Registered number: 212420

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

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2020

| | |
|---|---|
| 84 Northumberland Road | Duignan Carthy O'Neill Limited |
| Ballsbridge | Chartered Accountants |
| Dublin 4 | Registered Auditors |

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | Ciara Higgins<br>Martin Doyle<br>Gerald Dawe<br>Declan Meade<br>John Roche<br>Frank Callanan<br>Alison Lyons (Chairperson)<br>Martín Veiga<br>Anne Barrington |
| **Company secretary** | Sinéad MacAodha |
| **Registered number** | 212420 |
| **Registered office** | T.C.L.C.T<br>36 Fenian Street<br>Trinity College<br>Dublin 2 |
| **Independent auditors** | Duignan Carthy O'Neill Limited<br>84 Northumberland Road<br>Ballsbridge<br>Dublin 4 |
| **Bankers** | Ulster Bank<br>157 Phibsborough road<br>Phibsborough<br>Dublin 7 |
| **Solicitors** | Hayes Solicitors<br>Lavery House<br>Earlsfort Terrace<br>Dublin 2 |

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

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DUIGNAN CARTHY O'NEILL LIMITED

## DIRECTORS' REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their annual report and the audited financial statements for the year ended 31 December 2020.

**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 2020

**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 of €13,275 this year and the cumulative deficit of €16,186 existing last year is now reduced to €2,911 at 31 December 2020. 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 €13,275 *(2019 - €23,544)*.

**Directors and their interests**

The Directors who served during the year were:

Ciara Higgins
Martin Doyle
Noel Fahey (Chairperson) Retired
Gerald Dawe
Declan Meade
John Roche
Frank Callanan
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 2020

**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.

In the first half of 2020, the outbreak of Covid-19 spread throughout Asia, Europe and Worldwide. The initial impact of this has been severe and has resulted in a significant worldwide slowdown in economic activity. In Ireland, the economic impact of this pandemic has been characterised by the temporary closure of many businesses in "non-essential" areas to ensure that people's movements are restricted in order to slow down the spread of the virus. 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.

## DIRECTORS' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2020

**Research and development activities**

There was no research and development expenditure during the year.

**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 on 16 July 2021 and signed on its behalf.

**Frank Callanan**
**Director**

**Declan Meade**
**Director**

**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 Idirmhalartan Litriocht Eireann Company Limited By Guarantee (the 'Company') for the year ended 31 December 2020, 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 2020 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.

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

**Emphasis of matter**

Without qualifying our opinion, we draw your attention to Note 2.2 in the financial statements which indicates that the company has incurred significant accumulated trading losses to date and continues to be reliant on the financial and operational support of grant income received by grant donors. These circumstances indicate the existence of a potential material uncertainty which could cast doubt on the company's ability to continue as a going concern. However, the relevant bodies have undertaken to continue to provide financial support through grant aid, and based on these undertakings, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

**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 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.

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

**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.

**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

Timothy F. Carthy

for and on behalf of
**Duignan Carthy O'Neill Limited**

84 Northumberland Road
Ballsbridge
Dublin 4

16 July 2021

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 € | 2019 € |
|---|---|---|---|
| Turnover | 5 | **476,808** | *498,009* |
| Cost of sales | | **(237,484)** | *(186,058)* |
| **Gross profit** | | **239,324** | *311,951* |
| Bookfair & promotion costs | | **(1,595)** | *(86,301)* |
| Administrative expenses | | **(222,093)** | *(202,106)* |
| **Operating Surplus** | 6 | **15,636** | *23,544* |
| Tax on profit | | **(2,361)** | - |
| **Surplus for the financial year** | | **13,275** | *23,544* |
| **Tax** | | | |
| **Total comprehensive income for the financial year** | | **13,275** | *23,544* |

## BALANCE SHEET
## AS AT 31 DECEMBER 2020

| | Note | | 2020 € | | 2019 € |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 8 | | **16,158** | | *23,814* |
| | | | **16,158** | | *23,814* |
| **Current assets** | | | | | |
| Debtors: amounts falling due within one year | 9 | **54,581** | | *62,838* | |
| Cash at bank and in hand | 10 | **145,933** | | *33,250* | |
| | | **200,514** | | *96,088* | |
| Creditors: amounts falling due within one year | 11 | **(219,583)** | | *(136,088)* | |
| **Net current liabilities** | | | **(19,069)** | | *(40,000)* |
| **Total assets less current liabilities** | | | **(2,911)** | | *(16,186)* |
| **Net liabilities** | | | **(2,911)** | | *(16,186)* |
| **Capital and reserves** | | | | | |
| Profit and loss account | 13 | | **(2,911)** | | *(16,186)* |
| **Shareholders' funds** | | | **(2,911)** | | *(16,186)* |

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

**Frank Callanan**
**Director**

**Declan Meade**
**Director**

Date: 16 July 2021

The notes on pages 12 to 19 form part of these financial statements.

