



## **Ability West**

(A company limited by guarantee, not having a share capital)

### **Report and Financial Statements**

**for the year ended 31 December 2019**

**FCC  
Chartered Accountants and Registered Auditors  
3<sup>rd</sup> Floor  
Lismoyle House  
Merchants Road  
Galway**

**Company Number: 41317  
Charity Number: CHY 6306  
Charities Regulatory Authority Number: CRA 20011161**

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## Ability West

(A company limited by guarantee, not having a share capital)

### REFERENCE AND ADMINISTRATIVE INFORMATION

#### Directors

Kevin Newell  
Redmond Kelly  
Michael Anthony O'Connor  
Kevin Flavin  
Kevin Flaherty  
Michael Finnerty  
Breda Dolan  
Frank O'Connell  
Cormac Flynn (Appointed 28 January 2019)  
Darragh Sheehy (Appointed 15 April 2019)  
Denise Ryan (Appointed 20 May 2019)  
Dermot O'Neill (Appointed 20 May 2019)  
Sean McGrath (Appointed 27 May 2019)  
Mary O'Mahony (Appointed 15 July 2019)  
Patrick Daly (Resigned 27 May 2019)  
Padraic Lawless (Resigned 27 May 2019)

#### Company Secretary

Redmond Kelly (Appointed 27 May 2019)  
Patrick Daly (Resigned 27 May 2019)

#### Senior Management Team

Audrey Pidgeon (Interim Chief Executive Officer)  
Cathal Esler (Director of Human Resources)  
John McHugo (Director of Finance)  
Orla Haddigan (Interim Director of Client Services)

#### Charity Number

CHY 6306

#### Charities Regulatory Authority Number

CRA 20011161

#### Company Number

41317

#### Registered Office and Principal Address

Blackrock House  
Salthill  
Galway

#### Auditors

FCC  
Chartered Accountants and Registered Auditors  
3<sup>rd</sup> Floor  
Lismoyle House  
Merchants Road  
Galway

#### Bankers

Bank of Ireland  
Mainguard Street  
Galway

Bank of Ireland  
Eyre Square  
Galway

AIB  
Lynch's Castle  
Galway

#### Solicitors

Kieran Murphy & Co  
9 The Crescent  
Galway

Advokat Compliance Ltd  
Merrythought House  
Templeshannon  
Enniscorthy  
Co Wexford

## Ability West

(A company limited by guarantee, not having a share capital)

### DIRECTORS' REPORT

for the financial year ended 31 December 2019

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

The report and results are presented in a form which complies with the requirements of the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". In the absence of statutory reporting standards for charities in the Republic of Ireland and although not obliged to comply with the Statement of Recommended Practice (Charities SORP in accordance with FRS 102, effective January 2015), the directors have elected to have regard to this Statement of Recommended Practice in the preparation of these financial statements.

#### Principal Activities and Review of the Operations

The principal activities of the company are the provision of social, education, welfare, health and rehabilitative training services, together with the provision of residential services to people with an intellectual disability.

There has been no significant change in these activities during the financial year ended 31 December 2019. The company is limited by guarantee not having a share capital.

#### Principal Risks and Uncertainties

The directors have considered the principal risks and uncertainties faced by the company. The company is economically dependent on the Health Service Executive (HSE) for its funding to continue in operation. This risk is mitigated through a Service Arrangement between the HSE and the company. If this funding were ever to cease the company would not be in a position to continue with its normal activities. The company has received confirmation from the HSE that funding will be provided for 2020. Due to the impact of Covid-19 the 2020 Service Arrangement between the HSE and the company has not yet been signed. It has been agreed between both parties that this agreement will be signed once the Covid-19 government restrictions have been relaxed.

In early 2020, the outbreak of the Covid-19 virus 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 and organisations in "non-essential" areas to ensure that people's movements are restricted in order to slow down the spread of the virus. The services provided by the company would be deemed "essential" and the effect of Covid-19 presents many risks and challenges, 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 considerable 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:

- a reduction in the provision of its services during the period of temporary restrictions
- a prolonged period of government recommendations/restrictions on the movement of people to contain the virus
- a reduction in asset values

#### Results

The company recorded an overall surplus for the year of €902,371 (2018 surplus of €625,910). At the end of the year the company had assets of €27,572,863 (2018: €26,280,617) and liabilities of €4,590,785 (2018: €4,671,750). The net funds of the company have increased by €1,373,211 (2018: €556,300) and the directors are satisfied with the level of retained reserves at the year end. In relation to the total funds at the 31 December 2019 of €22,982,078 the restricted funds have a surplus of €623,278.

#### Directors and Secretary

The directors who served throughout the financial year were as follows:

Kevin Newell	Cormac Flynn	(Appointed 28 January 2019)
Redmond Kelly	Darragh Sheehy	(Appointed 15 April 2019)
Michael Anthony O'Connor	Denise Ryan	(Appointed 20 May 2019)
Kevin Flavin	Dermot O'Neill	(Appointed 20 May 2019)
Kevin Flaherty	Sean McGrath	(Appointed 27 May 2019)
Michael Finnerty	Mary O'Mahony	(Appointed 15 July 2019)
Breda Dolan	Patrick Daly	(Resigned 27 May 2019)
Frank O'Connell	Padraic Lawless	(Resigned 27 May 2019)

In accordance with the Articles of Association, the board of directors are elected every year at the annual general meeting.

## **Ability West**

(A company limited by guarantee, not having a share capital)

### **DIRECTORS' REPORT**

for the financial year ended 31 December 2019

The secretary who served throughout the financial year was as follows:

Redmond Kelly (Appointed 27 May 2019) Patrick Daly (Resigned 27 May 2019)

#### **Future Developments**

The company plans to continue to provide services to people with an intellectual disability for the foreseeable future. At the time of approving the financial statements, the company is exposed to the effects of the Covid-19 pandemic which has had a negative effect on the provision of these services since mid-March 2020. In planning its future activities, the directors will seek to develop the company's activities whilst managing the effects of the difficult period caused by this outbreak.

