



Ability West

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

Report and Financial Statements

for the year ended 31 December 2020

**FCC
Chartered Accountants and Registered Auditors
3rd Floor
Lismoyle House
Merchants Road
Galway**

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

Ability West

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

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Ability West

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REFERENCE AND ADMINISTRATIVE INFORMATION

Directors

Kevin Newell
Kevin Flaherty
Michael Finnerty
Breda Dolan
Cormac Flynn
Denise Ryan
Dermot O'Neill
Sean McGrath
Mary O'Mahony
Kevin Flavin (Resigned 20 July 2020)
Redmond Kelly (Resigned 20 July 2020)
Frank O'Connell (Resigned 14 August 2020)
Darragh Sheehy (Resigned 12 February 2021)
Michael Anthony O'Connor (Resigned 30 April 2021)

Company Secretary

Dermot O'Neill (Appointed 20 July 2020)
Redmond Kelly (Resigned 20 July 2020)

Senior Management Team

Audrey Pidgeon (Chief Executive Officer)
Cathal Esler (Director of Human Resources)
John McHugo (Director of Finance)
Orla Haddigan (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
3rd 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 2020

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

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 2020. 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 2021.

In early 2020, the outbreak of the Covid-19 virus spread throughout Asia, Europe and worldwide. The 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. While the services provided by the company are in the main deemed "essential", the provision of same during the pandemic has been very challenging with most outputs having been subject to public health restrictions.

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

- an increased ongoing health risk for both service users and staff
- a reduction in the provision of its services during the periods of temporary restrictions
- a prolonged period of government recommendations/restrictions on the movement of people to contain the virus
- a potential reduction in asset values

Results

The company recorded an overall surplus for the year of €5,061,471 (2019 surplus of €902,371). At the end of the year the company had assets of €33,578,208 (2019: €27,572,863) and liabilities of €5,004,059 (2019: €4,590,785). The net funds of the company have increased by €5,592,071 (2019: €1,373,211) 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 2020 of €28,574,149 the restricted funds have a surplus of €5,970,272.

Directors and Secretary

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

Kevin Newell	Sean McGrath
Kevin Flaherty	Mary O'Mahony
Michael Finnerty	Kevin Flavin (Resigned 20 July 2020)
Breda Dolan	Redmond Kelly (Resigned 20 July 2020)
Cormac Flynn	Frank O'Connell (Resigned 14 August 2020)
Denise Ryan	Darragh Sheehy (Resigned 12 February 2021)
Dermot O'Neill	Michael Anthony O'Connor (Resigned 30 April 2021)

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

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

Dermot O'Neill	(Appointed 20 July 2020)	Redmond Kelly	(Resigned 20 July 2020)
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DIRECTORS' REPORT

for the financial year ended 31 December 2020

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 ongoing effects of the Covid-19 pandemic which has had a negative effect on the provision of these services since mid-March 2020. However, as a vaccination programme is currently being rolled out, the company is confident that a return to full-service provision can be attained once the current public health restrictions are lifted.

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 resulted in the temporary closure of many businesses and organisations in “non-essential” areas to ensure that people’s movements were restricted in order to slow down the spread of the virus. While a vaccination programme is currently being rolled out, these restrictions have continued to impact into 2021.

While the services provided by the company are in the main deemed “essential”, the provision of same during the pandemic has been very challenging with most outputs having been subject to public health restrictions. However, the company is confident that a return to full-service provision can be attained once the current public health restrictions are 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.

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

Dermot O’Neill
Director

Michael Finnerty
Director

Date: 31 May 2021

Date: 31 May 2021

Ability West

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

DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2020

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

Dermot O'Neill
Director

Date: 31 May 2021

Michael Finnerty
Director

Date: 31 May 2021

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 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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" issued in the United Kingdom by the Financial Reporting Council. 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 2020 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 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

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 the date when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our 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.

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 course of 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

In our opinion, 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
- the Directors' Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are 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. In our opinion the financial statements are in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT

to the Members of Ability West

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

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, which relate to disclosures of directors' remuneration and transaction are not complied with by the company. We have nothing to report in this regard.

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 in accordance with the applicable financial reporting framework that 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 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 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

3rd Floor

Lismoyle House

Merchants Road

Galway

Date: 31 May 2021

APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

Ability West

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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 a going concern.
- 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.

