

Abbey Theatre

# Directors' Report and Financial Statements for the financial year ended 31 December 2017

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The Board of Directors submit its annual report and audited financial statements, for the year ended 31st December 2017.

**Objectives and Activities**

**Purpose**

Abbey Theatre/Amharclann na Mainistreach is governed by its Constitution under the Companies Act 2014 which sets out its objects as follows:

- i. To continue the Abbey Theatre's tradition of the Abbey Theatre as the National Theatre of Ireland for the purpose of acting and producing plays in English and/or Irish, written by Irish authors or on Irish subjects, and such dramatic works of international authors as would tend to educate and interest the Irish public in the higher aspects of dramatic art.
- ii. To act as successor to National Theatre Society, Limited by receiving a transfer from National Theatre Society, Limited of its assets, rights, undertakings and liabilities.
- iii. To promote and encourage the staging, production and performance of dramatic art to the highest standards.
- iv. To stage, produce, co-produce, direct, hold and otherwise organise plays, rehearsals, shows, concerts, exhibitions and all other forms of performances of dramatic art.
- v. To commission plays, works and all other forms of performances of dramatic art.
- vi. To further and promote educational and public knowledge, awareness, appreciation and enjoyment of drama and similar arts.
- vii. To maintain, uphold, provide and run a prestigious national theatre for the purposes and main objects contained herein.

**Mission Statement of the Abbey Theatre**

Inspired by the revolutionary ideals of its founders and its rich canon of Irish dramatic writing, the Abbey Theatre's Mission is:

*To imaginatively engage with all of Irish society through the production of ambitious, courageous and new theatre in all its forms.*

The Abbey Theatre commits to lead in the telling of the whole Irish story, in English and in Irish, and affirms that it is a theatre for the entire island of Ireland and for all its people.

In every endeavour, the Abbey Theatre promotes inclusiveness, diversity and equality.

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

**Vision**

In 2017, the expressed longer term vision for the Abbey Theatre is to fulfil our remit as Ireland's National Theatre by:

- Expanding the programme of new Irish writing
- Nurturing artists to present plays from the national and international repertoire
- Increasing audience numbers
- Increasing revenues through box office income and fundraising
- Planning a new building, fit for purpose for Ireland's national theatre
- Addressing gender parity at the Abbey Theatre.

**Artistic and Business Priorities for the year 2017**

Our core artistic and business priorities for the year 2017 were:

1. To reposition the Abbey Theatre, so that it would become
  - a. Central to theatre-making in Ireland
  - b. A resource for Irish theatre makers
  - c. A company that engages with all of the people of Ireland.
2. To develop an exciting new five-year strategy.
3. To agree with our primary funder, the Arts Council, an artistic and business plan for the years 2018 -2020.
4. To make further progress in voluntarily complying with the Corporate Governance for State Bodies.

Other artistic and business priorities for 2017 included:

- Opening up the Abbey and Peacock Stages to a range of new artists and companies. This had the effect of (i) changing the shape and vision of the Abbey Theatre's artistic programme, and (ii) increasing the number and range of events on both the Abbey and Peacock stages.
- Achieving the box office targets set for 2017. This became possible by making the Abbey Theatre accessible to a wider, more diverse audience through both the programme and audience development initiatives
- Strengthening our Development strategy and growing our income from fundraising
- Developing a New Work Department to respond both to established routes of playwriting, as well as new and radical forms of theatre making
- Re-establishing the Peacock as the true engine room of Irish theatre through the commissioning of new plays, presentation of exciting new artists, and funding development periods for both Abbey and external projects
- Increasing the reach out to schools and communities through the work of our Community and Education Department

**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

- Enhancing the Abbey Theatre's role as a truly national theatre via a strategic touring programme
- Using the Abbey Theatre's Digital Strategy to refresh and revive the image of the Theatre.

*Other specific priorities for 2017 were to:*

- Continue to develop a long-term plan for a new Abbey Theatre building
- Continue to focus on, and commit to, gender equality and inclusivity, ensuring this remains a key priority for the Board

**Organisational Objectives for 2017**

In 2017 our organisational objectives were to:

- Maximise our artistic output across all of our stages and on tour
- Increase and diversify our income streams
- Utilise our resources as efficiently as possible through use of new and innovative methods of working
- Continue to invest in our staff and artists
- Promote and present our work in a manner which clearly demonstrates its value
- Agree and implement our Digital Strategy in all areas of our work
- Maintenance of two stages, a building, offices, rehearsal spaces, warehouse for storage.

These objectives should be seen in the context of our artistic and business priorities (stated above) for 2017, as agreed with the Arts Council.

**Activity, Output and Achievements**

2017 was in many ways a revolutionary year for the Abbey Theatre. New Theatre Directors, Neil Murray and Graham McLaren joined the Company as joint-CEOs in July 2016 and 2017 represented their first year of programming. As a Board, we were proud of the ambitious artistic programme which saw a record number of 48 unique and wide-ranging presentations across the Abbey and Peacock stages, more than twice the number of 2016. The total attendance figure of 122,259 was the highest seen at The Abbey Theatre since 2010. In addition to the work in the Abbey and Peacock, the Company toured Roddy Doyle's new play *Two Pints* to 25 pubs through the island of Ireland and opened a major new Abbey Theatre production of *Jimmy's Hall* in Leitrim before bringing it to Dublin. From March to December, the Peacock stage was fully animated with Abbey productions, presentations from visiting companies and artistic development that would lead to new theatre shows.

There were also changes in the Abbey Board in 2017, most notably the appointment of Dr Frances Ruane as Chair, replacing Dr Bryan McMahon who had served that role with distinction for more than 12 years. Four other Directors joined the Board in 2017: Kevin McFadden (January), Michael Wall (July), Jane Daly (July) and Pádraig Cusack (December).

**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

A New Work Department was established to support writers and theatre artists from all disciplines, building a pipeline of new plays and new ideas that will bear fruit in future years. The work of our Community and Education programme encouraged artists, students and citizens to engage with the Abbey Theatre.

The Abbey Theatre's output in 2017 included:

- Seven Abbey Theatre plays on the Abbey stage, four self-produced and three co-produced
- Five major visiting productions on the Abbey stage, with work from Landmark/Galway International Arts Festival, Corn Exchange, Druid Theatre Company and Rough Magic
- Six Abbey Theatre plays on the Peacock stage, including co-productions with Dead Centre and The Lyric, Belfast
- Sixteen plays by independent theatre companies on the Peacock stage, including productions from Canada, US and Scotland
- Dance performances, in partnership with Dublin Dance Festival, Dublin Fringe Festival and Dublin Theatre Festival
- Productions at the Galway International Arts Festival and in London

In all, there were eleven world premieres on the Abbey and Peacock stages during 2017. In addition, the Abbey Theatre supported the development of work by independent companies, including Theatre Lovett and Moonfish. During the course of the year there were 116 performers employed directly by the Abbey Theatre and a further 70 performers benefited from the Abbey Theatre's more open approach to visiting work through their engagement by visiting productions.

For the Abbey Theatre, 2017 was treated as a 'gap year' by the Arts Council of Ireland, prior to a new three-year funding agreement for 2018-20. This was specifically designed to facilitate change in artistic direction at the Abbey Theatre.

*Abbey Stage*

The beginning of 2017 saw the first manifestation of the new Theatre Directors' stated aim to open the Abbey Theatre up to artists and companies who had not been given access to their national theatre, or had not felt it was the right stage to present their work.

From February to June, the work of Enda Walsh, Corn Exchange, Druid, Rough Magic and Lisa Dwan rapidly changed the way people had been seeing and engaging with the Theatre. The range of work and speed of turnover of projects captured the imagination of audiences, many of them younger or first time attendees.

In June of 2017 the new Theatre Directors introduced the initiative of Free First Previews (for the co-production with Theatre Royal Stratford East, of Emma Donoghue's *Room*). The idea of Free First Previews is now seen as symptomatic of a new energy at the Abbey Theatre; this idea went on to win a Judges' Special Award at the 2018 Irish Times Theatre Awards.

The second half of 2017 saw the Abbey Theatre self-producing or co-producing on the Abbey Stage. Co-production partners included The National Theatre of Scotland and Theatre Royal Stratford East. New Abbey productions of *Katie Roche* and *Ulysses* featured alongside a world premiere of *Jimmy's Hall* adapted from Paul Laverty's film script for Ken

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

Loach's film. The production opened to acclaim in Leitrim, in the Sports Hall at Carrick-Upon-Shannon Community School; this school is in the heart of James Gralton country, the man whose story inspired the creation of the film and play.

*On tour*

In addition to the opening of Jimmy's Hall, in Leitrim, Roddy Doyle's brilliant play, *Two Pints*, was toured across the country. Playing 27 dates across 15 counties throughout Ireland over 5 weeks, the show presented the Abbey Theatre in a new light for audiences unused to having access to their national theatre in their own backyard (or pub). These were the perfect venues in which to show this brilliant, warm, poignant piece from one of Ireland's key writers.