#### **Post Balance Sheet Events**

In early 2020, the outbreak of the Covid-19 virus spread throughout Asia, Europe and Worldwide. In common with many other countries, the Irish government issued guidance and restrictions to deal with Covid-19. These restrictions have resulted in the temporary closure of many businesses and organisations in "non-essential" areas to ensure that people's movements are restricted in order to slow down the spread of the virus. While the services provided by the company would be deemed "essential" and the company has remained in operation, the effect of the Covid-19 restrictions has resulted in a temporary reduction in some of the services provided by the company. Since mid-March 2020 the day services and special schools have been temporarily closed. The directors are confident that all services will be restored by the company once the period of restriction is lifted.

#### **Political Contributions**

The company did not make any disclosable political donations in the current financial year.

#### **Taxation Status**

The company holds charitable status within the meaning of the Taxes Consolidation Act, 1997.

#### **Auditors**

The auditors, FCC, Chartered Accountants, have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

#### **Statement on Relevant Audit Information**

In accordance with section 330 of the Companies Act 2014, so far as each of the persons who are directors at the time this report is approved are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

#### **Audit Committee**

The directors confirm that the company has established an audit committee in accordance with the requirements of Section 167 of the Companies Act, 2014.

#### **Compliance Statement**

The directors are responsible for securing the company's compliance with its relevant obligations (compliance with both company and tax law) and with respect to each of the following three items, we confirm that it has been done. We confirm:

- the existence of a compliance policy statement;
- appropriate arrangements or structures put in place to secure material compliance with the company's relevant obligations;
- a review of such arrangements and structures has taken place during the year.

#### **Accounting Records**

To ensure that adequate accounting records are kept in accordance with sections 281 to 285 of the Companies Act, 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at Blackrock House, Salthill, Galway.

#### **Signed on behalf of the Board**

**Kevin Flavin**  
Director

**Michael Anthony O'Connor**  
Director

**Date: 27 April 2020**

**Date: 27 April 2020**

## **Ability West**

(A company limited by guarantee, not having a share capital)

# **DIRECTORS' RESPONSIBILITIES STATEMENT**

for the financial year ended 31 December 2019

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. In applying that framework the directors have elected to have regard to the Statement of Recommended Practice (Charities SORP in accordance with FRS 102, effective January 2015). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements the directors are required to:

- select suitable accounting policies for the company financial statements 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 surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be readily and properly 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 the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Signed on behalf of the Board**

**Kevin Flavin**  
Director

**Date: 27 April 2020**

**Michael Anthony O'Connor**  
Director

**Date: 27 April 2020**

# **INDEPENDENT AUDITOR'S REPORT**

## **to the Members of Ability West**

(A company limited by guarantee, not having a share capital)

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Ability West ('the company') for the financial year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". In applying that framework the directors have elected to have regard to the Statement of Recommended Practice "Accounting and Reporting by Charities" Charities SORP (effective 1 January 2015).

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its results for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2014**

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

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. 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 AUDITOR'S REPORT to the Members of Ability West**

(A company limited by guarantee, not having a share capital)

## **Respective responsibilities**

### **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 the going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 contained in the appendix to this report, located at page 9, which is to be read as an integral part of our report.

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

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any 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.



**Dermot Callanan**  
**for and on behalf of**  
**FCC**

Chartered Accountants and Registered Auditors  
3<sup>rd</sup> Floor  
Lismoyle House  
Merchants Road  
Galway

**Date: 27 April 2020**



# **APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT**

## **Ability West**

(A company limited by guarantee, not having a share capital)

### **Further information regarding the scope of our responsibilities as auditor**

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Ability West

(A company limited by guarantee, not having a share capital)

### STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

for the financial year ended 31 December 2019

	Unrestricted	Pensions	Restricted	Total	Total
	Funds	Reserve	Funds	2019	2018
Notes	2019	2019	2019	2019	2018
	€	€	€	€	€
Incoming Resources					
<b>Generated funds:</b>					
<b>Voluntary income</b>					
Fundraising and donations	150,901	-	-	<b>150,901</b>	170,186
Bequests	-	-	-	-	-
Other income	124,665	-	-	<b>124,665</b>	109,081
<b>Activities to generate funds</b>					
Other income	42,954	-	-	<b>42,954</b>	65,518
<b>Investment and other income</b>					
Charitable activities:					
Health Service Executive	-	-	27,580,466	<b>27,580,466</b>	26,372,907
Other income	-	39,650	1,787,080	<b>1,826,730</b>	1,101,214
<b>Other incoming resources</b>	1,530	-	-	<b>1,530</b>	-
<b>Total incoming resources</b>	<b>320,050</b>	<b>39,650</b>	<b>29,367,546</b>	<b>29,727,246</b>	27,818,906
Resources Expended					
<b>Net incoming resources available for charitable application</b>	<b>320,050</b>	<b>39,650</b>	<b>29,367,546</b>	<b>29,727,246</b>	27,818,906
<b>Charitable activities:</b>					
Day services and special schools	-	97,751	8,019,279	<b>8,117,030</b>	7,643,162
Residential and respite services	-	21,294	15,148,639	<b>15,169,933</b>	14,301,091
Support services	-	36,959	2,256,901	<b>2,293,860</b>	2,210,137
Management and administration	-	48,376	3,195,676	<b>3,244,052</b>	3,038,606
	-	204,380	28,620,495	<b>28,824,875</b>	27,192,996
<b>Total resources expended</b>	<b>6</b>	<b>204,380</b>	<b>28,620,495</b>	<b>28,824,875</b>	27,192,996
Transfers between funds	-	81,630	(81,630)	-	-
<b>Surplus/(deficit) for the year</b>	<b>320,050</b>	<b>(83,100)</b>	<b>665,421</b>	<b>902,371</b>	625,910
Pension scheme actuarial gains/(losses)	15	-	470,840	<b>470,840</b>	(69,610)
<b>Net movement in funds for the year</b>	<b>320,050</b>	<b>387,740</b>	<b>665,421</b>	<b>1,373,211</b>	556,300
<b>Reconciliation of funds</b>					
Balances brought forward at 1 January 2019	19,438,050	2,212,960	(42,143)	<b>21,608,867</b>	21,052,567
<b>Balances carried forward at 31 December 2019</b>	<b>19,758,100</b>	<b>2,600,700</b>	<b>623,278</b>	<b>22,982,078</b>	21,608,867

