

Registered number: 212420

**IRELAND LITERATURE EXCHANGE
IDIRMHALARTAN LITRIOCHT EIREANN
COMPANY LIMITED BY GUARANTEE**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

**84 Northumberland Road
Ballsbridge
Dublin 4**

**Duignan Carthy O'Neill Limited
Chartered Accountants
Registered Auditors**

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

COMPANY INFORMATION

Directors	Ciara Higgins (resigned 1 July 2022) Martin Doyle Gerald Dawe (resigned 31 December 2021) Declan Meade John Roche Frank Callanan (resigned 1 July 2022) Alison Lyons (Chairperson) Martín Veiga Anne Barrington Lisa Coen (appointed 1 July 2022) Danielle McLaughlin (appointed 1 July 2022) Patrick Prendergast (appointed 1 July 2022)
Company secretary	Sinéad MacAodha
Registered number	212420
Registered office	T.C.L.C.T 36 Fenian Street Trinity College Dublin 2
Independent auditors	Duignan Carthy O'Neill Limited 84 Northumberland Road Ballsbridge Dublin 4
Bankers	Allied Irish Bank 1 Lower Baggot Street Dublin 2
Solicitors	Hayes Solicitors Lavery House Earlsfort Terrace Dublin 2

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the Directors to prepare the 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 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

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

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

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

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

Principal activities

The principal activity of the company is the promotion of the Literature of Ireland in translation through the provision of grant aid to publishers internationally and in Ireland.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Business review

The company is the national organisation for the international promotion of Irish literature, in English and Irish. It does this primarily by offering translation grants to international publishers. It also offers residential bursaries to literary translators, organises translator and author events at international festivals and participates regularly in the major world book fairs.

A not-for profit organisation, Ireland Literature Exchange (t/a Literature Ireland) is funded by the Arts Council of Ireland and Culture Ireland. Established in 1994, Literature Ireland has funded the translation of over 2,000 works of Irish literature into 56 languages around the world.

In the opinion of the directors, the state of affairs of the company is satisfactory and there is no material change since the balance sheet date. The company recorded a surplus €4,445 this year and the cumulative deficit of €2,911 existing last year has now changed to a surplus of €1,534 as at 31 December 2021. Further details are set out in note 2.2 to the accounts. The directors are confident that the company will operate at an overall surplus in future years to allow it to eliminate the deficit over the coming year.

The profit for the year, after taxation, amounted to €4,445 (2020 - €13,275).

Directors and their interests

The Directors who served during the year were:

Ciara Higgins (resigned 1 July 2022)
Martin Doyle
Gerald Dawe (resigned 31 December 2021)
Declan Meade
John Roche
Frank Callanan (resigned 1 July 2022)
Alison Lyons (Chairperson)
Martín Veiga
Anne Barrington

The company is limited by guarantee and does not have any share capital. There are 7 directors of the company, all of whom are members of the company. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he/she is a member or within one year after he/she ceases to be a member, for payment of the debts and liabilities of the company contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding two euro.

At the annual general meeting in every third year, three of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office. The directors to retire in every third year shall be those who have been longest in office since the last election, but as between persons who become directors on the same day. A retiring director shall be eligible for re-election for a term or terms of office which, when aggregated, do not exceed six years.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Investment powers and policy

In accordance with the Memorandum and Articles of Association, the company has the power to invest in any way the directors' decide.

Principal risks and uncertainties

The directors are aware of the risks to which the company is exposed, in particular those related to the operations and finances of the organisation and the requirement to agree future funding with its grant donors and are satisfied that systems are in place to mitigate exposure to risk.

The effect of Covid-19 presents many risks for the company, the effects of which cannot be fully quantified at the time of approving the financial statements. As a result, the directors consider the implications of the Covid-19 pandemic to be a significant uncertainty at the time of approving the financial statements.

Although the effects cannot be fully determined, the directors believe that the main risks associated with Covid-19 are as follows;

- an initial slow down in trading activity during the period of temporary closure
- a prolonged period of government recommendations and restrictions on the movement of people to contain the virus
- a potential reduction in economic activity following the recommencement of trading which may result in reduced consumer spending and demand for the company's services
- a reduction in asset values

Health and safety of employees

The well-being of the Company's employees is safeguarded through strict adherence to health and safety standards. Health and safety legislation imposes certain requirements on employers and the Company has taken the necessary action to ensure compliance with the legislation, including the adoption of a Safety Statement.

Environmental matters

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

Accounting records

The measures taken by the Directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at the Centre for Literary Translation, Trinity College, Dublin 2.

Future developments

The directors are not expecting to make any significant changes in the nature of the business in the near future. In planning its future activities, the directors will seek to develop the company's activities whilst managing the effects of the difficult trading period caused by this outbreak.