The Abbey Theatre's Community and Education team presented *Me, Sara* by Amy Conroy, as part of the *Priming the Canon* series. Based on a character from Synge's *Playboy of the Western World*, the show toured all over Ireland including dates at the Baboró Childrens Festival, in Galway.

*Peacock Stage*

2017 was the year that the Peacock Stage sprang back to life, with the space in full use from March to December. Activities in the Peacock included (i) three World Premieres of plays commissioned by the Abbey Theatre, (ii) funded development time for three independent Irish companies, (iii) an exceptionally successful family show at Christmas, (iv) 'What's Happening Now' (an immediate response to the political issues of the day) and (v) collaborations with most of Ireland's major festivals. A strong visiting programme included visits from Druid, Fishamble, Lyric (Belfast), Theatre Lovett, The Traverse (Edinburgh) and Dael Orlandersmith (New York City).

*Audiences*

The attendance at the Abbey Theatre of 122,259 was the strongest since 2010. This significant increase was the result of several major initiatives. For example, we partnered with a new design agency to successfully change our style and image. Traffic to our website has greatly increased, leading to a significant increase in online sales – now 62% of our sales revenue - particularly via mobile devices. We have also seen a marked increase in the number of attendees aged 25-55.

In addition, the introduction of Free First Previews has had a transformative effect on the image and audience at The Abbey Theatre. The diversity of those audiences in terms of age, ethnicity and class is beginning to feed through into our regular audience and is something we will be building on in the years ahead.

**Factors Influencing Achievement of Objectives**

The Abbey Theatre's annual funding from the Arts Council increased from €5.8m in 2016 to €6.17m in 2017, and is set to increase in 2018 to €6.8m with an additional €0.2m commitment specifically for touring. This increase is very welcome, as are the positive ongoing discussions with the Arts Council in relation to 2019 and 2020 funding.

The new programming model enabled the Abbey Theatre to change its business model significantly. This has undoubtedly placed increased pressure on the organisation, but staff members have responded very well to the

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

challenge. An air of positivity surrounds The Abbey Theatre both from the artists and staff working there and from audiences who have embraced the new programming model enthusiastically.

In recent years, against a backdrop of decreasing state funding, we invested reserves generated in earlier years in sustaining artistic output. 2017 saw a reversal of this trend with a small surplus being achieved. Moving forward, we are committed to re-establishing a healthy reserve.

Other factors influencing our ability to deliver against our set targets included:

**Fundraising:** Our Development strategy saw income from fundraising to support our programme and activities decline in 2017, from a high of €815,253 in 2016, which was an exceptional year, to €641,823. The funds received from donors and sponsors supported our work in Dublin and on tour in Ireland. In addition, significant new relationships were formed with others, including Dublin Airport Authority and Dublin Port; we envisage that these will bear fruit in 2018 and beyond.

We would particularly like to acknowledge and thank the individuals, companies and foundations who invested in the Abbey Theatre in 2017, and in particular: Irish Life, Dublin Airport Authority, Bank of America Merrill Lynch, The Doyle Collection, Diageo, Friends First, the Vintners' Federation of Ireland, the Abbey Theatre Foundation, the Ireland Funds, the Ireland-US Council, members of the Directors' Circle, our Patrons, Corporate Guardians, and Ambassadors.

### **The Building**

Since the Abbey Theatre's purchase of 15 – 17 Eden Quay in 2012, our stated ambition has been for the Theatre to remain at its existing location, in the heart of Dublin City

The current Abbey Theatre building, which opened in 1966, is not adequate to meet the needs of a modern theatre. It takes continuous and increasing investment in maintenance and presents considerable challenges when it comes to delivering on productions. The world-class performers, theatre makers and staff who work here, as well as the audience members who attend the Abbey Theatre, deserve higher standards than we can currently provide.

In June 2017, the Board of the Abbey Theatre began preparation of a business case for the New Abbey Theatre project, using specialist theatre consultants from the UK who were appointed following a public tender process. This business case was submitted to the Department of Culture, Heritage and the Gaeltacht on the 7<sup>th</sup> of June 2018.

### **Financial Review**

#### **Results 2017**

The Statement of Financial Activities shows Net Income of €40,556 for the year ended 31 December 2017 compared with Net (Expenditure) of (€508,680) for the year ended 31 December 2016. In 2017, the theatre received €6,170,000 (€5,800,000 in 2016) in core revenue grant funding from the Arts Council of Ireland/An Chomhairle Ealaíon. The result for the year is broadly in line with budget for the year and reflects the Board's decision to invest surpluses earned in previous years into the Peacock Theatre programme in 2017. The result in 2017 reflects a return to a surplus position, which the Board will aim to build on in the coming years. Reserves now show €442,363 in unrestricted funds, which can be spent on any charitable purpose, and €2,109,456 in restricted funds, which can only be used for purposes specified by the donor. The restricted fund of €2,109,456 consists mainly of capital grants relating to specific tangible fixed assets.



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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

**Financial Outlook 2018**

The Abbey Theatre will continue to focus on its ambition to maximise its cultural, social and economic contribution to Ireland in its key roles as a national cultural institution and a national theatre. The Abbey Theatre continues to operate in a challenging business environment in 2018, as reflected by the national and global economic conditions. Core revenue grant funding from the Arts Council in 2017 was €6,170,000, and will see a welcomed increase to €6,800,000 in 2018, with an additional €200,000 earmarked for touring. In 2018, subject to funding and box office results, the Abbey Theatre plans to maintain its production activities in the Peacock with new Irish plays, visiting companies and co-productions.

The Abbey Theatre will undertake an extensive programme of national and international touring in 2018. It will continue to invest in its Community and Education Department to support access and understanding of the work of the national theatre. The focus will be on leveraging its investment in its Literary Department and its Box Office, Ticketing, Marketing and Development System, Tessitura. This investment will continue to enhance the ability of the Abbey Theatre, to focus on the strategy of expanding its programme of new plays, increasing audience numbers and increasing revenues through fundraising activities.

The Abbey Theatre continues its commitment to the United States of America where the brand and associated goodwill towards it remains strong. The Abbey Theatre Foundation, which is an independent entity, was established in the United States in 2011 and continues to support the work of the Abbey Theatre. The fundraising effort will also continue in the United Kingdom in 2018. It is the Board's policy to retain reserves at a level which is prudent and which ensures that the Abbey Theatre can meet its ongoing financial commitments.

It is the policy of Board to review on an annual basis the application of any unrestricted surplus which may arise in a year and the application of any unrestricted reserves brought forward. It is the company's policy to maintain positive unrestricted reserves. Restricted reserves are maintained in accordance with the terms of the donor funds. The Board intends to maintain the unrestricted reserves coming forward from 2017, by budgeting Net Income of €63,000. The small budgeted increase in funds in 2018 should increase the unrestricted fund balance carried forward of €442,363 at 31 December 2017.

**Structure, Governance and Management**

**BOARD OF DIRECTORS**

Dr. Bryan McMahon, Chair (retired 24 January 2017)  
Dr. Frances Ruane, Chair (appointed 22<sup>nd</sup> May 2017)  
Ms. Jane Brennan (retired 13<sup>th</sup> February 2017)  
Ms. Sarah Durcan  
Ms. Deirdre Kinahan (retired 18<sup>th</sup> July 2017)  
Mr. James McNally  
Mr. Mark Ryan (retired 29<sup>th</sup> January 2018)  
Ms. Niamh Lunny (retired 20<sup>th</sup> January 2017)  
Ms. Sheelagh O'Neill  
Ms. Loretta Dignam  
Mr. Kevin McFadden (appointed 24<sup>th</sup> January 2017)  
Mr. Dónall Curtin  
Mr. Michael Wall (appointed 31<sup>st</sup> July 2017)  
Ms. Jane Daly (appointed 31<sup>st</sup> July 2017)  
Mr. Pádraig Cusack (appointed 1<sup>st</sup> December 2017)

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

<b>DIRECTORS (Joint Chief Executives)</b>	Mr. Graham McLaren and Mr. Neil Murray
<b>REGISTERED OFFICE</b>	Abbey Theatre 26 Lower Abbey Street Dublin 1
<b>REGISTERED NUMBER OF INCORPORATION</b>	414400
<b>REGISTERED CHARITY NUMBER</b>	CHY 12923
<b>LEGAL FORM</b>	Company Limited by Guarantee
<b>SOLICITORS</b>	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2
<b>COMPANY SECRETARY</b>	Mr. Declan Cantwell (resigned 19 <sup>th</sup> January 2018) Mr. Denis Reeves (appointed 29 <sup>th</sup> January 2018)
<b>BANKERS</b>	Allied Irish Banks plc 37/38 Upper O'Connell Street Dublin 1
<b>AUDITORS</b>	The Comptroller and Auditor General 3A Mayor Street Upper Dublin 1 DO1 PF72

**Board**

The Board of Directors is constituted as follows:

- i. Three Directors appointed by the Minister for Culture Heritage and the Gaeltacht, one of whom is designated by the Minister as the Chair.
- ii. Up to seven Directors nominated by a Selection Committee and subsequently appointed by the Board of Directors.
- iii. One Director (a Staff Director) being a person nominated by the Abbey Theatre's employees and subsequently appointed by the Board of Directors.

