS AND OTHER INFORMATION

| | |
|---|---|
| **Directors** | Patricia Lucy<br>Ned Fahy<br>Aisling Meade<br>Billy Ramsell<br>Pádraig Trehy<br>Clara Murphy<br>Nora Browne |
| **Secretary** | Patrick Cotter |
| **Company number** | 306868 |
| **Business address & registered office** | Frank O' Connor House<br>84 Douglas Street<br>Cork |
| **Auditors** | Crowleys DFK Limited<br>5 Lapps Quay<br>Cork |
| **Bankers** | Permanent TSB<br>40/41 Patrick Street<br>Cork |
| **Solicitors** | John J. Murphy & Co.<br>Courthouse Chambers<br>Washington Street<br>Cork |

MUNSTER LITERATURE CENTRE

## DIRECTORS' REPORT
## FOR THE YEAR ENDED 31ST DECEMBER 2013

The directors present their report and the audited financial statements for the year ended 31st December 2013.

**Principal activities, business review and future developments**
The principal activity of the company is to promote the work and lives of Munster writers past and present.

Income for the year ended 31 December 2013 is €246,792. The directors believe that the coming year will yield results similar to year ended 31 December 2013.

**Results**
The results for the year are set out on page 7.

**Financial Risk Management objectives and policies**
The company is aware of the major risks to which the company is exposed, in particular those related to the operations and the finances of the company and are satisfied that systems are in place to mitigate exposure to major risks. The Board reviews and agrees policies for the prudent management of these risks as follows:

**a) Commercial risk:**
The company's income is exposed to fluctuations in funding available from the Arts Council and Cork City Council, in particular, and changes in general economic conditions in Ireland. The company has considered the risks prevalent and are in a position to change the emphasis of their income in response to changes in economic conditions. The company is proactive in trying to generate their own income.

**b) Currency risk:**
The company operates solely in the Republic of Ireland. Therefore, the company is not subject to significant currency risks.

**c) Finance and interest rate risk:**
The company does not rely on significant borrowings and the company has a minimal exposure to interest rate risk.

**d) Liquidity and cash flow risk:**
The company is in a strong liquid position and does not foresee any cash flow risk in the near future. The company's policy is to ensure that sufficient resources are available from cash balances, cash flows and near liquid investments to ensure all obligations can be met when they fall due.

**e) Credit risk:**
The company operates predominately on a cash basis, therefore, they are not exposed to significant credit risk.

**Directors**
In accordance with the Articles of Association, the directors are required to retire by rotation and present themselves for re-election.

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**Books of account**

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel and appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at 84 Douglas Street, Cork.

**Auditors**

Crowleys DFK Limited were appointed auditors by the directors to fill the casual vacancy and they have expressed their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

This report was approved by the Board on 04/06/14 and signed on its behalf by

| | |
|---|---|
| *Pádraig Trehy* | *Ned Fahy* |
| **Pádraig Trehy** | **Ned Fahy** |

## MUNSTER LITERATURE CENTRE

## STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE MEMBERS' FINANCIAL STATEMENTS

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 giving a true and fair view of the state of affairs of the company and the profit or loss of the company for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2013. 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.

On behalf of the board

*Pádraig Trehy*
**Pádraig Trehy**
**Director**

*Ned Fahy*
**Ned Fahy**
**Director**

**Date: 4th June 2014**

## MUNSTER LITERATURE CENTRE

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUNSTER LITERATURE CENTRE FOR THE YEAR ENDED 31ST DECEMBER 2013

We have audited the financial statements of Munster Literature Centre for the year ended 31st December 2013 which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes and accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

**Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out on page 4 the directors are responsible for the preparation of the financial statements giving a true and fair view. 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 Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 13 to the financial statements.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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.

**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.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31st December 2013 and of its result for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

**Matters on which we are required to report by the Companies Acts 1963 to 2013**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MUNSTER LITERATURE CENTRE FOR THE YEAR ENDED 31ST DECEMBER 2013

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Tony Cooney

Tony Cooney
For and on behalf of
Crowleys DFK Limited
Registered Auditors
5 Lapps Quay
Cork

Date: 04/06/14

MUNSTER LITERATURE CENTRE

## INCOME & EXPENDITURE ACCOUNT
## FOR THE YEAR ENDED 31ST DECEMBER 2013

| | | Continuing operations | |
|---|---|---|---|
| | | **2013** | **2012** |
| | **Notes** | **€** | **€** |
| **Income** | **2** | 246,792 | 243,374 |
| Cost of publications | | (8,512) | (7,549) |
| **Gross income** | | 238,280 | 235,825 |
| Administrative expenses | | (234,521) | (234,804) |
| **Surplus/(Deficit) for the period** | | 3,759 | 1,021 |

There are no recognised gains or losses other than the surplus or deficit for the above two financial periods.