Approved by the Directors on 27 April 2020 and signed on its behalf by

Kevin Flavin  
Director

Michael Anthony O'Connor  
Director

**Ability West**  
(A company limited by guarantee, not having a share capital)  
**BALANCE SHEET**  
as at 31 December 2019

	Notes	2019 €	2018 €
<b>Fixed Assets</b>			
Tangible assets	10	19,834,825	18,810,815
Financial assets	11	444,507	444,507
Pension asset	15	2,600,700	2,212,960
		<u>22,880,032</u>	<u>21,468,282</u>
<b>Current Assets</b>			
Debtors	12	1,367,988	1,601,538
Cash and cash equivalents		3,324,843	3,210,797
		<u>4,692,831</u>	<u>4,812,335</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(3,393,287)</u>	<u>(3,315,531)</u>
<b>Net Current Assets</b>		<u>1,299,544</u>	<u>1,496,804</u>
<b>Total Assets less Current Liabilities</b>		<b>24,179,576</b>	22,965,086
<b>Loans</b>	16	<u>(1,197,498)</u>	<u>(1,356,219)</u>
<b>Net Assets</b>		<u>22,982,078</u>	<u>21,608,867</u>
<b>Funds</b>			
Restricted funds		623,278	(42,143)
Unrestricted designated funds		19,758,100	19,438,050
<b>Total funds before pension scheme reserve</b>		<u>20,381,378</u>	<u>19,395,907</u>
Pension scheme reserve		2,600,700	2,212,960
<b>Total funds</b>	18	<u>22,982,078</u>	<u>21,608,867</u>

Approved by the Directors on 27 April 2020 and signed on its behalf by

Kevin Flavin  
Director

Michael Anthony O'Connor  
Director

## Ability West

(A company limited by guarantee, not having a share capital)

### CASH FLOW STATEMENT

for the financial year ended 31 December 2019

	Notes	2019 €	2018 €
<b>Cash flows from charitable activities</b>			
Net movement in funds		1,373,211	556,300
Adjustments for:			
Interest received		-	-
Depreciation		473,642	459,316
Surplus on disposal of tangible fixed assets		(1,530)	-
Movement on defined benefit pension scheme		(387,740)	99,930
Amortisation of loans		(158,721)	(170,772)
		<u>1,298,862</u>	<u>944,774</u>
Movements in working capital:			
Movement in debtors		233,550	(223,173)
Movement in creditors		77,756	236,933
		<u>1,610,168</u>	<u>958,534</u>
<b>Cash flows from other activities</b>			
Interest received		-	-
Payments to acquire tangible fixed assets		(1,497,652)	(610,486)
Receipts from sales of tangible fixed assets		1,530	-
		<u>(1,496,122)</u>	<u>(610,486)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>114,046</b>	<b>348,048</b>
<b>Cash and cash equivalents at 1 January 2019</b>		<b>3,210,797</b>	<b>2,862,749</b>
<b>Cash and cash equivalents at 31 December 2019</b>	<b>21</b>	<b><u>3,324,843</u></b>	<b><u>3,210,797</u></b>

## Ability West

(A company limited by guarantee, not having a share capital)

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

## 1. GENERAL INFORMATION

Ability West is a company limited by guarantee not having a share capital incorporated in the Republic of Ireland. The registered office is situated at Blackrock House, Salthill, Galway.

The principal activities of the company are the provision of social, education, welfare, health and rehabilitative training services, together with the provision of residential services to people with an intellectual disability.

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

Ability West is economically dependent on the Health Service Executive for funding. This economic dependency is underpinned through a Service Arrangement between the Health Service Executive and the company. Accordingly, the financial statements have been prepared on a going concern basis, which contemplates continuity of normal operating activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

## 2. ACCOUNTING POLICIES

### Statement of compliance

The financial statements of the company for the year ended 31 December 2019 have been prepared on a going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014 and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland.

### Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014 and having regard to the Statement of Recommended Practice (Charities SORP in accordance with FRS 102, effective January 2015).

The validity of this assumption is dependent on achieving sufficient operating cash flows for the future years. The company's principal funder, HSE has not given any indication that it will withdraw its financial support from the company in the foreseeable future. The directors are satisfied that in view of the expected continued financial support from its principal funder the company has the necessary resources to continue operating for the foreseeable future.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

### Consolidation

The company and its subsidiaries do not prepare consolidated accounts. The subsidiary undertakings may be excluded from consolidation in the group financial statements if their inclusion is not material for the purposes of giving a true and fair view. The company, therefore, claims exemption from the requirement to prepare group financial statements under section 303 (2) of the Companies Act 2014.

### Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by grantors/donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. Restricted funds relate to assets and liabilities used for a specified purpose which is requested by the grantor or donor in either a Service Arrangement or other form of constructive request.

### Unrestricted free reserves

Unrestricted free reserves are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the company and which have not been designated for other purposes.

### Unrestricted designated funds

Unrestricted funds are expendable at the discretion of the Board in furtherance of the charity's objectives. The directors can designate part or all, of the unrestricted funds for specific purposes. These designations have an administrative purpose only, and do not legally restrict the Board's discretion to apply the fund.

## Ability West

(A company limited by guarantee, not having a share capital)

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

### Incoming resources

Voluntary income or capital is included in the Statement of Financial Activities when the company is legally entitled to it, its financial value can be quantified with reasonable certainty and there is reasonable certainty of its ultimate receipt. Entitlement to legacies is considered established when the company has been notified of a distribution to be made by the executors. Income received in advance of due performance under a contract is accounted for as deferred income until earned. Grants for activities are recognised as income when the related conditions for legal entitlement have been met. All other income is accounted for on an accruals basis.

### Resources expended

All resources expended are accounted for on an accruals basis. Charitable activities include costs of services and grants, support costs and depreciation on related assets. Costs of generating funds similarly include fundraising activities.

### Taxation

No charge to current or deferred taxation arises as the company has been granted charitable status under sections 207 and 208 of the Taxes Consolidation Act 1997. The company is also eligible under the "Scheme for Tax Relief for Donations to Eligible Charities and Approved Bodies" under section 848A of the Taxes Consolidation Act 1997.