With the exception of the Chair and the Staff Director, a Director can hold office for a term of three years. A Director is eligible for reappointment for a further single consecutive term of three years. No Director may serve for in excess of two terms of office.

The Chair can hold office for a term of five years. The Chair is eligible for reappointment for a further single consecutive term of five years. The Chair may not serve for in excess of two terms of office. The term of Dr Bryan McMahon as Chair was extended for a period of one year to 24 January 2017 to provide continuity during the transition from the then Chief Executive to the new joint Chief Executives in the latter half of 2016.

The Staff Director may serve one term of four years.

Mr. Kevin McFadden was appointed to the Board as Staff Director in January 2017.

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

The following individuals were appointed to the Board in 2017:

Dr. Frances Ruane, Chair (appointed 22<sup>nd</sup> May 2017), Mr. Kevin McFadden (appointed 24 January 2017), Mr. Michael Wall (appointed 31<sup>st</sup> July 2017), Ms. Jane Daly (appointed 31<sup>st</sup> July 2017), and Mr. Pádraig Cusack (appointed 1<sup>st</sup> December 2017).

The following individuals retired from the Board:

Dr. Bryan McMahon as Chair in January 2017, Ms. Jane Brennan in February 2017, Ms. Deirdre Kinahan in July 2017, and Ms. Niamh Lunny as Staff Director in January 2017.

The Board of Directors expresses its sincere appreciation for their contribution to the Abbey Theatre during their tenure.

The Board of Directors met seven times in 2017. The record of attendance by members of the Board is as follows:

<b>Director</b>	<b>Possible Board Meeting Attendance</b>	<b>Actual Board Meeting Attendance</b>
Dr. Bryan McMahon (Chair) (retired 24 Jan 2017)	1	1
Dr. Frances Ruane (Chair) (appointed 22nd May 2017)	4	4
Mr. James McNally	7	6
Ms. Sarah Durcan	7	7
Ms. Loretta Dignam	7	5
Ms. Jane Brennan (retired 13 Feb 2017)	1	1
Mr. Mark Ryan	7	6
Ms. Deirdre Kinahan (retired 18 May 2017)	3	2
Ms. Niamh Lunny (retired 20 Jan 2017)	0	0
Ms. Sheelagh O'Neill	7	7
Mr. Dónall Curtin	7	7
Mr. Kevin McFadden	7	7
Mr. Michael Wall (appointed 31st July 2017)	2	2
Ms. Jane Daly (appointed 31st July 2017)	2	2
Mr. Pádraig Cusack (appointed 1st December 2017)	0	0

The Board is the non-executive and unpaid governing body of the Abbey Theatre. Board members are responsible, collectively, for the strategic direction, strategy, administration and general control of the company. The Board works with the Executive to ensure that the Abbey Theatre's remit is fulfilled.

The Board of Directors have a formal schedule of matters specifically reserved for its decision to ensure that the direction and control of the body is firmly in its hands. The Board of Directors has approved a schedule of matters reserved for its decision.

The schedule of matters is subject to review from time to time to ensure its relevance and appropriateness to the organisation.

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

Matters reserved for the Board of Directors include:

- i. Significant acquisitions, disposals, and retirement of assets of the company. This applies to assets with values of €125,000 (excluding Value Added Tax) or more.
- ii. Approval of terms of major contracts. This applies to contracts worth €125,000 (excluding Value Added Tax) or more.
- iii. Major investments and capital projects where value is €125,000 (excluding Value Added Tax) or more.
- iv. Delegated authority levels, treasury policy and risk management.
- v. Policy on determination of remuneration of senior management.
- vi. Approval of annual budgets, corporate and strategic plans.
- vii. Production of annual reports and accounts.
- viii. Appointment, remuneration and assessment of the performance of the Chief Executive(s) (Theatre Director(s)).
- ix. Significant amendments to the pension of the Chief Executive(s) and staff.
- x. Succession planning for the Chief Executive(s).
- xi. Approval in advance of engagement in novel or contentious acts or in advance of the commitment of funds to novel or contentious purposes.

The procedure for induction and training of newly appointed Directors includes:

- i. Meetings with the Chief Executive(s) and key members of staff
- ii. Meeting with the Company Secretary who provides an overview of the organisation structure, legal structure, governance structures, fiduciary duties of directors, corporate policies and procedures, board meeting protocols and any specific areas requested by the new Director
- iii. Discussion with Company Secretary or Chair regarding specific training or development requirements

The Board of Directors conducts an assessment of its own performance at regular intervals and is provided with training designed to equip members with the skills necessary for the conduct of their duties as Directors.

### **Audit and Risk Committee**

Members of the Audit and Risk Committee are appointed by the Board of Directors. The Committee met eight times during 2017.

Membership of the Audit and Risk Committee:

- Mr. Dónall Curtin (Chair)
- Mr. James McNally
- Dr. Bryan McMahon (retired 24 January 2017)
- Ms. Loretta Dignam
- Ms. Sarah Durcan (appointed to Committee 24 January 2017)

Audit and Risk Committee key areas of responsibility are:

- Financial
- Fraud
- Internal Audit Function
- Internal Controls
- External Audit Function

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

**Development Committee**

Members of the Development Committee are appointed by the Board of Directors. The Committee meets at least four times a year.

Membership of the Development Committee:

- Mr. Mark Ryan (Chair) (retired 29<sup>th</sup> January 2018)
- Dr. Bryan McMahon (retired 24 January 2017)
- Ms. Sheelagh O'Neill (Chair) (appointed 26<sup>th</sup> March 2018)
- Mr. Dónall Curtin
- Mr. James McNally (appointed 26<sup>th</sup> March 2018)
- Dr. Frances Ruane (appointed 22<sup>nd</sup> May 2017)

From time to time, individuals are invited to attend meetings of the Committee who have specific skills and experience which are relevant to the remit of the Committee.

Development Committee key responsibilities are:

- Advising on fundraising strategy.
- Proposing an annual Development Plan to the Board of Directors.
- Reviewing strategic issues relating to the Development Plan.
- Agreeing measures of activity, effectiveness and income with regard to fundraising.
- Monitoring and reviewing the implementation of fundraising strategy and the Development Plan.
- Reporting on progress against budget and targets to the Board of Directors.
- Supporting the executive in identification, qualification and conversion of prospects.

**Executive**

The Board of Directors delegates authority as appropriate to the Chief Executives. The title attributed to each of the Joint Chief Executives is "Director". They are remunerated as Chief Executives but are not directors of the company under the Companies Act 2014. The Chief Executives have appointed a senior management team comprising five senior positions in the following roles;



The positions for Head of Producing and Head of Producing - New Work were new roles designed to assist in the role out of an enhanced production schedule.

**Senior Management Team**

Membership of the Senior Management Team:

- Mr. Graham McLaren and Mr. Neil Murray, Joint Chief Executives
- Mr. Declan Cantwell, Director of Finance & Administration (Resigned 19 January 2018)
- Ms. Oonagh Desire, Director of Public Affairs & Advancement

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

- Ms. Aisling Mooney, Technical Director
- Ms. Sarah Lynch, Head of Producing
- Ms. Jen Coppinger, Head of Producing - New Work

The main responsibilities of the Chief Executives include:

- i. Formulating and successfully implementing artistic policy.
- ii. Implementing company policy.
- iii. Directing strategy towards the sustainable growth and operation of the company.
- iv. Developing strategic operating plans that reflect the longer-term objectives and priorities established by the Board.
- v. Maintaining an ongoing dialogue with the Chair of the Board.
- vi. Putting in place adequate operational planning and financial control systems which include appropriate oversight of these areas.
- vii. Ensuring that the operating objectives and standards of performance are not only understood but owned by management and employees.
- viii. Closely monitoring the operating and financial results against plans and budget.
- ix. Providing the Board with adequate impartial information, on a timely basis, to enable the Board to make decisions.
- x. Taking remedial action where necessary and informing the Board of significant changes.
- xi. Maintaining the operational performance of the company.
- xii. Assuming full accountability to the Board for operations.
- xiii. Representing the company to major customers, stakeholders and professional associations, except in circumstances where it is more appropriate for the Chair to fulfil this role.
- xiv. Building and maintaining an effective executive team and effective management structures.
- xv. Ensuring that effective reporting mechanisms exist within the company to provide feedback at all levels of management.