On behalf of the Board of Directors

**Date: 4th June 2014**

*Pádraig Trehy*
**Pádraig Trehy**

*Ned Fahy*
**Ned Fahy**

**The notes on pages 10 to 14 form an integral part of these financial statements.**

## MUNSTER LITERATURE CENTRE

## BALANCE SHEET
## AS AT 31ST DECEMBER 2013

| | Notes | 2013 € | 2013 € | 2012 € | 2012 € |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 5 | | 2,152 | | 4,705 |
| **Current assets** | | | | | |
| Stocks | | 12,859 | | 12,067 | |
| Debtors | 7 | 2,859 | | 648 | |
| Cash at bank and in hand | | 15,308 | | 14,984 | |
| | | 31,026 | | 27,699 | |
| **Creditors: amounts falling due within one year** | 8 | (8,111) | | (11,096) | |
| **Net current assets** | | | 22,915 | | 16,603 |
| **Total assets less current liabilities** | | | 25,067 | | 21,308 |
| **Net assets** | | | 25,067 | | 21,308 |
| **Capital and reserves** | | | | | |
| Capital reserve | 9 | | 7,573 | | 7,573 |
| Income and expenditure account | 9 | | 17,494 | | 13,735 |
| | | | 25,067 | | 21,308 |

On behalf of the Board of Directors

**Date: 4th June 2014**

*Pádraig Trehy*
**Pádraig Trehy**

*Ned Fahy*
**Ned Fahy**

**The notes on pages 10 to 14 form an integral part of these financial statements.**

MUNSTER LITERATURE CENTRE

## CASH FLOW STATEMENT
## FOR THE YEAR ENDED 31ST DECEMBER 2013

| | Notes | 2013 € | 2012 € |
|---|---|---|---|
| **Reconciliation of operating surplus to net cash inflow from operating activities** | | | |
| Operating surplus | | 3,759 | 1,021 |
| Depreciation | | 2,918 | 2,937 |
| Decrease/(increase) in stocks | | (792) | (1,032) |
| Decrease/(increase) in debtors | | (2,211) | 2,964 |
| Increase/ (decrease) in creditors | | (2,985) | 523 |
| Capital grant released | | - | (228) |
| **Net cash inflow from operating activities** | | 689 | 6,185 |
| **Cash flow statement** | | | |
| Net cash inflow from operating activities | | 689 | 6,185 |
| Capital expenditure | | (365) | (1,487) |
| **Increase in cash in the year** | | 324 | 4,698 |
| **Reconciliation of net cash flow to movement in net funds (Note 10)** | | | |
| **Increase in cash in the year** | | 324 | 4,698 |
| **Net funds at 1st January 2013** | | 14,984 | 10,286 |
| **Net funds at 31st December 2013** | | 15,308 | 14,984 |

## 1. Statement of accounting policies

### 1.1. Basis of preparation

The audited financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, as modified by the revaluation of certain fixed assets, and comply with financial reporting standards of the Accounting Standards Board.

### 1.2. Tangible fixed assets and depreciation

**Depreciation**

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

Fixtures, fittings and equipment - 20% straight line

### 1.3. Stock

Stock is valued at the lower of cost and net realisable value.

### 1.4. Grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the income and expenditure account over the expected useful life of the assets. Grants towards revenue expenditure are released to the income and expenditure account as the related expenditure is incurred.

### 1.5. Going concern

The company has recorded a surplus of €3,759 for the year. The directors expect similar results in 2014. The company does not have any loans from financial institutions at the year end. The directors are confident that the company can rely upon the ongoing support of the Arts Council for its activities.

## 2. Income

The total income of the company for the year has been derived from its principal activity wholly undertaken in Ireland.

## 3. Operating (Deficit)/Surplus

| | 2013 | 2012 |
|---|---|---|
| | € | € |
| Operating (Deficit)/Surplus is stated after charging: | | |
| Depreciation and other amounts written off tangible assets | 2,918 | 2,937 |
| Auditors' remuneration for audit | 2,768 | 2,788 |

..... continued

## 4. Employees

**Number of employees**

| The average monthly numbers of employees (including the directors) during the year were: | 2013 Number | 2012 Number |
|---|---|---|
| | 2 | 2 |

**Employment costs**

| | € | € |
|---|---|---|
| Wages and salaries | 74,885 | 73,768 |
| | 74,885 | 73,768 |

## 5. Tangible fixed assets

| | Fixtures, fittings and equipment | Total |
|---|---|---|
| | € | € |
| **Cost or valuation** | | |
| At 1st January 2013 | 23,980 | 23,980 |
| Other movement | (9,755) | (9,755) |
| Additions | 365 | 365 |
| At 31st December 2013 | 14,590 | 14,590 |
| **Depreciation** | | |
| At 1st January 2013 | 19,275 | 19,275 |
| Other movement | (9,755) | (9,755) |
| Charge for the year | 2,918 | 2,918 |
| At 31st December 2013 | 12,438 | 12,438 |
| **Net book values** | | |
| At 31st December 2013 | 2,152 | 2,152 |
| At 31st December 2012 | 4,705 | 4,705 |