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Land and buildings freehold	-	2% Straight line
Motor vehicles	-	20% Straight line

The carrying values of tangible fixed assets which are not carried at fair value are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognised when the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using the pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Activities.

If an impairment loss subsequently reverses, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Balance Sheet bank overdrafts are shown within Creditors.

### Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using current market assessments of the risks specific to the obligation.

## Ability West

(A company limited by guarantee, not having a share capital)

# NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

### Employee benefits

The company provides short term benefits to employees including holiday pay and other similar non-monetary benefits, which are recognised as an expense in the statement of financial activities in the period in which the service is received.

### Debtors

Income recognised by the company from government agencies and other co-founders, but not yet received at the financial year-end, is included in debtors.

### Pensions

Defined Contribution Pension Scheme - The company operates a defined company pension scheme for employees. The assets of the scheme are held separately from those of the company. Annual contributions payable to the company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Defined Benefit Pension Scheme - The pension costs in respect of a defined benefit scheme are charged to the Statement of Financial Activities on a systematic basis, based on the actuary's calculations. Differences between the amounts charged in the Statement of Financial Activities and payments made to pension funds are treated as assets or liabilities. Assets in the scheme are measured at their fair value at the balance sheet date. Defined benefit liabilities are measured on an actuarial basis using the projected unit method. The assets and liabilities of the scheme are subject to a full actuarial valuation by an external professionally qualified actuary triennially and are reviewed annually by the actuary and updated to reflect current conditions. The excess/shortfall in the value of the assets in the scheme over/below the present value of the scheme liabilities is recognised as an asset/liability when the amounts can be recovered through reduced contributions or refunds from the scheme.

### Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other financial fixed asset investments together with any related withholding tax is recognised in the Statement of Financial Activities in the year in which it is receivable.

### Concessionary loans

Loans received for capital expenditure which have specific conditions attaching are deferred and amortised to the Statement of Financial Activities in accordance with the terms on the loan agreement.

### Related parties

For the purposes of these financial statements a party is considered to be related to the company if:

- the party has the ability, directly or indirectly, through one or more intermediaries to control the company or exercise significant influence over the company in making financial and operating policy decisions or has joint control over the company;
- the company and the party are subject to common control;
- the party is an associate of the company or forms part of a joint venture with the company;
- the party is a member of key management personnel of the company or the company's parent, or a close family member of such as an individual, or is an entity under the control, joint control or significant influence of such individuals;
- the party is a close family member of a party referred to above or is an entity under the control or significant influence of such individuals; or
- the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the company.

## Ability West

(A company limited by guarantee, not having a share capital)

# NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

### 3. GOING CONCERN

The company recorded an overall surplus for the year of €902,371. At the end of the year the company had net current assets of €1,299,544 and net assets of €22,982,078. In the context of the Covid-19 restrictions the company is deemed to be an "essential" service and the HSE has continued to provide funding in 2020. Given the level of net funds the company holds the directors consider that there are no material uncertainties about the company's ability to continue as a going concern. The validity of this assumption is dependent on achieving sufficient operating cash flows for the future years.

The company's principal funder, the HSE has not given any indication that it will withdraw its financial support from the company in the foreseeable future. The directors are satisfied that in view of the expected continued financial support from the HSE for 2020 and beyond, the company will have the necessary resources to continue operating for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis, which contemplates continuity of normal operating activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements requires the directors and management to make judgements, estimates and assumptions that affect the application of the policies and the reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes judgements, estimates and assumptions concerning the future. The resulting judgements and accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements within the next year are discussed below:

(i) Going Concern - Going concern is discussed in detail in note 3. At the time of approving the financial statements, there were restrictions in place designed to reduce the spread of the COVID-19 virus. This has had an effect on the company's ability to provide its services. In assessing the reasonableness of the going concern basis, the directors have used judgement in preparing budgets and cashflows for the upcoming 12 months, whilst recognising that there is a degree of judgement and estimation arising from the uncertain nature of the planned response to the COVID-19 pandemic.

(ii) The preparation of these financial statements in accordance with FRS 102 involves significant accounting estimates in its application. These are reviewed on an ongoing basis.

(iii) Establishing useful economic lives for depreciation purposes of land, buildings and motor vehicles - Long lived assets, consisting primarily of land, buildings and motor vehicles, comprise of a significant portion of total assets. The annual depreciation charge depends primarily on the useful economic lives of each type of asset and estimates of residual values. The directors regularly review the assets useful economic lives and change them as necessary to reflect the current market thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Details of the useful economic lives are included in the accounting policies.

(iv) Amortisation of concessionary loans - Concessionary loans have been received from the Department of Environment and Galway City Council/Galway County Council in respect of various properties. The loans are repayable at any time within twenty/thirty years only if the terms of the loan agreement are not complied with. These loans are being amortised on a straight-line basis over the term of the loan agreement.

### 5. SURPLUS/(DEFICIT) FOR THE YEAR

	2019	2018
	€	€
<b>Surplus/(deficit) for the year is stated after charging/(crediting):</b>		
Depreciation of tangible assets	473,642	459,316
Auditors remuneration	23,062	23,062
Surplus on disposal of tangible fixed assets	(1,530)	-
Amortisation of loans	(158,721)	(170,772)
	<u>446,453</u>	<u>(108,394)</u>



**Ability West**

(A company limited by guarantee, not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2019

continued

**6. ANALYSIS OF RESOURCES EXPENDED**

	<b>Day services and special schools 2019 €</b>	<b>Residential and respite services 2019 €</b>	<b>Support services 2019 €</b>	<b>Management and administration 2019 €</b>	<b>Total 2019 €</b>	<b>Total 2018 €</b>
<b>Other costs</b>						
Staff salaries and pension costs	6,584,595	13,471,079	1,883,323	1,546,805	<b>23,485,802</b>	21,952,391
Staff related costs	7,781	1,704	3,602	84,814	<b>97,901</b>	60,582
Transport, travel and meeting costs	1,031,693	76,193	309,330	27,944	<b>1,445,160</b>	1,289,233
Client related costs	164,079	953,261	216	1,471	<b>1,119,027</b>	1,171,657
Equipment, furniture & aids	25,605	145,167	20,638	208,825	<b>400,235</b>	293,966
Facility costs	310,472	476,975	21,816	50,429	<b>859,692</b>	951,242
Insurance, financial and other costs	(58,094)	-	37,178	284,811	<b>263,895</b>	308,622
Administration and related costs	50,899	45,554	17,757	103,368	<b>217,578</b>	251,603
Community employment scheme	-	-	-	461,943	<b>461,943</b>	454,384
Depreciation	-	-	-	473,642	<b>473,642</b>	459,316
<b>Totals</b>	<b>8,117,030</b>	<b>15,169,933</b>	<b>2,293,860</b>	<b>3,244,052</b>	<b>28,824,875</b>	27,192,996