## STATEMENT OF CHANGES IN FUNDS
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Reserves | Total funds |
|---|---|---|
| | € | € |
| **At 1 January 2019** | **(39,730)** | **(39,730)** |
| **Comprehensive income for the year** | | |
| Surplus for the year | **23,544** | **23,544** |
| **At 1 January 2020** | **(16,186)** | **(16,186)** |
| **Comprehensive income for the year** | | |
| Surplus for the year | **13,275** | **13,275** |
| **At 31 December 2020** | **(2,911)** | **(2,911)** |

The notes on pages 12 to 19 form part of these financial statements.

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 € | *2019 €* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit for the financial year | **13,275** | *23,544* |
| **Adjustments for:** | | |
| Depreciation of tangible assets | **11,058** | *8,388* |
| Taxation charge | **2,361** | *-* |
| Decrease/(increase) in debtors | **312** | *(44,640)* |
| Increase in creditors | **89,049** | *33,123* |
| **Net cash generated from operating activities** | **116,055** | *20,415* |
| **Cash flows from investing activities** | | |
| Purchase of tangible fixed assets | **(3,402)** | *(11,523)* |
| **Net cash from investing activities** | **(3,402)** | *(11,523)* |
| **Net increase in cash and cash equivalents** | **112,653** | *8,892* |
| Cash and cash equivalents at beginning of year | **29,509** | *20,617* |
| **Cash and cash equivalents at the end of year** | **142,162** | *29,509* |
| **Cash and cash equivalents at the end of year comprise:** | | |
| Cash at bank and in hand | **145,933** | *33,250* |
| Bank overdrafts | **(3,771)** | *(3,741)* |
| | **142,162** | *29,509* |

The notes on pages 12 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

## 1. General information

Ireland Literature Exchange Idirmhalartan 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 €13,275 in 2020 (2019: surplus €23,544) but there is still an excess of liabilities over assets of €2,911 as at 31 December 2020 (2019: deficit €16,186). The company is entirely reliant on continued grant funding from government and state agencies.

During the first quarter of 2020, The Covid-19 pandemic has spread initially from Asia to Europe and subsequently worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are restrictions placed on “non-essential” businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus.

The Company has continued to operate during this period and has seen a significant effect on its operating activities as a result of the virus. The directors have prepared budgets for the upcoming 12 months which show that the company will continue as a going concern.

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.

## 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.

## 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.

## 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.

## 4. Grant conditions

**Name of Grantor:** The Arts Council
**Name of Grant:** Annual Funding 2020 (A099202)
**Amount of Grant:** €262,020
**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:** 2020 Grant Funding
**Amount of Grant:** €229,608
**Purpose of Grant:** Culture Ireland grant to support the promotion of Irish literature abroad through translation grants and promotional initiatives.

## 5. Income

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

| | **2020** | *2019* |
|---|---|---|
| | **€** | *€* |
| Culture Ireland | **229,608** | *293,772* |
| The Arts Council | **247,200** | *200,000* |
| Irish Embassy in China | - | *4,237* |
| | **476,808** | *498,009* |

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

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

The operating profit is stated after charging:

| | 2020<br>€ | *2019*<br>*€* |
|---|---|---|
| Depreciation of tangible fixed assets | 11,058 | *8,388* |
| Defined contribution pension cost | 3,300 | *3,300* |

## 7. Employees

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

| | 2020<br>No. | *2019*<br>*No.* |
|---|---|---|
| | 4 | *3* |

## 8. Tangible fixed assets

| | Fixtures and fittings<br>€ | Office equipment<br>€ | Total<br>€ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 January 2020 | 49,020 | 31,928 | 80,948 |
| Additions | 515 | 2,887 | 3,402 |
| At 31 December 2020 | 49,535 | 34,815 | 84,350 |
| **Depreciation** | | | |
| At 1 January 2020 | 34,559 | 22,575 | 57,134 |
| Charge for the year on owned assets | 6,255 | 4,803 | 11,058 |
| At 31 December 2020 | 40,814 | 27,378 | 68,192 |
| **Net book value** | | | |
| At 31 December 2020 | 8,721 | 7,437 | 16,158 |
| *At 31 December 2019* | *14,461* | *9,353* | *23,814* |

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

### 9. Debtors

| | 2020<br>€ | *2019*<br>*€* |
|---|---|---|
| Trade debtors | **3,052** | *4,937* |
| Other debtors | - | *6,251* |
| Prepayments | **51,529** | *51,650* |
| | **54,581** | *62,838* |

### 10. Cash and cash equivalents

| | 2020<br>€ | *2019*<br>*€* |
|---|---|---|
| Cash at bank and in hand | **145,933** | *33,250* |
| Less: amounts owed to credit institutions | **(3,771)** | *(3,741)* |
| | **142,162** | *29,509* |

### 11. Creditors: Amounts falling due within one year

| | 2020<br>€ | *2019*<br>*€* |
|---|---|---|
| Overdrafts owed to credit institutions | **3,771** | *3,741* |
| Trade creditors | **117,827** | *114,546* |
| Corporation tax | **2,361** | - |
| Taxation and social insurance | **10,959** | *9,990* |
| Accruals | **7,595** | *7,811* |
| Deferred income | **77,070** | - |
| | **219,583** | *136,088* |

Funds of €71,070 were received from the Arts Council & €6,000 from Mr Noel Fahy for projects to be started in 2021.