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## 6. Capital grant

| | Capital grant € |
|---|---|
| **Grant** | |
| At 1 January 2013 | 37,381 |
| At 31 December 2013 | 37,381 |
| **Amortisation** | |
| At 1 January 2013 | 37,381 |
| Amortisation for the year | - |
| At 31 December 2013 | 37,381 |
| **Net book values** | |
| At 31 December 2013 | - |
| At 31 December 2012 | - |

## 7. Debtors

| | 2013 € | 2012 € |
|---|---|---|
| Trade debtors | - | 152 |
| Other debtors | 2,859 | 496 |
| | 2,859 | 648 |

## 8. Creditors: amounts falling due within one year

| | 2013 € | 2012 € |
|---|---|---|
| PAYE and social welfare | 4,970 | 5,213 |
| Other creditors | 123 | 2,965 |
| Accruals | 3,018 | 2,918 |
| | 8,111 | 11,096 |

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## 9. Reserves

| | Capital reserve € | Income and expenditure account € | Total € |
|---|---|---|---|
| **At 1st January 2013** | 7,573 | 13,735 | 21,308 |
| (deficit)/surplus for the year | - | 3,759 | 3,759 |
| **At 31st December 2013** | 7,573 | 17,494 | 25,067 |

## 10. Analysis of changes in net funds

| | Opening balance € | Cash flows € | Closing balance € |
|---|---|---|---|
| Cash at bank and in hand | 14,984 | 324 | 15,308 |
| **Net funds** | 14,984 | 324 | 15,308 |

## 13 Limited by Guarantee

The company is limited by guarantee and has no share capital. As 31 December 2013, the companys members guarantee is limited to €1 each. The guarantee continues for one year after individual membership ceases.

## 12. Accounting Periods

The current accounts are for a full year. The comparative accounts are for a full year.

## 13. APB Ethical Standards - Provisions available to small entities

In common with many other entities of our size and nature we use our auditors to prepare and submit returns to the tax authorities, to prepare and submit returns to the Companies Registration Office and to assist with the preparation of the financial statements.

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## 14. Approval of financial statements

The financial statements were approved by the Board on 4th June 2014 and signed on its behalf by

| | |
|---|---|
| *Pádraig Trehy* | *Ned Fahy* |
| **Pádraig Trehy** | **Ned Fahy** |

MUNSTER LITERATURE CENTRE

## DETAILED INCOME AND EXPENDITURE ACCOUNT
## FOR THE YEAR ENDED 31ST DECEMBER 2013

| | 2013 | | 2012 | |
|---|---|---|---|---|
| | € | € | € | € |
| **Income** | | | | |
| Revenue grant-Arts Council | | 122,950 | | 133,480 |
| Culture Ireland | | 2,750 | | - |
| Foras na Gaeilge | | 2,000 | | 4,440 |
| Festival grants, sponsorship and subscriptions | | 1,100 | | 770 |
| Cork County Council | | - | | 1,800 |
| Cork City Council | | 57,600 | | 51,150 |
| UCC Grants | | 16,800 | | - |
| Artistic revenue | | 39,847 | | 47,407 |
| Book sales | | 3,610 | | 3,598 |
| Other income | | 135 | | 729 |
| | | 246,792 | | 243,374 |
| **Cost of publications** | | | | |
| Opening stock | 12,067 | | 11,035 | |
| Purchases | 9,304 | | 8,581 | |
| Closing stock | (12,859) | | (12,067) | |
| | | (8,512) | | (7,549) |
| **Gross surplus** | | 238,280 | | 235,825 |
| **Administrative expenses** | | | | |
| Wages and salaries | 74,885 | | 73,768 | |
| Hospitality and accommodation | 23,715 | | 20,790 | |
| Exhibition and festival costs | 11,733 | | 18,303 | |
| Readers' fees | 51,849 | | 57,945 | |
| Frank O'Connor Prize | 25,000 | | 25,000 | |
| Commissions payable | 817 | | 266 | |
| Rates | - | | 531 | |
| Insurance | 609 | | 771 | |
| Light and heat | 1,168 | | 1,011 | |
| Repairs, maintenance and removal expenses | 3,144 | | 4,051 | |
| Printing, postage and stationery | 13,078 | | 9,608 | |
| Advertising and consultancy | 4,698 | | 3,489 | |
| Telephone and internet | 1,738 | | 2,425 | |
| Travel | 15,047 | | 8,562 | |
| Audit and accountancy | 2,768 | | 2,788 | |
| Bank charges | 712 | | 604 | |
| Bad debt provision | - | | 1,877 | |
| Bad debts | 152 | | - | |
| Sundry expenses | 490 | | 306 | |
| Depreciation on fixtures, fittings and equipment | 2,918 | | 2,937 | |
| Amortisation of capital grant | - | | (228) | |
| | | 234,521 | | 234,804 |
| **(deficit)/surplus for the year** | | 3,759 | | 1,021 |