Arrangements for setting pay and remuneration for key management personnel include:

- i. Assessment of current market rates of pay and remuneration.
- ii. Assessment of the particular role and associated responsibilities.
- iii. Assessment of skills and experience possessed by the individual.
- iv. Pay and remuneration of the Chief Executives is set by the Board of Directors.
- v. Pay and remuneration of key management personnel is set by the Chief Executives.
- vi. The overall pay and remuneration structure is reviewed regularly by the Audit Committee.
- vii. The Abbey Theatre uses a system of pay scales which is closely linked to public sector pay scales.
- viii. The Abbey Theatre offers a contribution of up to 5.5% to a pension scheme when matched by a similar contribution by the employee.

**Gender Equality.**

The Board adopted a Gender Equality Policy in July 2016, following the completion of the remit of the Gender Equality Committee. The executive is responsible for the implementation of the policy.

**Code of Practice for the Governance of State Bodies.**

The Board has, voluntarily, adopted the Code of Practice for the Governance of State Bodies – August 2016 where applicable to its activities and its unique circumstances. Those elements of the Code of Practice of State Bodies, deemed applicable to the Abbey Theatre, shall be implemented over the period 2017 – 2019.

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

The voluntary implementation includes:

- The Board shall determine those elements of the Code of Practice that do not apply to it, given its unique circumstances and activities.
- The Board commenced the process of self -performance evaluation in 2017 and has scheduled an external performance evaluation for 2018. This evaluation shall be extended to its other committees if deemed necessary following the evaluation in 2018.
- The Board, through its Audit and Risk Committee, keeps itself appraised of and manages its principal risks. The Audit and Risk Committee applies appropriate risk assessment procedures to keep itself informed of the risks facing the company. Risks identified are subject to risk mitigation and management processes appropriate to the risk identified.

**Accounting Records**

The measures taken by the Board of Directors to secure compliance with the requirements of sections 281 and 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 26 Lower Abbey Street, Dublin 1.

**Statement of 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 the 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.

**Post Balance Sheet Events.**

There are no matters which have occurred since the year end that would have had an impact on the ability of the Abbey Theatre to continue its remit.

**In Conclusion**

The on-going support of the Arts Council is crucial to our work and our success as Ireland's National Theatre. We continue to work closely with the Arts Council, and we are extremely grateful for their significant investment in the Abbey Theatre. We are also grateful to the government, and to the taxpayers, for the additional investment made during 2017, which enabled us to produce such a full and wide-reaching programme throughout Ireland and abroad.

We acknowledge, with heartfelt thanks, our donors, sponsors, and members, and everyone who saw an Abbey Theatre show in 2017.

As a Board we would like to thank the artists, theatre-makers, designers, stage managers and technicians who worked alongside the Abbey staff to make 2017 the success that it was. As a Board we would like to commend the

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**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (continued)**

staff of the Abbey Theatre, and particularly our Theatre Directors and their senior management team, who work so tirelessly and with such pride in their work.

As Directors, we are committed to ensuring that the Abbey Theatre plays its part in contributing to the development of the arts and culture in Ireland and on the international stage. In our new direction and focus, we seek to challenge and thrill our audiences, following a long tradition of that dates back to the Theatre's founders, W.B Yeats and Lady Augusta Gregory.



Signed:

\_\_\_\_\_  
Dr Frances Ruane



Signed:

\_\_\_\_\_  
Mr. Dónall Curtin

12<sup>th</sup> of September 2018

Date:

\_\_\_\_\_



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**DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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 the Companies Act 2014, Financial Reporting Standard (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102. 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 net movement of funds 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 judgements 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 operation.

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 net movement of funds 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 regularities.

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

Signed:   
\_\_\_\_\_   
Dr Frances Ruane

Signed:   
\_\_\_\_\_   
Mr. Dónall Curtin

Date: 12<sup>th</sup> of September 2018  
\_\_\_\_\_



## **Ard Reachtaire Cuntas agus Ciste** **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Abbey Theatre Amharclann na Mainistreach**

##### **Opinion on financial statements**

I have audited the financial statements of Abbey Theatre Amharclann na Mainistreach for the year ending 31 December 2017 as required under the provisions of section 5 of the Comptroller and Auditor (Amendment) Act 1993. The financial statements comprise the statement of financial activities (including the profit and loss account), the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of Abbey Theatre Amharclann na Mainistreach at 31 December 2017 and of its income and expenditure for 2017
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

##### **Basis of opinion**

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the company and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Conclusions related to going concern**

As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going concern basis of accounting by the directors and
- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

I have nothing to report in that regard.

##### **Opinion on matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, I report that in my opinion

- the information given in the directors' report is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Companies Act 2014.

In my opinion, the accounting records of Abbey Theatre Amharclann na Mainistreach were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

##### **Report on information other than the financial statements, and on other matters**

The directors have presented certain other information with the financial statements. This comprises the directors' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Patricia Sheehan**  
For and on behalf of the  
Comptroller and Auditor General

14 September 2018

## **STATEMENT ON INTERNAL CONTROL.**

### **Responsibility for System of Internal Control**

The Board of Directors acknowledges its responsibility for ensuring that an effective system of internal control is maintained and operated. The Board of Directors has, voluntarily, adopted the Code of Practice for the Governance of State Bodies – August 2016 where applicable. The Board of Directors has approved the implementation of the Code of Practice of State Bodies, over the period 2017 – 2019.

### **Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

### **Capacity to Handle Risk.**

The company has an Audit and Risk Committee (ARC) comprising four board members. The ARC met eight times in 2017. The company has appointed a firm of Chartered Accountants to act as Internal Auditor. A risk management policy is in place.

### **Key Control Procedures**

The Abbey Theatre has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks. The system of internal financial control is based on a framework of regular management information and administrative procedures including segregation of duties. In particular, it includes:

- Regular reviews by the Board of Directors of periodic and annual financial reports against budget;
- An accounting function which facilitates the preparation of timely management reporting against budget;
- Maintenance of a Risk Register;
- An Audit and Risk Committee which meets regularly to review the company's management accounts. The Audit and Risk Committee also considers corporate governance and reports regularly to the Board on all matters that it has considered;
- A detailed methodology is used in constructing annual budgets and productions are monitored weekly by senior management to ensure adherence to budgets;
- The company's organisation structure has been formally documented and contracts for all employees include clear guidance on responsibilities and lines of reporting;
- Management training is provided to line managers as part of an overall initiative to implement efficient management performance;
- Training is provided to up-skill staff on key information technology systems and the company's accounting systems.

### **Ongoing Monitoring and Review**

The Board's monitoring and review of the effectiveness of internal control is informed by the work of the Internal Auditor, the Audit and Risk Committee which oversees the work of the Internal Auditor, the executive managers within the company who have responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller and Auditor General in his management letter or other reports.

**STATEMENT ON INTERNAL CONTROL (continued)**

**Procurement.**

We confirm, on behalf of the Board, that procurement procedures are in place to ensure compliance with current procurement rules and guidelines, as set out by the Office of Government Procurement. During year end 31 December 2017 these procedures were complied with.

**Review of Effectiveness.**


The Abbey Theatre's monitoring and review of the effectiveness of the system of internal controls is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management with the company responsible for the development and maintenance of the internal financial control framework.


We confirm, on behalf of the Board, that a review of the effectiveness of the systems of internal control took place for the year ended 31 December 2017.

**Internal Control Issues**

No weaknesses in internal control were identified in relation to 2017 that require disclosure in the financial statements.