## Ability West

(A company limited by guarantee, not having a share capital)

### NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

continued

#### 7. EMPLOYEES AND REMUNERATION

##### Number of employees

The average number of whole time equivalent (WTE) employees during the year was as follows:

	2019 Number	2018 Number
Day services and special schools	148	137
Residential and respite services	241	227
Support services	32	32
Management and administration	25	24
	<u>446</u>	<u>420</u>

The staff costs comprise:

	2019 €	2018 €
Wages and salaries	19,827,991	18,591,795
Social security costs	2,110,646	1,961,788
Pension costs	1,547,165	1,398,808
	<u>23,485,802</u>	<u>21,952,391</u>

#### 8. SALARY RANGE

The number of employees whose total employee benefits for the reporting period fell within the bands below were:

	Number of Employees
€60,000 - €70,000	21
€70,000 - €80,000	8
€80,000 - €90,000	4
€90,000 - €100,000	-
€100,000 - €110,000	-
€110,000 - €120,000	1
	<u>34</u>

Employee benefits includes salary and pay related premiums and allowances but excludes employer pension and prsi contributions. A total amount of €169,881 was paid in employer pension contributions in relation to these 34 employees. The above 34 employees were engaged as follows: Day Services and Special Schools (1), Residential and Respite Services (17), Support Services (8) and Management and Administration (8).

#### 9. KEY MANAGEMENT COMPENSATION

The compensation paid in relation to key management for employee services was as follows:

	2019 €	2018 €
Wages and salaries	345,762	306,834
Social security costs	36,977	32,397
Pension costs	22,086	21,699
	<u>404,825</u>	<u>360,930</u>

Key management would include the CEO and the three directorate heads. The CEO's salary for the year was €110,184. The Directors do not receive any remuneration for services provided to the company but are entitled to claim reimbursement of expenses e.g. travel.

**Ability West**

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**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2019

continued

**10. TANGIBLE FIXED ASSETS**

	<b>Land and buildings freehold</b>	<b>Motor vehicles</b>	<b>Total</b>
	€	€	€
<b>Cost</b>			
At 1 January 2019	24,443,974	1,055,441	25,499,415
Additions	1,322,673	174,979	1,497,652
Disposals	-	(112,775)	(112,775)
At 31 December 2019	<u>25,766,647</u>	<u>1,117,645</u>	<u>26,884,292</u>
<b>Depreciation</b>			
At 1 January 2019	5,833,333	855,267	6,688,600
Charge for the year	371,734	101,908	473,642
On disposals	-	(112,775)	(112,775)
At 31 December 2019	<u>6,205,067</u>	<u>844,400</u>	<u>7,049,467</u>
<b>Net book value</b>			
At 31 December 2019	<u><b>19,561,580</b></u>	<u><b>273,245</b></u>	<u><b>19,834,825</b></u>
At 31 December 2018	<u>18,610,641</u>	<u>200,174</u>	<u>18,810,815</u>

**10.1 TANGIBLE FIXED ASSETS PRIOR YEAR**

	<b>Land and buildings freehold</b>	<b>Motor vehicles</b>	<b>Total</b>
	€	€	€
<b>Cost</b>			
At 1 January 2018	23,989,766	966,039	24,955,805
Additions	454,208	156,278	610,486
Disposals	-	(66,876)	(66,876)
At 31 December 2018	<u>24,443,974</u>	<u>1,055,441</u>	<u>25,499,415</u>
<b>Depreciation</b>			
At 1 January 2018	5,463,681	832,479	6,296,160
Charge for the year	369,652	89,664	459,316
On disposals	-	(66,876)	(66,876)
At 31 December 2018	<u>5,833,333</u>	<u>855,267</u>	<u>6,688,600</u>
<b>Net book value</b>			
At 31 December 2018	<u><b>18,610,641</b></u>	<u><b>200,174</b></u>	<u><b>18,810,815</b></u>
At 31 December 2017	<u>18,526,085</u>	<u>133,560</u>	<u>18,659,645</u>

Land and buildings freehold includes expenditure on St. Joseph's special school, St. Oliver's special school, St. Theresa's special school and Tigh Nan Dooley special school. These properties are owned by Ability West but operate separately as special schools. The Department of Education has grant aided capital expenditure on the properties at St. Joseph's special school and St. Oliver's special school.

## Ability West

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# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

continued

## 11. FINANCIAL FIXED ASSETS

	Subsidiary undertakings shares €	Subsidiary undertakings loans €	Total €
<b>Investments Cost</b>			
At 31 December 2019	209,507	235,000	444,507
<b>Net book value</b>			
At 31 December 2019	<b>209,507</b>	<b>235,000</b>	<b>444,507</b>
At 31 December 2018	209,507	235,000	444,507

### 11.1 FINANCIAL FIXED ASSETS PRIOR YEAR

	Subsidiary undertakings shares €	Subsidiary undertakings loans €	Total €
<b>Investments Cost</b>			
At 31 December 2018	209,507	235,000	444,507
<b>Net book value</b>			
At 31 December 2018	<b>209,507</b>	<b>235,000</b>	<b>444,507</b>
At 31 December 2017	209,507	235,000	444,507

The investment in subsidiary undertakings comprises the following:

(i) The company owns 100,000 ordinary shares of €1.269738 each in Snipe Industries Limited which represents 100% of the share capital of that company. The registered office of Snipe Industries Limited is situated at Blackrock House, Salthill, Galway. The last set of financial statements prepared for Snipe Industries Limited were for the financial year ended 31st December 2018 and its net assets were €111,251 at that date.