Research and development activities

There was no research and development expenditure during the year.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Statement on relevant audit information

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

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

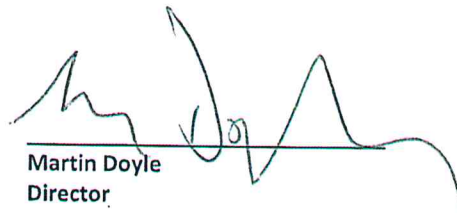
Auditors

The auditors, Duignan Carthy O'Neill Limited, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.



**Alison Lyons (Chairperson)
Director**



**Martin Doyle
Director**

Date: 1 July 2022

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ireland Literature Exchange Idirmhalmartan Litriocht Eireann Company Limited By Guarantee (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Funds and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IRELAND LITERATURE EXCHANGE IDIRMHALARTAN
LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE (CONTINUED)**

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

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

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

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

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

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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

Respective responsibilities and restrictions on use

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <https://www.iaasa.ie/Publications/Auditing-standards>. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IRELAND LITERATURE EXCHANGE IDIRMHALARTAN
LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE (CONTINUED)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.


Timothy F. Carthy

for and on behalf of
Duignan Carthy O'Neill Limited

84 Northumberland Road
Ballsbridge
Dublin 4

1 July 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 €	2020 €
Turnover	5	639,812	476,808
Cost of sales		(334,281)	(237,484)
Gross profit		305,531	239,324
Distribution costs		(40,242)	(1,595)
Administrative expenses		(260,844)	(222,093)
Operating profit	6	4,445	15,636
Tax on profit		-	(2,361)
Profit for the financial year		4,445	13,275
Other comprehensive income			
Total comprehensive income for the financial year		4,445	13,275

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

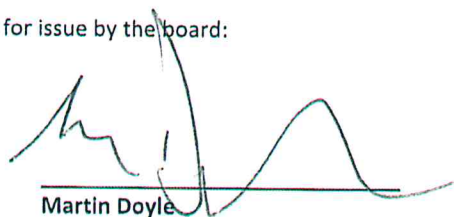
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 €	2020 €
Fixed assets			
Tangible assets	9	6,358	16,158
		<u>6,358</u>	<u>16,158</u>
Current assets			
Debtors: amounts falling due within one year	10	49,664	54,581
Cash at bank and in hand	11	196,232	145,933
		<u>245,896</u>	<u>200,514</u>
Creditors: amounts falling due within one year	12	(250,720)	(219,583)
Net current liabilities		<u>(4,824)</u>	<u>(19,069)</u>
Total assets less current liabilities		<u>1,534</u>	<u>(2,911)</u>
Net assets/(liabilities)		<u>1,534</u>	<u>(2,911)</u>
Capital and reserves			
Profit and loss account	14	1,534	(2,911)
Shareholders' funds		<u>1,534</u>	<u>(2,911)</u>

The financial statements were approved and authorised for issue by the board:



Alison Lyons (Chairperson)
Director



Martin Doyle
Director

Date: 1 July 2022

The notes on pages 12 to 22 form part of these financial statements.

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Reserves €	Total funds €
At 1 January 2020	(16,186)	(16,186)
Comprehensive income for the year		
Surplus for the year	13,275	13,275
At 1 January 2021	<u>(2,911)</u>	<u>(2,911)</u>
Comprehensive income for the year		
Surplus for the year	4,445	4,445
At 31 December 2021	<u><u>1,534</u></u>	<u><u>1,534</u></u>

The notes on pages 12 to 22 form part of these financial statements.

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 €	2020 €
Cash flows from operating activities		
Profit for the financial year	4,445	13,275
Adjustments for:		
Depreciation of tangible assets	11,698	11,058
Taxation charge	-	2,361
Decrease in debtors	7,001	2,312
Increase in creditors	35,947	87,049
Corporation tax (paid)/received	(4,445)	-
Net cash generated from operating activities	<u>54,646</u>	<u>116,055</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,898)	(3,402)
Net cash from investing activities	<u>(1,898)</u>	<u>(3,402)</u>
Net increase in cash and cash equivalents	<u>52,748</u>	<u>112,653</u>
Cash and cash equivalents at beginning of year	142,162	29,509
Cash and cash equivalents at the end of year	<u><u>194,910</u></u>	<u><u>142,162</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	196,232	145,933
Bank overdrafts	(1,322)	(3,771)
	<u><u>194,910</u></u>	<u><u>142,162</u></u>

The notes on pages 12 to 22 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Ireland Literature Exchange Idirmhalmartan Litriocht Eireann Company Limited by Guarantee ('Literature Ireland' or 'the company') is a company registered in Ireland, which was incorporated under the Companies Act 2014 in February 1994 and is a company limited by guarantee not having a share capital.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements, disclose a surplus of €4,445 in 2021 (2020: surplus €13,275) and a qualitative surplus of assets over liabilities of €1,534 as at 31 December 2021 (2020: deficit €2,911). The company is entirely reliant on continued grant funding from government and state agencies.