## 12. Financial instruments

| | 2020<br>€ | *2019*<br>*€* |
|---|---|---|
| **Financial assets** | | |
| Financial assets measured at fair value through profit or loss | **145,933** | *33,250* |
| **Financial liabilities** | | |
| Other financial liabilities measured at fair value through profit or loss | **(145,388)** | *(126,098)* |

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.

## 13. 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.

## 14. Key management personnel compensation

The compensation paid to key management personnel during the year ended 31 December 2020 was €68,100 (2019: €68,100)

## 15. Related party transactions

No director was paid a salary in 2020 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 2020**

## 16. Post balance sheet events

Although the company made a surplus in 2020, the directors are conscious that the company has accumulated losses of €2,911 year end. However, grant funding has been confirmed at €586,000 for 2021 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 2021** | *Actual 2020* |
|---|---|---|
| | **€** | *€* |
| Culture Ireland | **330,000** | *229,608* |
| The Arts Council | **250,000** | *247,200* |
| Mr Noel Fahy | **6,000** | - |
| | **586,000** | *476,808* |

## 17. Controlling party

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

## 18. Approval of financial statements

The board of Directors approved these financial statements for issue on 16 July 2021

## DETAILED PROFIT AND LOSS ACCOUNT
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020<br>€ | 2019<br>€ |
|---|---|---|---|
| Turnover | | 476,808 | 498,009 |
| Cost Of Sales | | (237,484) | (186,058) |
| **Gross profit** | | 239,324 | 311,951 |
| **Gross profit %** | | 50.2 % | 62.6 % |
| **Less: overheads** | | | |
| Bookfair & Promotion expenses | | (1,595) | (86,301) |
| Administration expenses | | (222,093) | (202,106) |
| **Operating profit** | | 15,636 | 23,544 |
| Tax on profit on ordinary activities | | (2,361) | - |
| **Profit for the year** | | 13,275 | 23,544 |

## SCHEDULE TO THE DETAILED ACCOUNTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 | 2019 |
|---|---|---|
| | € | € |
| **Turnover** | | |
| Culture Ireland | **229,608** | *293,772* |
| The Arts Council | **247,200** | *200,000* |
| Irish Embassy in China | - | *4,237* |
| | **476,808** | *498,009* |

| | 2020 | 2019 |
|---|---|---|
| | € | € |
| **Cost of sales** | | |
| Translation grants | **180,042** | *133,305* |
| Bursary payments | **5,953** | *2,873* |
| Translator in residence | - | *6,522* |
| Special projects | **35,320** | *29,873* |
| Readers' fees | **16,169** | *13,485* |
| | **237,484** | *186,058* |

| | 2020 | 2019 |
|---|---|---|
| | € | € |
| **Bookfair & promotion expenses** | | |
| Frankfurt bookfair | **600** | *35,481* |
| London bookfair | **995** | *43,923* |
| Beijing bookfair | - | *6,897* |
| | **1,595** | *86,301* |

IRELAND LITERATURE EXCHANGE IDIRMHALARTAN LITRIOCHT EIREANN COMPANY LIMITED BY GUARANTEE

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020<br>€ | 2019<br>€ |
|---|---|---|
| **Administration expenses** | | |
| Staff salaries | 134,055 | 130,167 |
| Employers PRSI | 14,464 | 13,644 |
| Staff pension costs - defined contribution schemes | 3,300 | 3,300 |
| Staff training | 3,304 | - |
| Hotels, travel and subsistence | 507 | 1,547 |
| Printing and stationery | 2,434 | 2,245 |
| Postage | 3,763 | 2,734 |
| Telephone | 962 | 1,953 |
| Computer costs | 5,414 | 3,997 |
| General office expenses | 1,630 | 4,194 |
| Advertising and promotion | 106 | 577 |
| Trade subscriptions | 60 | 284 |
| Auditors' remuneration | 5,023 | 5,086 |
| Accountancy fees | 5,419 | 4,909 |
| Bank charges | 1,274 | 753 |
| Insurances | 1,014 | 1,167 |
| Repairs and maintenance | - | 357 |
| Depreciation - office equipment | 11,058 | 8,388 |
| Board expenses | 163 | 1,635 |
| Catalogue/Postcards | 22,151 | 1,797 |
| Travel | 2,112 | 10,002 |
| Meeting expenses | 522 | 1,603 |
| Books | 3,358 | 1,767 |
| | 222,093 | 202,106 |

DUIGNAN CARTHY O'NEILL LIMITED