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STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

for the financial year ended 31 December 2020

	Unrestricted	Pensions	Restricted	Total	Total
	Funds	Reserve	Funds	2020	2019
Notes	2020	2020	2020	2020	2019
	€	€	€	€	€
Incoming Resources					
Generated funds:					
Voluntary income					
Fundraising and donations	47,994	-	-	47,994	150,901
Bequests	-	-	-	-	-
Other income	94,247	-	-	94,247	124,665
Activities to generate funds					
Other income	89,641	-	-	89,641	42,954
Investment and other income					
	-	-	-	-	-
Charitable activities:					
Health Service Executive	-	-	28,407,575	28,407,575	27,580,466
Other income	-	26,400	6,186,909	6,213,309	1,826,730
Other incoming resources	3,334	-	-	3,334	1,530
Total incoming resources	235,216	26,400	34,594,484	34,856,100	29,727,246
Resources Expended					
Net incoming resources available for charitable application	235,216	26,400	34,594,484	34,856,100	29,727,246
Charitable activities:					
Day services and special schools	-	80,708	7,887,866	7,968,574	8,117,030
Residential and respite services	-	23,151	15,456,300	15,479,451	15,169,933
Support services	-	40,452	2,153,510	2,193,962	2,293,860
Management and administration	424,959	49,039	3,678,644	4,152,642	3,244,052
	424,959	193,350	29,176,320	29,794,629	28,824,875
Total resources expended	424,959	193,350	29,176,320	29,794,629	28,824,875
Transfers between funds	-	71,170	(71,170)	-	-
Surplus/(deficit) for the year	(189,743)	(95,780)	5,346,994	5,061,471	902,371
Pension scheme actuarial gains/(losses)	15	-	530,600	-	470,840
Net movement in funds for the year	(189,743)	434,820	5,346,994	5,592,071	1,373,211
Reconciliation of funds					
Balances brought forward at 1 January 2020	19,758,100	2,600,700	623,278	22,982,078	21,608,867
Balances carried forward at 31 December 2020	19,568,357	3,035,520	5,970,272	28,574,149	22,982,078

Approved by the Directors on 31 May 2021 and signed on its behalf by

Dermot O'Neill
Director

Michael Finnerty
Director

Ability West
(A company limited by guarantee, not having a share capital)
BALANCE SHEET
as at 31 December 2020

	Notes	2020 €	2019 €
Fixed Assets			
Tangible assets	10	24,963,404	19,834,825
Financial assets	11	19,548	444,507
Pension asset	15	3,035,520	2,600,700
		<u>28,018,472</u>	<u>22,880,032</u>
Current Assets			
Debtors	12	1,746,053	1,367,988
Cash and cash equivalents		3,813,683	3,324,843
		<u>5,559,736</u>	<u>4,692,831</u>
Creditors: Amounts falling due within one year	13	<u>(3,936,458)</u>	<u>(3,393,287)</u>
Net Current Assets		<u>1,623,278</u>	<u>1,299,544</u>
Total Assets less Current Liabilities		29,641,750	24,179,576
Loans	16	<u>(1,067,601)</u>	<u>(1,197,498)</u>
Net Assets		<u>28,574,149</u>	<u>22,982,078</u>
Funds			
Restricted funds		5,970,272	623,278
Unrestricted designated funds		19,568,357	19,758,100
Total funds before pension scheme reserve		<u>25,538,629</u>	<u>20,381,378</u>
Pension scheme reserve		3,035,520	2,600,700
Total funds	18	<u>28,574,149</u>	<u>22,982,078</u>