The company has successfully negotiated the difficulties encountered in the period when Covid-19 related restrictions were imposed and is now operating normally, albeit with some flexible working arrangements to facilitate staff working from home. The company has secured grant funding for the 2022 year and has every expectation is continued level of funding for 2023 and subsequent years.

Management review the company's cash flow and payment commitments on a regular basis and are confident that the company has sufficient funding to continue its normal planned activities for at least the next twelve months.

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

The directors are satisfied that sufficient sources of funding will enable the company to continue to operate for the foreseeable future. These views are based on the company's plans and on the successful outcome of ongoing discussions with the various agencies which provide the company with its main sources of funding (Note 16).

2.3 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.5 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%
Office equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

Going Concern

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

Useful Lives of Tangible Fixed Assets

Long-lived assets comprising primarily of property represent a significant portion of total assets. The annual depreciation and amortisation charge depends primarily on the estimated lives of each property and the estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation of the fixed assets and the amortisation of the capital grants during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Grant conditions

Name of Grantor: The Arts Council
Name of Grant: Annual Funding 2021 (A099202)
Amount of Grant: €266,800
Purpose of Grant: Building international readership for Irish literature, deepening awareness and appreciation of Irish writers, supporting and developing the careers of Irish writers.

Name of Grantor: Culture Ireland
Name of Grant: 2021 Grant Funding
Amount of Grant: €367,192
Purpose of Grant: Culture Ireland grant to support the promotion of Irish literature abroad through translation grants and promotional initiatives.

Name of Grantor: Mr Noel Fahy
Name of Grant: 2021 Grant Funding
Amount of Grant: €4,000
Purpose of Grant: Mr Noel Fahy's grant is to support translator residencies (bursaries) through summer work shops in the promotion of Irish literature in Dublin.

Name of Grantor: Dublin City Council
Name of Grant: 2021 Grant Funding
Amount of Grant: €1,737
Purpose of Grant: Dublin City Council grant to support the promotion of Irish literature in the city of Dublin.

5. Income

An analysis of turnover by class of business is as follows:

	2021	2020
	€	€
Culture Ireland	367,192	229,608
The Arts Council	266,800	247,200
Mr Noel Fahy	4,000	-
Dublin City Council	1,737	-
Department of Foreign Affairs	83	-
	<u>639,812</u>	<u>476,808</u>

The income of the company for the year has been derived from grant support received in Ireland.

In the financial statements for the year ended 31 December 2020, an amount of €19,200 was misposted as a grant received from Culture Ireland when it should have been allocated as a grant received from the Arts Council.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Surplus/(deficit) on ordinary activities before taxation

The operating profit is stated after charging:

	2021	2020
	€	€
Depreciation of tangible fixed assets	11,698	11,058
Defined contribution pension cost	5,550	3,300
	<u>17,248</u>	<u>14,358</u>

7. Employees

The average monthly number of employees, including the Directors, during the year was as follows:

	2021	2020
	No.	No.
	4	3
	<u>4</u>	<u>3</u>

8. Taxation

	2021	2020
	€	€
Corporation tax		
Current tax on profits for the year	139	2,361
Adjustments in respect of previous periods	(139)	-
	<u>-</u>	<u>2,361</u>
Total current tax	<u>-</u>	<u>2,361</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>2,361</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in Ireland of 12.5% (2020 - 12.5%) as set out below:

	2021 €	2020 €
Profit on ordinary activities before tax	4,445	15,636
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2020 - 12.5%)	556	1,955
Effects of:		
Expenses not deductible for tax purposes	359	-
Capital allowances for year in excess of depreciation	698	1,101
Utilisation of tax losses	-	(695)
Adjustments to tax charge in respect of prior periods	(1,613)	-
Total tax charge for the year	-	2,361

Factors that may affect future tax charges

The future rates of Irish taxation may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Tangible fixed assets

	Fixtures and fittings €	Office equipment €	Total €
Cost or valuation			
At 1 January 2021	49,534	34,816	84,350
Additions	453	1,445	1,898
At 31 December 2021	<u>49,987</u>	<u>36,261</u>	<u>86,248</u>
Depreciation			
At 1 January 2021	40,813	27,379	68,192
Charge for the year on owned assets	6,413	5,285	11,698
At 31 December 2021	<u>47,226</u>	<u>32,664</u>	<u>79,890</u>
Net book value			
At 31 December 2021	<u>2,761</u>	<u>3,597</u>	<u>6,358</u>
At 31 December 2020	<u>8,721</u>	<u>7,437</u>	<u>16,158</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Debtors