Signed on behalf of the Board

Signed:   
\_\_\_\_\_   
Dr Frances Ruane

Signed:   
\_\_\_\_\_   
Mr. Dónall Curtin

Date: 12<sup>th</sup> of September 2018  
\_\_\_\_\_

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING PROFIT AND LOSS ACCOUNT)  
FOR YEAR FINANCIAL ENDED 31 DECEMBER 2017**

	Note	Y/E 31.12.17			Y/E 31.12.16
		Unrestricted Funds Operations €	Restricted Funds Capital Projects €	Short Term Projects €	Total €
<b>Income From:</b>					
Donations and Legacies					
Government Grants		6,170,000	500,000	17,316	6,687,316
Other Donations		495,713	0	270,622	766,335
Total Donations and Legacies	4.1	6,665,713	500,000	287,938	7,453,651
Charitable Activities					
Operation of Theatres	4.2	2,593,919	0	0	2,593,919
Other Trading Activities	4.3	662,579	0	0	662,579
<b>Total Income</b>		<b>9,922,211</b>	<b>500,000</b>	<b>287,938</b>	<b>10,710,149</b>
<b>Expenditure On:</b>					
Charitable Activities					
Operation of Theatres	5.1	8,940,624	493,062	204,254	9,637,940
Raising Funds	5.2	1,028,173	0	3,480	1,031,653
<b>Total Expenditure</b>		<b>9,968,797</b>	<b>493,062</b>	<b>207,734</b>	<b>10,669,593</b>
<b>Net (Expenditure) / Income</b>		<b>(46,586)</b>	<b>6,938</b>	<b>80,204</b>	<b>40,556</b>
<b>Net (Expenditure) / Income and net movement in funds for the year</b>		<b>(46,586)</b>	<b>6,938</b>	<b>80,204</b>	<b>40,556</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward		488,949	2,022,314	0	2,511,263
<b>Fund Balances carried forward</b>		<b>442,363</b>	<b>2,029,252</b>	<b>80,204</b>	<b>2,511,263</b>

Approved by the board of directors on

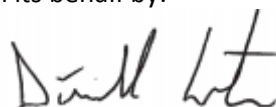
and signed on its behalf by:

Signed:



Dr Frances Ruane

Signed:



Mr. Dónall Curtin

Date:


12<sup>th</sup> of September 2018


**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	Y/E 31.12.17	Y/E 31.12.16
		€	€
<b>Fixed Assets</b>			
Tangible Assets	9	5,426,514	5,487,398
<b>Total Fixed Assets</b>		<u>5,426,514</u>	<u>5,487,398</u>
<b>Current Assets</b>			
Stock	10	11,612	16,433
Debtors	11	314,758	243,806
Cash at bank and in hand	12	3,177,146	1,737,756
<b>Total Current Assets</b>		<u>3,503,516</u>	<u>1,997,995</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(4,305,325)</u>	<u>(2,772,786)</u>
<b>Net Current (Liabilities) / Assets</b>		<b>(801,809)</b>	<b>(774,791)</b>
<b>Total assets less current liabilities</b>		4,624,705	4,712,607
<b>Creditors: Amount falling due after one year</b>	14	<u>(2,072,886)</u>	<u>(2,201,344)</u>
<b>Net Assets</b>		<u><u>2,551,819</u></u>	<u><u>2,511,263</u></u>
<b>Represented by:</b>			
Unrestricted Operation Funds	16	442,363	488,949
Restricted Funds	16	2,109,456	2,022,314
<b>Total Funds</b>		<u><u>2,551,819</u></u>	<u><u>2,511,263</u></u>

Approved by the board of directors on

and signed on its behalf by:

Signed:   
 \_\_\_\_\_  
 Dr Frances Ruane

Signed:   
 \_\_\_\_\_  
 Mr. Dónall Curtin

Date: 12<sup>th</sup> of September 2018  
 \_\_\_\_\_

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	NOTE	Y/E 31.12.17	Y/E 31.12.16
		€	€
<b>Cash flows from Operating Activities</b>			
Net cash generated from operating activities	18	<u>2,138,234</u>	<u>1,481,870</u>
<b>Cash flows from Investing Activities</b>			
Improvements to premises and acquisition of other tangible assets		(493,064)	(2,008,539)
Interest Received		<u>241</u>	<u>(2,216)</u>
<b>Net cash (used in) investing activities</b>		<u>(492,823)</u>	<u>(2,010,755)</u>
<b>Cash flows from Financing Activities</b>			
Interest Paid		(83,201)	(46,190)
Drawdown / (Repayment) of bank loans		<u>(122,820)</u>	<u>1,387,854</u>
<b>Net cash (used in)/from financing activities</b>		<u>(206,021)</u>	<u>1,341,664</u>
Net increase in cash and cash equivalents		1,439,390	812,779
Cash and cash equivalents at beginning of year		<u>1,737,756</u>	<u>924,977</u>
<b>Cash and cash equivalents at end of year</b>		<u>3,177,146</u>	<u>1,737,756</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES**

The basis of accounting and significant accounting policies adopted by Abbey Theatre Amharclann Na Mainistreach are set out below. They have been applied consistently in dealing with items which are considered material in relation to the company's financial statements throughout the year and the preceding year.

**(a) General Information**

These financial statements comprising the Statement of Financial Activity, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 27 constitute the individual financial statements of Abbey Theatre Amharclann Na Mainistreach for the financial year ended 31 December 2017.

Abbey Theatre Amharclann Na Mainistreach is a company limited by guarantee (registered under Part 18 of Companies Act 2014), incorporated in the Republic of Ireland. The Registered Office is Abbey Theatre, 26 Lower Abbey Street, Dublin 1, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Director's Report on pages 2 to 15.

**(b) Statement of Compliance**

The financial statements of Abbey Theatre Amharclann Na Mainistreach for the year ended 31 December 2017 have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102. ("The Charities SORP FRS 102").

Abbey Theatre Amharclann Na Mainistreach is a Public Benefit Entity. (PBE).

**(c) Currency**

The financial statements have been presented in Euro (€) which is also the functional currency of the company.

**1.1 Basis of preparation**

The financial statements have been prepared on the going concern basis and under the historical cost convention. The financial reporting framework that has been applied in their preparation is the Companies Act 2014, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued by the Financial Reporting Council and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 ("The Charities SORP FRS 102"). The company, as a charity, has adopted, as permitted under Companies Act 2014, the presentation format of its financial statements in accordance with the requirements of The Charities SORP FRS 102 given the special nature of its activities.

**1.2 Fund Accounting**

Unrestricted funds are those funds which can be used for any charitable purpose at the discretion of the directors; designated funds are those funds which have been set aside by the directors for particular purposes; restricted funds may only be used in accordance with the specific wishes of donors.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Incoming Resources**

The Company's incoming resources comprise:

***Donations and Legacies***

- Government Grants
- Other Donations

***Charitable Activities***

- Operation of Theatres (Box Office, Touring, Community & Education Income)

***Other Trading Activities***

- Theatre Rental
- Archival Rights
- Bar & Merchandising
- Costume Hire

All incoming resources are included in the Statement of Financial Activities when the company has legal entitlement, the amount of income can be quantified with reasonable accuracy, it is probable that the amount of the income shall be received and any performance conditions attached to the item(s) of income have been met.

Donations and Legacies comprises all incoming resources from grants, sponsorship, donations, and legacies. Such income is recognised in the appropriate fund on a receivable basis and when any conditions for receipt are met.

Where the donor-imposed conditions require that the resource is expended in a future accounting year, income is recorded as deferred income at the balance sheet date. Where the donor imposes conditions that have not been met or uncertainty exists as to whether the Abbey Theatre can meet the terms or conditions, income is deferred and recognised as a liability until it is probable that the terms and conditions imposed can be met.

Government grant income is recognised using the performance model as specified in the Charities SORP FRS 102. The Theatre receives funding from the Arts Council. Performance levels are specified in an agreement with the Arts Council. The requirements for 2017 have been met. Accordingly, all income received has been recognised in the Statement of Financial Activities.

Government grants received to fund capital projects are recognised in the Statement of Financial Activities when receivable. Such grants are recognised as restricted funds. Depreciation is charged to the relevant fund in equal instalments over the useful life of assets purchased using funds from Government grants provided for that purpose.

Goods and services received in kind, where material, are included within donation and legacies under the appropriate expenditure heading, depending on the nature of goods and services provided. These are recognised at an estimated value to the charity at the time of receipt.

Income from exploitations and rights, and other income, is recognised on a receivable basis. Income from advance members is recognised on a straight line basis over the year of subscription.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources Expended**

All expenditure is accounted for on an accruals basis, and where relevant, is classified under the relevant activity within the Statement of Financial Activities. 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.

Resources expended on raising funds comprise costs of generating donations and legacies and costs of the Abbey's commercial activities.

Charitable activities comprise the resources expended on the delivery of the Abbey's productions at both the Abbey and Peacock Theatres and on tour. The costs of governance are also included within charitable activities costs. Governance costs include legal costs, Board expenses, internal and external audit fees.

Support costs, are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include Finance and Administration personnel costs, Cleaning & Maintenance and Facilities which pertain to a number of activities. These are apportioned between Charitable Activities and Raising Funds based on best estimate of usage between these activities. Details of the apportionment are set out in note 5.

Staff costs pertaining to manning and running the bars at the Abbey and Peacock are apportioned to fundraising activities based on estimated hours incurred at the relevant employee hourly cost.

**1.5 Tangible Fixed Assets and Depreciation**

Fixed Assets are stated at cost less accumulated depreciation within the relevant fund.

Depreciation is charged to the relevant fund in the Statement of Financial Activities to write down the cost less residual value of all tangible fixed assets, other than freehold land, in equal instalments over the expected useful lives at the following annual rates:

Premises	2%
Leasehold Improvements	10%/20%
Paintings & Library	0%
Computers and Equipment	25%
Furniture, Fixtures and Fittings	10%
Auditorium Improvements	20%
Theatre Equipment	25%

Depreciation is charged for a full year in year of acquisition.