(ii) The company owns 65,000 ordinary shares of €1.269738 each in Team Leather Products Limited which represents 100% of the share capital of that company. The registered office of Team Leather Products Limited is situated at Blackrock House, Salthill, Galway. The last set of financial statements prepared for Team Leather Products Limited were for the financial year ended 31st December 2018 and its net assets were €75,792 at that date.

The loans in subsidiary undertakings comprises of a loan of €235,000 to Snipe Industries Limited. The loan is unsecured, interest free and repayable on demand.

12. DEBTORS	2019 €	2018 €
Debtors	<b>1,367,988</b>	1,601,538

Included in Debtors is an amount of €1,318,461 (2018 - €1,539,572) due from the Health Service Executive.

## Ability West

(A company limited by guarantee, not having a share capital)

### NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

continued

13. CREDITORS	2019	2018
Amounts falling due within one year	€	€
Trade creditors	683,568	742,984
Other creditors	1,024,569	940,251
PAYE	526,448	488,912
Accruals	1,121,085	1,130,109
Deferred Income	37,617	13,275
	<u>3,393,287</u>	<u>3,315,531</u>

Trade creditors - These are payable post year end in accordance with the suppliers usual and customary terms.

Other creditors - These comprise claims and provisions charged for €170,830 and an amount of €86,512 released during the year, culminating in a closing balance of €1,024,569.

PAYE - This is payable post year end in line with tax authority guidelines.

#### 14. PENSION COSTS - DEFINED CONTRIBUTION

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs amounted to €1,342,785 (2018 - €1,222,468).

#### 15. PENSION COSTS - DEFINED BENEFIT

The company operates a defined benefit pension scheme for some of its employees providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with pension fund managers. The pension costs in respect of the defined benefit scheme are charged to the Statement of Financial Activities on a systematic basis, based on the actuary's calculations. Differences between the amounts charged in the Statement of Financial Activities and payments made to pension funds are treated as assets or liabilities.

##### Defined benefit cost

A full actuarial valuation was carried out by an independent qualified actuary. The major assumptions used by the actuary to determine the defined benefit cost were as follows:

	2019	2018
Discount rate	1.75%	1.75%
Price inflation	1.40%	1.75%
Rate of salary increase	2.40%	2.75%
Pension increases for in-payment benefits	0.00%	0.00%
Pension increases for deferred benefits	1.40%	1.75%
	2019	2018
	€	€
<b>Analysis of amount credited to other income</b>		
Net interest on net defined benefit asset/(liability)	<u>39,650</u>	<u>41,610</u>
<b>Analysis of the amount charged to charitable activities</b>		
Effect of employee service in the current period	162,780	176,340
Plan introductions, changes, curtailments and settlements	<u>41,600</u>	<u>-</u>
<b>Defined benefit cost recognised in the Statement of Financial Activities</b>	<u>164,730</u>	<u>134,730</u>

## Ability West

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### NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

continued

15. PENSION COSTS - DEFINED BENEFIT CONTINUED	2019 €	2018 €
<b>Analysis of pension scheme actuarial gains/(losses)</b>		
Actuarial (gain)/loss arising during the period	883,970	(176,590)
Return on plan assets (greater)/less than discount rate	(1,354,810)	246,200
<b>Remeasurement effects recognised in the Statement of Financial Activities</b>	<b>(470,840)</b>	69,610
<b>Total defined benefit cost</b>		
Defined benefit cost recognised in the Statement of Financial Activities	164,730	134,730
Remeasurement effects recognised in the Statement of Financial Activities	(470,840)	69,610
<b>Total defined benefit cost</b>	<b>(306,110)</b>	204,340
<b>Net balance sheet position</b>		
<b>Development of net balance sheet position</b>		
Defined benefit obligation (DBO)	(10,292,830)	(10,486,040)
Fair value of assets (FVA)	12,893,530	12,699,000
Net defined benefit asset/(liability)	2,600,700	2,212,960
<b>Reconciliation of net balance sheet position</b>		
Net defined benefit asset/(liability) at end of prior period	2,212,960	2,312,890
Effect of employee service in the current period	(162,780)	(176,340)
Plan introductions, changes, curtailments and settlements	(41,600)	-
Net interest on net defined benefit asset/(liability)	39,650	41,610
Remeasurement effects recognised in SOFA	470,840	(69,610)
Employer contributions	81,630	104,410
Net defined benefit asset/(liability) at end of current period	2,600,700	2,212,960
<b>Assumptions and dates used for measurements</b>		
Discount rate	1.00%	1.75%
Price inflation	1.30%	1.40%
Rate of salary increase	2.30%	2.40%
Pension increases for in-payment benefits	0.00%	0.00%
Pension increases for deferred benefits	1.30%	1.40%
Plan participant census date	31/12/2019	31/12/2018
<b>Changes in reported benefit obligations and assets</b>		
<b>Change in defined benefit obligation (DBO)</b>		
DBO at end of prior period	10,486,040	10,523,600
Effect of employee service in the current period	162,780	176,340
Plan introductions, changes, curtailments and settlements	41,600	-
Interest cost on the DBO	166,950	182,020
Remeasurement of the DBO	883,970	(176,590)
Plan participants' contributions	23,320	26,040
Benefits paid from plan assets	(288,000)	(245,370)
Transfer payments	(1,183,830)	-
DBO at end of current period	10,292,830	10,486,040

## Ability West

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### NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

15. PENSION COSTS - DEFINED BENEFIT CONTINUED	2019 €	2018 €
<b>Change in plan assets</b>		
Fair value of assets at end of prior period	12,699,000	12,836,490
Interest income on plan assets	206,600	223,630
Return on plan assets greater/(less) than discount rate	1,354,810	(246,200)
Employer contributions	81,630	104,410
Plan participants' contributions	23,320	26,040
Benefits paid	(288,000)	(245,370)
Transfer payments	(1,183,830)	-
	<u>12,893,530</u>	<u>12,699,000</u>
Fair value of assets at end of current period		
	<u>12,893,530</u>	<u>12,699,000</u>
<b>Return on plan assets</b>		
Total return on plan assets	<u>1,561,400</u>	<u>(22,570)</u>

#### Additional disclosure information

##### Description of the plan and funding policy

The defined benefit pension plan funded by Ability West is known as "The Galway County Association Pension Plan for Staff". It is now closed to new entrants.