	2021	2020
	€	€
Trade debtors	-	3,052
Corporation tax refund	2,084	-
Prepayments	47,580	51,529
	<u>49,664</u>	<u>54,581</u>

11. Cash and cash equivalents

	2021	2020
	€	€
Cash at bank and in hand	196,232	145,933
Less: amounts owed to credit institutions	(1,322)	(3,771)
	<u>194,910</u>	<u>142,162</u>

12. Creditors: Amounts falling due within one year

	2021	2020
	€	€
Amounts owed to credit institutions	1,322	3,771
Grant creditors	109,360	117,827
Other Creditors	3,100	-
Corporation tax	-	2,361
Taxation and social insurance	10,835	10,959
Accruals	11,420	7,595
Deferred income	114,683	77,070
	<u>250,720</u>	<u>219,583</u>

Funds of €97,170 were received from the Arts Council, €2,000 from Mr Noel Fahy and €15,513 from DCC for projects to be started in 2022.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Financial instruments

	2021	2020
	€	€
Financial assets		
Financial assets measured at fair value through profit or loss	<u>196,232</u>	<u>145,933</u>
Financial liabilities		
Other financial liabilities measured at fair value through profit or loss	<u>(132,752)</u>	<u>(145,388)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank.

Financial liabilities measured at fair value through profit or loss comprise overdraft, creditors and accruals.

14. Reserves**Profit and loss account**

The income and expenditure account represents cumulative gains and losses recognised in income & expenditure account, net of transfers to/from other reserves.

15. Key management personnel compensation

The compensation paid to key management personnel during the year ended 31 December 2021 was €70,719 (2020: €68,100).

16. Related party transactions

No director was paid a salary in 2021 but some directors were reimbursed for costs incurred by them personally on travel and accommodation on behalf of the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Post balance sheet events

Although the company made a surplus in 2021, the directors are conscious that the company has accumulated profits of €1,534 at year end. However, grant funding has been confirmed at €681,513 for 2022 and the company continues to reduce costs and therefore the directors are confident that the company will operate at an overall surplus in future years to allow it to eliminate the deficit in the coming years.

	Budget 2022	Actual 2021
	€	€
Culture Ireland	339,000	367,192
The Arts Council	325,000	266,800
Mr Noel Fahy	2,000	4,000
Dublin City Council	15,513	1,737
Department of Foreign Affairs	-	83
	<u>681,513</u>	<u>639,812</u>

18. Controlling party

The company is controlled by its members and board of directors.

19. Approval of financial statements

The board of Directors approved these financial statements for issue on 1 July 2022

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 €	2020 €
Turnover		639,812	476,808
Cost Of Sales		<u>(334,281)</u>	<u>(237,484)</u>
Gross profit		<u>305,531</u>	<u>239,324</u>
Gross profit %		47.8 %	50.2 %
Less: overheads			
Selling and distribution expenses		(40,242)	(1,595)
Administration expenses		<u>(260,844)</u>	<u>(222,093)</u>
Operating profit		4,445	15,636
Tax on profit on ordinary activities		-	<u>(2,361)</u>
Profit for the year		<u>4,445</u>	<u>13,275</u>

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	€	€
Grant Income		
Department of Foreign Affairs	83	-
Dublin City Council	1,737	-
Mr Noel Fahy	4,000	-
Culture Ireland	367,192	229,608
The Arts Council	266,800	247,200
	<u>639,812</u>	<u>476,808</u>
	2021	2020
	€	€
Cost of sales		
Translation grants	234,498	180,042
Bursary payments	6,555	5,953
Special projects	70,187	35,320
Readers fees	23,041	16,169
	<u>334,281</u>	<u>237,484</u>
	2021	2020
	€	€
Bookfair & promotion expenses		
Frankfurt bookfair	37,540	600
London bookfair	498	995
Japan & South Korea promotions	2,204	-
	<u>40,242</u>	<u>1,595</u>

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 €	2020 €
Administration expenses		
Staff salaries	143,845	134,055
Employers PRSI	14,884	14,464
Staff pension costs - defined contribution schemes	5,550	3,300
Staff training	4,692	3,304
Hotels, subsistence & meals	2,446	507
Consultancy	8,500	-
Printing and stationery	1,831	2,434
Postage	3,358	3,763
Telephone and fax	1,180	962
Computer costs	8,633	5,414
General office expenses	1,481	1,630
Advertising and promotion	1,795	106
Trade subscriptions	379	60
Auditors' remuneration	5,020	5,023
Accountancy fees	4,068	5,419
Bank charges	1,504	1,274
Insurances	1,392	1,014
Depreciation	11,698	11,058
Board expenses	1,957	163
Promotional materials	27,691	22,151
Travel	3,860	2,112
Meeting expenses	613	522
Books	4,467	3,358
	<u>260,844</u>	<u>222,093</u>