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

**1.6 Stocks**

Goods for resale comprising of bar stocks and other merchandise are valued at the lower of cost and net realisable value.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.7 Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each finance lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in creditors. The interest element of the finance cost is charged to the relevant fund in the statement of financial activities. The property, plant and equipment capitalised under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

**1.8 Pension**

The Abbey Theatre operates a defined contribution pension scheme and recognises the employer's contributions to this scheme in the relevant fund charged to the Statement of Financial Activities. In addition, the company makes contributions to a Personal Retirement Savings Account (PRSA) Scheme for certain members of staff and ex-gratia pensions are paid directly to a number of former staff members.

**1.9 Financial Instruments**

***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 2017**

**1. ACCOUNTING POLICIES (continued)**

***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, loans, trade debtors and cash. If there is objective evidence of impairment, impairment losses are recognised in the Statement of Financial Activities in that financial year.

***Resources expended on Raising Funds***

Resources expended on raising funds includes the direct costs of generating donations and legacies and the costs associated with the Abbey's non charitable trading activities including the operation of the bar, sale of merchandising and programmes, the external hire of costumes and theatre space and the provision of training services. It also includes an apportionment of indirect costs as set out in Note 5.

**1.10 Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from these estimates.

The following may involve a higher degree of judgement and complexity

- Depreciation and Residual Values

The Board has reviewed the asset lives and associated residual values of all fixed assets classes and in particular, the useful economic life of and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

- Heritage Assets

The Board exercised its judgement on the fact that the costs of the obtaining a valuation of all heritage assets is not commensurate with the benefits of doing so.

**2. GOING CONCERN**

The company relies on State funding and income from Box Office and other income sources. The Board has been notified by the Arts Council that its core funding for 2018 has been set at €6.8m with an additional €0.2m committed in relation to touring. Budgets have been prepared for 2018 and financial forecasts for 2019, which indicate positive retained reserves shall arise in both years. The Board are not aware of any matters which indicate the budget and financial forecast will not be realised. The Board believes that on the basis of the current plans and projected results, the company is viable and consequently believes it is appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**
**3. HERITAGE ASSETS AND COLLECTIONS**

Since its foundation, the Abbey Theatre has acquired through creation, purchase and donation, an archive of material which is not recognised as an asset in the Directors' Report and Financial Statements. The Board believes that because of the diverse nature of the materials held, the volume of material and the lack of comparable market values, comprehensive valuations cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements. The disclosures required under FRS102 where heritage assets are not capitalised are set out in Note 21.

While the majority of items contained in the Abbey Theatre Archive are acquired through donation, or creation by the Abbey Theatre itself, expenditure incurred in relation to the acquisition of material for the Archive is charged to the Statement of Financial Activities in the year of acquisition.

**4. INCOME**
**4.1 Donations and Legacies**

Year Ending 31/12/2017	Unrestricted Funds	Restricted Funds		Total
	Operations	Capital Projects	Short Term Projects	
	€	€	€	€
Government grants:				
Arts Council				
- Revenue grant	6,170,000			6,170,000
Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs				
- Touring grant			10,316	10,316
- Vote 33 / subhead A7		500,000		500,000
Ealaín na Gaeltachta				
- Community & education activity			2,000	2,000
British Council				
- Touring grant			5,000	5,000
	<u>6,170,000</u>	<u>500,000</u>	<u>17,316</u>	<u>6,687,316</u>
Other Donations:				
Development Income	371,201		270,622	641,823
Sundry Other Income	124,512			124,512
	<u>495,713</u>	<u>0</u>	<u>270,622</u>	<u>766,335</u>
	<u>6,665,713</u>	<u>500,000</u>	<u>287,938</u>	<u>7,453,651</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**
**4. INCOME (continued)**
**4.1 Donations and Legacies**

Year Ending 31/12/2016	Unrestricted Funds	Restricted Funds		Total
	Operations	Capital Projects	Short Term Projects	
	€	€	€	€
Government grants:				
Arts Council				
- Revenue grant	5,800,000			5,800,000
- Touring grant			88,000	88,000
Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs				
- Touring grant			397,496	397,496
- Vote 33 / subhead A7		475,000		475,000
Department of Education & Skills				
- Community & education activity			31,000	31,000
Department of Foreign Affairs				
- Touring grant			8,000	8,000
Culture Ireland				
- 1916 centenary programme	500,000			500,000
	<u>6,300,000</u>	<u>475,000</u>	<u>524,496</u>	<u>7,299,496</u>
Other Donations:				
Development Income	535,926		279,327	815,253
Lennox Robinson Trust to support theatre			76,383	76,383
Sundry Other Income	98,196			98,196
	<u>634,122</u>	<u>0</u>	<u>355,710</u>	<u>989,832</u>
	<u>6,934,122</u>	<u>475,000</u>	<u>880,206</u>	<u>8,289,328</u>

**4.2 Charitable Activities - Operation of Theatres**

	Unrestricted Funds : Operations	
	Y/E 31.12.17	Y/E 31.12.16
	€	€
Box Office	2,508,317	2,412,901
Touring Income	59,812	776,480
Community & Education	25,790	78,136
	<u>2,593,919</u>	<u>3,267,517</u>

**4.3 Other Trading Activities**

	Unrestricted Funds : Operations	
	Y/E 31.12.17	Y/E 31.12.16
	€	€
Theatre Rental	178,279	130,175
Bar & Merchandising	393,299	505,342
Costume Hire	91,001	134,328
	<u>662,579</u>	<u>769,845</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**
**5. EXPENDITURE**
**5.1 Charitable Activities - Operation of Theatres**

Year Ending 31/12/2017	Unrestricted Funds	Restricted Funds		Total
	Operations	Capital Projects	Short Term Projects	
	€	€	€	€
Production Expenses	3,608,207		0	3,608,207
Touring Expenses	32,621		156,556	189,177
General Theatre Expenses	1,258,127			1,258,127
Artistic & CEO	574,367			574,367
Literary & Archive	190,141			190,141
Sales & Customer Service	842,773			842,773
Communications	524,236			524,236
Community & Education	142,282		47,698	189,980
Financial and Administration	927,511			927,511
Facilities, Cleaning & Maintenance	779,473			779,473
Depreciation	60,886	493,062		553,948
	<u>8,940,624</u>	<u>493,062</u>	<u>204,254</u>	<u>9,637,940</u>
Year Ending 31/12/2016	Unrestricted Funds	Restricted Funds		Total
	Operations	Capital Projects	Short Term Projects	
	€	€	€	€
Production Expenses	4,192,596		16,223	4,208,819
Touring Expenses	535,745		720,791	1,256,536
General Theatre Expenses	892,792			892,792
Artistic & CEO	612,030			612,030
Literary & Archive	380,781			380,781
Sales & Customer Service	972,602			972,602
Communications	497,322			497,322
Community & Education	155,401		139,771	295,172
Financial and Administration	1,050,856			1,050,856
Facilities, Cleaning & Maintenance	833,853			833,853
Depreciation	56,369	473,432		529,801
	<u>10,180,347</u>	<u>473,432</u>	<u>876,785</u>	<u>11,530,564</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**
**5. EXPENDITURE (continued)**
**5.2 Raising Funds**

Year Ending 31/12/2017	Unrestricted Funds	Restricted Funds		Total
	Operations	Capital Projects	Short Term Projects	
	€	€	€	€
Theatre Rental	57,322			57,322
Development	440,772		3,480	444,252
Bar & Merchandising	248,481			248,481
Sundry Other Activities	18,445			18,445
Costume Hire	73,488			73,488
Finance and Administration	103,057			103,057
Facilities, Cleaning & Maintenance	86,608			86,608
	<u>1,028,173</u>	<u>0</u>	<u>3,480</u>	<u>1,031,653</u>

Year Ending 31/12/2016	Unrestricted Funds	Restricted Funds		Total
	Operations	Capital Projects	Short Term Projects	
	€	€	€	€
Theatre Rental	57,557			57,557
Development	499,049		17,208	516,257
Bar & Merchandising	446,857			446,857
Sundry Other Activities	7,659			7,659
Costume Hire	67,064			67,064
Finance and Administration	116,762			116,762
Facilities, Cleaning & Maintenance	92,650			92,650
	<u>1,287,598</u>	<u>0</u>	<u>17,208</u>	<u>1,304,806</u>

**6. COST APPORTIONMENT**
**Apportionment of Finance & Administration, Cleaning & Maintenance and Facilities**

	Year Ending 31/12/2017			Year Ending 31/12/2016		
	Charitable Activities	Raising Funds	Total	Charitable Activities	Raising Funds	Total
	€	€	€	€	€	€
Finance & Administration	927,512	103,057	1,030,569	1,050,856	116,762	1,167,618
Cleaning & Maintenance	97,870	10,874	108,744	110,654	12,295	122,949
Facilities	681,603	75,734	757,337	723,199	80,355	803,554
	<u>1,706,985</u>	<u>189,665</u>	<u>1,896,650</u>	<u>1,884,709</u>	<u>209,412</u>	<u>2,094,121</u>