##### Date of the most recent comprehensive actuarial valuation

The most recent comprehensive actuarial valuation was carried out by the trustees of The Galway County Association Pension Plan for Staff as at 1st July 2017. The Company has employed an independent actuary to approximately update that actuarial valuation allowing for differences between the actuarial assumptions used by the plan for funding purposes and those adopted by the company to measure the DBO, as well as adjusting for benefit accrual, benefits paid from the plan and differences between assumed and actual pension and salary increases.

##### Plan asset information

	Allocation Percentage 31/12/2019	Allocation Percentage 31/12/2018
Equity securities	24.27%	23.07%
Debt securities	74.79%	77.04%
Real estate/property	0.00%	0.00%
Other	0.94%	(0.11)%
Total	<u>100.00%</u>	<u>100.00%</u>
Fair value of plan assets	<u>12,893,530</u>	<u>12,699,000</u>

#### Actuarial assumptions, methods and sources of data

##### Cost method

The Projected Unit Credit Method is used to determine the present value of the defined benefit obligation and the related current service cost. Under this method, a "projected accrued benefit" is calculated based upon service as of the date of valuation, but when the benefit formula is based on future salary and social security levels, using assumptions about the growth of those amounts projected to the age at which the employee is assumed to leave active service. In normal circumstances the "projected accrued benefit" is based upon the plan's accrual formula. However, if service in later years leads to a materially higher level of benefit than in earlier years, the "projected accrued benefit" is calculated by attributing benefits on a straight-line basis over the relevant period.

## Ability West

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# NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

## 15. PENSION COSTS - DEFINED BENEFIT CONTINUED

### Nature of actuarial calculations

The results documented in this note are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed immaterial and therefore are not valued. Assumptions may be made about membership data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately. The actuary believes that the use of approximations in their calculations, if any, has not resulted in a significant difference relative to the results they would have obtained by using more detailed calculations.

A range of results, different from those presented in this note, could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

Future actuarial measurements may differ significantly from the current measurements presented in this note due to factors such as:

- plan experience differing from that anticipated by the economic or demographic assumptions,
- changes in economic or demographic assumptions
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortisation period or additional cost based on the funded status),
- changes in plan provisions or applicable law,
- significant events since the last actuarial valuation.

16. LOANS	2019 €	2018 €
<b>Loans received</b>		
At 1 January 2019	5,523,513	5,523,513
Received in year	-	-
	<u>5,523,513</u>	<u>5,523,513</u>
At 31 December 2019	<u>5,523,513</u>	<u>5,523,513</u>
<b>Amortisation</b>		
At 1 January 2019	(4,167,294)	(3,996,522)
Amortised in year	(158,721)	(170,772)
	<u>(4,326,015)</u>	<u>(4,167,294)</u>
At 31 December 2019	<u>(4,326,015)</u>	<u>(4,167,294)</u>
<b>Net book value</b>		
At 31 December 2019	<u>1,197,498</u>	<u>1,356,219</u>
At 31 December 2018	<u>1,356,219</u>	<u>1,526,991</u>

These concessionary loans were received from the Department of Environment and Galway City Council/Galway County Council in respect of various properties. The amounts are secured by a charge on the property at the different locations. The loans are repayable at any time within twenty/thirty years only if the terms of the loan agreement are not complied with. Pre FRS102 these loans were included at the gross liability and were amortised in full once the charge on the property was released. They are now being amortised annually over the term of the loan agreement. At the balance sheet date the charge on one property, amounting to €111,737, has been released therefore the maximum amount repayable at the balance sheet date was €5,411,776. This repayment would only arise in the event that if the conditions attaching to all loans received were not complied with and repayment of all such loans were required.



**Ability West**

(A company limited by guarantee, not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2019

continued

**17. ANALYSIS OF NET ASSETS BY FUND**

	<b>Tangible fixed assets</b>	<b>Financial fixed assets</b>	<b>Pension asset</b>	<b>Current assets</b>	<b>Current liabilities</b>	<b>Loans</b>	<b>Total</b>
	€	€	€	€	€	€	€
<b>Restricted income</b>							
General	(251,772)	-	-	3,371,036	(3,393,287)	897,301	623,278
<b>Unrestricted income</b>							
Fixed Assets Expended	20,086,597	444,507	-	-	-	(2,094,799)	18,436,305
Other Capital Projects	-	-	-	1,321,795	-	-	1,321,795
Pension	-	-	2,600,700	-	-	-	2,600,700
	<u>20,086,597</u>	<u>444,507</u>	<u>2,600,700</u>	<u>1,321,795</u>	<u>-</u>	<u>(2,094,799)</u>	<u>22,358,800</u>
	<u><b>19,834,825</b></u>	<u><b>444,507</b></u>	<u><b>2,600,700</b></u>	<u><b>4,692,831</b></u>	<u><b>(3,393,287)</b></u>	<u><b>(1,197,498)</b></u>	<u><b>22,982,078</b></u>

**Ability West**

(A company limited by guarantee, not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS**

continued

for the financial year ended 31 December 2019

**18. ANALYSIS OF MOVEMENTS ON FUNDS**

	Balance 1 January 2019	Incoming resources	Resources expended	Inter-fund transfers	Gains and losses	Balance 31 December 2019
	€	€	€	€	€	€
<b>Restricted income</b>						
General	(42,143)	29,367,546	(28,620,495)	(81,630)	-	623,278
<b>Unrestricted income</b>						
Fixed Assets	17,868,279	-	-	568,026	-	18,436,305
Expended						
Other Capital	1,569,771	320,050	-	(568,026)	-	1,321,795
Projects						
	19,438,050	320,050	-	-	-	19,758,100
<b>Total funds before pension scheme reserve</b>	<b>19,395,907</b>	<b>29,687,596</b>	<b>(28,620,495)</b>	<b>(81,630)</b>	<b>-</b>	<b>20,381,378</b>
Pension	2,212,960	39,650	(204,380)	81,630	470,840	2,600,700
<b>Total funds</b>	<b>21,608,867</b>	<b>29,727,246</b>	<b>(28,824,875)</b>	<b>-</b>	<b>470,840</b>	<b>22,982,078</b>

**19. STATUS**

The company is exempt from including the word "Limited" in its name by virtue of Section 1180 of the Companies Act 2014. The company is limited by guarantee and has no share capital. The liability of the members is limited. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding €1.