Costs for the Financial & Administration, Cleaning & Maintenance and Facilities categories have been apportioned on the basis of estimated usage for both years ended 31 December 2016 and 31 December 2017 as follows :

Charitable Activities	90%
Raising Funds	10%



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**
**7. NET (EXPENDITURE) / INCOME FOR PERIOD**

The directors of the company are not remunerated for their service as directors to the company. This is in accordance with the company's memorandum of association, staff directors are remunerated for their services to the company, other than their services as a director. Costs incurred by directors in fulfilling their duties as directors, are re-imbursed by the company as follows;

		Y/E 31.12.17	Y/E 31.12.16
		€	€
Travel Expenses :	Bryan McMahon	660	4,534
	Frances Ruane	287	0
	Deirdre Kinahan	528	2,067
	Sheelagh O'Neill	0	619
	Pádraig Cusack	369	0
		<u>1,844</u>	<u>7,220</u>
Entertaining :	Bryan McMahon	0	136
	Frances Ruane	535	0
	Deirdre Kinahan	0	215
	Loretta Dignam	0	281
		<u>535</u>	<u>632</u>
Research :	Bryan McMahon	0	250
	Frances Ruane	466	0
		<u>466</u>	<u>250</u>
Training	Bryan McMahon	0	484
	Sheelagh O'Neill	0	344
	Deirdre Kinahan	0	344
	Dónall Curtin	394	1,254
	Loretta Dignam	0	344
	Paul Smith	0	344
	Jane Brennan	0	344
	Niamh Lunny	0	344
		<u>394</u>	<u>3,802</u>
Telephone Allowance :	Bryan McMahon	45	495
Remunerations to directors who are employees of the company			
	Niamh Lunny - Salary	0	47,535
	Niamh Lunny - Company Contribution to Personal Pension	0	2,611
	Kevin McFadden - Salary	44,989	0
	Kevin McFadden - Company Contribution to Personal Pension	4,524	0
	Jane Brennan - Salary *	0	1,295
Auditor's remuneration		18,000	20,000
Bank interest payable		83,201	46,190
Bank interest receivable		241	(2,216)
Depreciation		553,948	529,801

\* Ms Brennan received salary payments during the prior year relating to her engagement as an actor.

The auditors remuneration is for the audit for the company's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**
**7. NET (EXPENDITURE) / INCOME FOR PERIOD (continued)**

	Y/E 31.12.17	Y/E 31.12.16
	€	€
Entertainment/hospitality	54,014	75,460
Foreign travel	90,332	613,395
National travel	204,955	282,052
Legal	65,182	120,036
Tax	0	7,400
Financial Advisory	13,439	43,197
Public Relations / Marketing	142,587	142,323

The foreign travel cost includes the charges for (a) travel to and from Ireland by members of the creative teams and actors on various productions who reside abroad, (b) fundraising and research trips by members of the Abbey management and (c) travel, subsistence and accommodation costs associated with overseas touring.

**8. EMPLOYEES AND REMUNERATION**

	Y/E 31.12.17	Y/E 31.12.16
<b>The staff costs comprise:</b>		
	€	€
Wages and salaries	4,430,417	5,643,235
Employers' P.R.S.I.	456,068	572,039
Pension costs	121,710	152,421
	<u>5,008,195</u>	<u>6,367,695</u>
Number of employees with Gross Pay between		
€ 110,000 € 120,000	0	1
€ 100,000 € 109,999	0	1
€ 90,000 € 99,999	3	0
€ 80,000 € 89,999	0	0
€ 70,000 € 79,999	3	4
€ 60,000 € 69,999	2	4

The average number of persons employed by the company in the financial year was 126 (2016 - 157) and is analysed into the following categories:

	2017		2016	
	Headcount	€	Headcount	€
Production (including freelance theatre artists)	62	2,290,285	86	3,398,788
Sales & Customer Service	33	878,875	38	1,025,101
Administration	31	1,839,035	33	1,943,806
	<u>126</u>	<u>5,008,195</u>	<u>157</u>	<u>6,367,695</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**
**8. EMPLOYEES AND REMUNERATION (continued)**

	Y/E 31.12.17	Y/E 31.12.16
	2017	2016
	€	€
Senior Management Team Remuneration	<u>528,057</u>	<u>514,730</u>
The Chief Executive Remuneration		
Mr N Murray salary	99,850	51,845
Company Contribution to Director pension plan	7,988	4,148
Mr G McLaren salary	99,850	51,845
Company Contribution to Director pension plan	7,988	4,148

Mr Murray and Mr McLaren were appointed joint Chief Executives for a 5 year term with effect from the 4th July 2016, as Chief Executives designate, then as Chief Executives upon the expiration of Mr MacConghail's term of office in October 2016. Mr MacConghail's salary as Chief Executive including pension plan contributions was €128,438.

**9. FIXED ASSETS**

Year Ending 31/12/2017	Premises	Improvements to Premises	Painting & Library	Furniture, Fittings & Equipment	Auditorium	Total
	€	€	€	€	€	€
<b>Cost</b>						
Balance at 1 Jan	5,760,716	3,477,209	83,491	5,970,370	772,457	16,064,243
Additions	<u>0</u>	<u>222,723</u>	<u>5,215</u>	<u>173,196</u>	<u>91,930</u>	<u>493,064</u>
Balance at 31 Dec	5,760,716	3,699,932	88,706	6,143,566	864,387	16,557,307
<b>Depreciation</b>						
Balance at 1 Jan	1,854,282	2,287,142	0	5,702,285	733,136	10,576,845
Charge for Period	<u>110,869</u>	<u>242,607</u>	<u>0</u>	<u>172,256</u>	<u>28,216</u>	<u>553,948</u>
Balance at 31 Dec	1,965,151	2,529,749	0	5,874,541	761,352	11,130,793
<b>Net Book Value</b>						
At 31 December 2017	<u>3,795,565</u>	<u>1,170,183</u>	<u>88,706</u>	<u>269,025</u>	<u>103,035</u>	<u>5,426,514</u>
<b>Net Book Value</b>						
At 31 December 2016	<u>3,906,434</u>	<u>1,190,067</u>	<u>83,491</u>	<u>268,085</u>	<u>39,321</u>	<u>5,487,398</u>

Premises with a carrying value of €2,808,415 (2016 €2,869,494) are pledged as security for the company's bank loan.

**10. STOCK**

	Y/E 31.12.17	Y/E 31.12.16
	€	€
Goods for re-sale	<u>11,612</u>	<u>16,433</u>
	<u>11,612</u>	<u>16,433</u>

Stocks considered obsolete are written down to net realisable value. There were no write downs this year (2016 - €0) and the carrying value of stock at net realisable value is €11,612 (2016 - €16,433)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

<b>11. DEBTORS</b>	<b>Y/E 31.12.17</b>	<b>Y/E 31.12.16</b>
	€	€
Prepayments	130,225	145,210
Debtors	184,533	98,596
Total	<u>314,758</u>	<u>243,806</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

<b>12. CASH AT BANK AND IN HAND</b>	<b>Y/E 31.12.17</b>	<b>Y/E 31.12.16</b>
	€	€
Restricted cash at bank and in hand	1,000,000	1,000,000
Unrestricted cash at bank and in hand	2,177,146	737,756
	<u>3,177,146</u>	<u>1,737,756</u>

Restricted cash may be applied towards the acquisition of property for the Abbey Theatre.

<b>13. CREDITORS</b> (amounts falling due within one year)	<b>Y/E 31.12.17</b>	<b>Y/E 31.12.16</b>
	€	€
Trade creditors	174,281	258,429
Accruals	1,372,559	1,207,766
Deferred income	2,500,000	1,000,000
PAYE and PRSI	96,473	179,369
VAT	36,201	7,049
Bank Loan	125,811	120,173
	<u>4,305,325</u>	<u>2,772,786</u>

The repayment terms of trade creditors vary between demand and ninety days. Interest is payable to creditors if their credit terms are exceeded. Trade creditors include an amount of approximately €10,000 (2016 - €10,000) in respect of goods for which ownership is not passed until payment is made. The terms of the accruals are based on the underlying contracts.

Deferred income of €2.5m comprises (1) a donation of €1.0 m (2016 €1.0m) from a third party to assist in future property acquisitions, and (2) €1.5m relating to the 2018 funding grant receivable from the Arts Council paid in 2017. The property donation of €1.0m (2016 €1.0m) is repayable should the property acquisition not occur.

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

<b>14. CREDITORS</b> (amounts falling due after more than one year)	<b>Y/E 31.12.17</b>	<b>Y/E 31.12.16</b>
	€	€
Bank Loan	2,072,886	2,201,344
	<u>2,072,886</u>	<u>2,201,344</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**
**15. DETAILS OF BANK BORROWINGS**

	Y/E 31.12.17	Y/E 31.12.16
<b>Bank Loan</b>	€	€
Current	125,811	120,173
Non Current	2,072,886	2,201,344
<b>Total</b>	<u>2,198,697</u>	<u>2,321,517</u>

**Maturity Analysis**

<b>Year Ending 31/12/2017</b>	<b>Within one year</b>	<b>Between one &amp; five</b>	<b>After five years</b>	<b>Total</b>
	€	€	€	€
Indebtedness repayable by instalments:				
Bank Loans	125,811	503,244	1,569,642	2,198,697
	<u>125,811</u>	<u>503,244</u>	<u>1,569,642</u>	<u>2,198,697</u>
<b>Year Ending 31/12/2016</b>	<b>Within one year</b>	<b>Between one &amp; five</b>	<b>After five years</b>	<b>Total</b>
	€	€	€	€
Indebtedness repayable by instalments:				
Bank Loans	120,173	480,692	1,720,652	2,321,517
	<u>120,173</u>	<u>480,692</u>	<u>1,720,652</u>	<u>2,321,517</u>

The bank loans are secured by a fixed charge on specific freehold land and buildings, which are carried in the Balance Sheet at €2,808,415 (2016 - €2,869,494). They carry variable interest rates of 3.82% on €822,441 (2016 - 3.87% on €869,104) and 3.57% on €1,376,256 (2016 - 3.62% on €1,452,413). They are repayable by instalments over the next 13 years.

**16. ANALYSIS OF CHARITABLE FUNDS**

<b>Year Ending 31/12/2017</b>	<b>Balance 1 Jan 2017</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Funds 31 Dec 2017</b>
	€	€	€	€
<b>Unrestricted Funds</b>				
Operations	488,949	9,922,211	(9,968,797)	442,363
<b>Restricted Funds</b>				
Capital Projects	2,015,687	500,000	(493,062)	2,022,625
Short Term Projects	6,627	287,938	(207,734)	86,831
<b>Total</b>	<u>2,022,314</u>	<u>787,938</u>	<u>(700,796)</u>	<u>2,109,456</u>
<b>Year Ending 31/12/2016</b>	<b>Balance 1 Jan 2016</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Funds 31 Dec 2016</b>
	€	€	€	€
<b>Unrestricted Funds</b>				
Operations	999,197	10,971,484	(11,481,732)	488,949
<b>Restricted Funds</b>				
Capital Projects	2,014,119	475,000	(473,432)	2,015,687
Short Term Projects	6,627	880,206	(880,206)	6,627
<b>Total</b>	<u>2,020,746</u>	<u>1,355,206</u>	<u>(1,353,638)</u>	<u>2,022,314</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**
**16. ANALYSIS OF CHARITABLE FUNDS (continued)**

Restricted Funds

Capital Projects - On building and refurbishment of auditoriums and ancillary capital equipment

Short Term Projects - Restricted Funds to support certain short term projects exceeded the total cost of those projects. This surplus will be used in future years to fund restricted operations.

**17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

Year Ending 31/12/2017	Unrestricted	Restricted		Total
	Operations	Capital Projects	Short Term Projects	
	€	€	€	€
Tangible Fixed Assets	3,317,058	2,029,252	80,204	5,426,514
Cash at bank and in hand	2,177,146	1,000,000		3,177,146
Other net current assets / (liabilities)	(2,978,955)	(1,000,000)		(3,978,955)
Creditors due after more than one year	(2,072,886)			(2,072,886)
	<u>442,363</u>	<u>2,029,252</u>	<u>80,204</u>	<u>2,551,819</u>

Year Ending 31/12/2016	Unrestricted	Restricted		Total
	Operations	Capital Projects	Short Term Projects	
	€	€	€	€
Tangible Fixed Assets	3,465,084	2,022,314		5,487,398
Cash at bank and in hand	737,756	1,000,000		1,737,756
Other net current assets / (liabilities)	(1,512,547)	(1,000,000)		(2,512,547)
Creditors due after more than one year	(2,201,344)			(2,201,344)
	<u>488,949</u>	<u>2,022,314</u>	<u>0</u>	<u>2,511,263</u>

**18. CASH FLOWS FROM OPERATING ACTIVITIES**

	Y/E 31.12.17	Y/E 31.12.16
Net (Expenditure) / Income and net movement in funds for the year	40,556	(508,680)
Interest Received	(241)	2,216
Interest Paid	83,201	46,190
Depreciation	553,948	529,801
(Increase) / Decrease in Debtors	(70,952)	242,038
(Increase) / Decrease in Stocks	4,821	5,081
(Decrease) / Increase in Creditors	1,526,901	1,165,224
Cash flows from operating activities	<u>2,138,234</u>	<u>1,481,870</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**
**19. PROFIT AND LOSS ACCOUNT**

Abbey Theatre Amharclann Na Mainistreach has availed of the exemption under the Companies Act 2014 which requires the company to produce a Profit and Loss Account in accordance with the requirements of the Companies Act 2014. The exemption has been availed of as it has adopted The Charities SORP – FRS 102 which is the most appropriate financial framework applicable to its activities. The Statement of Financial Activities accounts for all of the Income and Expenditure of Abbey Theatre Amharclann Na Mainistreach.

**20. FINANCIAL INSTRUMENTS**

	Y/E 31.12.17	Y/E 31.12.16
The analysis of the carrying amounts of the financial instruments of the company required under section 11 of Accounting and Reporting by Charities (FRS102) is as follows:		
	€	€
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	129,947	69,796
Other debtors	54,586	28,800
Cash at bank, Deposit Account and in hand	3,177,146	1,737,756
Financial liabilities measured at amortised cost		
Bank loans	2,198,697	2,321,517
Trade creditors	174,281	258,429

**21. COMMITMENTS**

Operating Leases

Leasing commitments payable during the next twelve months amount to €242,205 (2016: €241,488)

**Amounts payable under lease to the end  
of the lease term/earliest break option**

	Y/E 31.12.17	Y/E 31.12.16
	€	€
Within 1 year	242,205	241,488
Between 2 to 5 years	923,187	943,187
After 5 years	649,492	868,622
	<u>1,814,884</u>	<u>2,053,297</u>

**22. HERITAGE ASSETS AND COLLECTIONS**

As outlined in Accounting Policy 3, the value of the Abbey Theatre Archive is not included in the Directors' Report and Financial Statements.

(a) Nature, scale and purpose of the Abbey Theatre Archive

The Abbey Theatre Archive collects, preserves and makes available material of enduring value relating to the Abbey Theatre. Comprising over one million items, dating from 1894 to the present, it is one of the world's most significant theatre collections. The collection includes posters, programmes, handbills, photographs, lighting plans, set and costume designs, scripts, prompt scripts, music scores, audio and audio-visual files, press cuttings, correspondence, administrative records, model boxes and other material. The collection attracts a wide research audience both nationally and internationally.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**23. RELATED PARTY TRANSACTIONS**

The Abbey engaged the spouse of one of the Chief Executives Graham McLaren, during the year ended 31 December 2017 as an actor in the Peacock production of "What Put the Blood".

The remuneration paid to Julie McLaren for the production was €3,437.53.  
Refer to note 8 for key management compensation.

**24. CHARITABLE STATUS**

Charitable status was granted to the National Theatre Society Ltd. on 30<sup>th</sup> March 1999 (Section 207 of the Taxes Consolidation Act 1997), and on 23<sup>rd</sup> May 2002 (Section 208 of the Taxes Consolidation Act 1997).  
Charity Taxation No. CHY 12923. The company is not liable to taxation on its activities. The Society's charitable status was transferred to Abbey Theatre Amharclann Na Mainistreach on 1<sup>st</sup> February 2006.

**25. ESTABLISHMENT OF US ENTITY**

Abbey Theatre Foundation Inc. is an independent US company whose objectives include raising funds for the Abbey Theatre in the United States. During 2017 the Board paid €38,724 (2016 - €21,918) as a contribution towards the secretarial services for the Foundation. These costs are included in Administration charges.

**26. BOARD MEMBERS - DISCLOSURE OF TRANSACTIONS**

In the normal course of business the company may enter into contractual arrangements with undertakings in which Board members have interests. The company adopted procedures in accordance with guidelines issued by the Department of Public Expenditure & Reform in relation to the disclosure of interests by Board members and the company adhered to these procedures during the year. The Board members and the company complied with the Department of Public Expenditure & Reform guidelines covering situations of personal interest. In cases of potential conflict of interest Board members did not participate in or attend any Board discussions relating to the matter.

**27. APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements were approved by the Board of Directors on 12<sup>th</sup> of September 2018.