**20. CAPITAL COMMITMENTS**

During 2019 building work commenced on St. Oliver's special school. The contract sum amounts to €4.907m with €731k of this contract having been expended in 2019 and is included in additions to fixed assets in Note 10. A commitment of €4.176m existed at the 31 December 2019. This will be payable as the work proceeds. The Department of Education and Skills are providing funding for the full €4.907m building cost of this school.

**21. CASH AND CASH EQUIVALENTS**

	2019	2018
	€	€
Cash and bank balances	<b>3,324,843</b>	3,210,797

**22. RELATED PARTY TRANSACTIONS**

No material related party transactions occurred during the year.

**23. POST-BALANCE SHEET EVENTS**

In early 2020, the outbreak of the Covid-19 virus spread throughout Asia, Europe and Worldwide. In common with many other countries, the Irish government issued guidance and restrictions to deal with Covid-19. These restrictions have resulted in the temporary closure of many businesses and organisations in "non-essential" areas to ensure that people's movements are restricted in order to slow down the spread of the virus. While the services provided by the company would be deemed "essential" and the company has remained in operation, the effect of the Covid-19 restrictions has resulted in a temporary reduction in some of the services provided by the company. Since mid-March 2020 the day services and special schools have been temporarily closed. The directors are confident that all services will be restored by the company once the period of restriction is lifted. At the time of approving the financial statements, there is uncertainty regarding how the balance sheet may be impacted based on events since the year end and as a result an estimate of its financial effect cannot be made.

**24. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Board of Directors on 27 April 2020.

**ABILITY WEST**

(A company limited by guarantee, not having a share capital)

**SUPPLEMENTARY INFORMATION**

**RELATING TO THE FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

**NOT COVERED BY THE REPORT OF THE AUDITORS**

## Ability West

(A company limited by guarantee, not having a share capital)

### SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

#### OPERATING STATEMENT

for the financial year ended 31 December 2019

Schedule	2019	2019	2019	2018
	€	€	€	€
	Revenue	Capital	Total	Total
<b>Incoming resources</b>				
Income – Unrestricted funds				
- Branch fundraising	-	20,435	20,435	22,025
- Other fundraising and donations	13,683	116,783	130,466	148,161
- Service user contributions	124,665	-	124,665	109,081
- Bequests	-	-	-	-
- Other income and sales	42,954	-	42,954	65,518
- Bank interest	-	-	-	-
- Surplus on disposal of tangible fixed assets	-	1,530	1,530	-
	<u>181,302</u>	<u>138,748</u>	<u>320,050</u>	<u>344,785</u>
Income – Pensions reserve				
- Interest on pension scheme assets	39,650	-	39,650	41,610
	<u>39,650</u>	<u>-</u>	<u>39,650</u>	<u>41,610</u>
Income – Restricted funds				
- HSE West Allocation	26,999,404	-	26,999,404	25,855,824
- HSE West Rehabilitative Training	473,289	-	473,289	481,398
- HSE West Other	30,009	-	30,009	-
- HSE Mid-West Allocation	77,764	-	77,764	35,685
	<u>27,580,466</u>	<u>-</u>	<u>27,580,466</u>	<u>26,372,907</u>
- Department of Education St. Joseph's TC	179,446	-	179,446	176,730
- Department of Education St. Oliver's (Building)	-	893,686	893,686	155,117
- Department of Education St. Joseph's (Building)	-	35,940	35,940	900
- Department of Social Protection CE	461,551	-	461,551	451,221
- Department of Social Protection ESS/WSS	20,543	-	20,543	20,517
- Brothers of Charity Services	37,193	-	37,193	84,347
- Tusla	-	-	-	-
- Pobal	-	-	-	-
- CEDRA Rural Funding	-	-	-	-
- Amortisation of loans	-	158,721	158,721	170,772
	<u>28,279,199</u>	<u>1,088,347</u>	<u>29,367,546</u>	<u>27,432,511</u>
<b>Total incoming resources</b>	<b>28,500,151</b>	<b>1,227,095</b>	<b>29,727,246</b>	<b>27,818,906</b>
<b>Charitable activities and other expenses</b>	<b>1 (28,351,233)</b>	<b>(473,642)</b>	<b>(28,824,875)</b>	<b>(27,192,996)</b>
<b>Surplus/(deficit) for the year</b>	<u><u>148,918</u></u>	<u><u>753,453</u></u>	<u><u>902,371</u></u>	<u><u>625,910</u></u>

## Ability West

(A company limited by guarantee, not having a share capital)

### SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS SCHEDULE 1 : CHARITABLE ACTIVITIES AND OTHER EXPENSES

for the financial year ended 31 December 2019

	2019 €	2019 €	2019 €	2018 €
	Revenue	Capital	Total	Total
<b>Expenses</b>				
Wages and salaries	19,827,991	-	19,827,991	18,591,795
Social security costs	2,110,646	-	2,110,646	1,961,788
Staff defined contribution pension costs	1,342,785	-	1,342,785	1,222,468
Staff defined benefit pension costs	204,380	-	204,380	176,340
Staff related costs	97,901	-	97,901	60,582
Equipment, furniture and aids	400,235	-	400,235	293,966
Client related costs	1,119,027	-	1,119,027	1,171,657
Facility costs	859,692	-	859,692	951,242
Community employment scheme	461,943	-	461,943	454,384
Transport, travel and meeting costs	1,445,160	-	1,445,160	1,289,233
Insurance, financial and other costs	263,895	-	263,895	308,622
Administration and related costs	217,578	-	217,578	251,603
Depreciation	-	473,642	473,642	459,316
	<u>28,351,233</u>	<u>473,642</u>	<u>28,824,875</u>	<u>27,192,996</u>