Approved by the Directors on 31 May 2021 and signed on its behalf by

Dermot O'Neill
Director

Michael Finnerty
Director

Ability West

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CASH FLOW STATEMENT

for the financial year ended 31 December 2020

	Notes	2020 €	2019 €
Cash flows from charitable activities			
Net movement in funds		5,592,071	1,373,211
Adjustments for:			
Interest received		-	-
Depreciation		537,479	473,642
Subsidiary undertakings loan provision		215,452	-
Subsidiary undertakings share provision		209,507	-
Subsidiary undertakings property transfer		(1,750,000)	-
Surplus on disposal of tangible fixed assets		(3,334)	(1,530)
Movement on defined benefit pension scheme		(434,820)	(387,740)
Amortisation of loans		(129,897)	(158,721)
		<u>4,236,458</u>	<u>1,298,862</u>
Movements in working capital:			
Movement in debtors		(378,065)	233,550
Movement in creditors		543,171	77,756
		<u>4,401,564</u>	<u>1,610,168</u>
Cash flows from other activities			
Interest received		-	-
Payments to acquire tangible fixed assets		(3,916,058)	(1,497,652)
Receipts from sales of tangible fixed assets		3,334	1,530
		<u>(3,912,724)</u>	<u>(1,496,122)</u>
Net increase/(decrease) in cash and cash equivalents		488,840	114,046
Cash and cash equivalents at 1 January 2020		3,324,843	3,210,797
Cash and cash equivalents at 31 December 2020	21	3,813,683	3,324,843

Ability West

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

1. GENERAL INFORMATION

Ability West is a company limited by guarantee not having a share capital incorporated in the Republic of Ireland. The registered number of the company is 41317. 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 financial year ended 31 December 2020 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

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, 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 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

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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.

Income from charitable activities

Income from charitable activities include income earned from the supply of services under contractual arrangements and from performance related grants which have conditions that specify the provision of particular services to be provided by the company. Income from government and other co-funders is recognised when the company is legally entitled to the income because it is fulfilling the conditions contained in the related funding agreements. Where a grant is received in advance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, it is accrued in debtors.

Grants from governments and other co-funders typically include one of the following types of conditions:

Performance based conditions: whereby the company is contractually entitled to funding only to the extent that the core objectives of the grant agreement are achieved. Where the company is meeting the core objectives of a grant agreement, it recognises the related expenditure, to the extent that it is reimbursable by the donor, as income.

Time based conditions: whereby the company is contractually entitled to funding on the condition that it is utilised in a particular period. In these cases the company recognises the income to the extent it is utilised within the period specified in the agreement.

In the absence of such conditions, assuming that receipt is probable and the amount can be reliably measured, grant income is recognised once the company is notified of entitlement.

Grants received towards capital expenditure are credited to the Statement of Financial Activities when received or receivable, whichever is earlier.

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.

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.

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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

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.

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.

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.

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.

Ability West

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for the financial year ended 31 December 2020

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.

3. GOING CONCERN

The company recorded an overall surplus for the year of €5,061,471. At the end of the year the company had net current assets of €1,623,278 and net assets of €28,574,149. 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 2021. 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 2021 and beyond, the company will have the necessary resources to continue operating for a period of not less than 12 months from the date of the approval of these financial statements. 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.

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NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2020

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, estimates and assumptions 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.

(v) Defined Benefit Pension Scheme – A number of judgements, estimates and assumptions have been made in relation to this pension scheme. The Company has employed an independent actuary to assist in assessing these judgements, estimates and assumptions and details of same can be seen in Note 15.

5. SURPLUS/(DEFICIT) FOR THE YEAR

	2020	2019
	€	€
Surplus/(deficit) for the year is stated after charging/(crediting):		
Depreciation of tangible assets	537,479	473,642
Auditors remuneration	24,292	23,062
Surplus on disposal of tangible fixed assets	(3,334)	(1,530)
Amortisation of loans	(129,897)	(158,721)

Ability West

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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6. ANALYSIS OF RESOURCES EXPENDED

	Day services and special schools 2020 €	Residential and respite services 2020 €	Support services 2020 €	Management and administration 2020 €	Total 2020 €	Total 2019 €
Other costs						
Staff salaries and pension costs	6,368,889	13,876,757	1,855,087	1,636,949	23,737,682	23,485,802
Staff related costs	6,150	7,558	3,266	152,119	169,093	97,901
Transport, travel and meeting costs	789,281	85,915	234,327	12,175	1,121,698	1,445,160
Client related costs	127,165	697,440	758	12,829	838,192	1,119,027
Equipment, furniture & aids	108,154	129,799	33,622	391,932	663,507	400,235
Facility costs	497,251	616,733	29,759	57,906	1,201,649	859,692
Insurance, financial and other costs	969	11,444	25,968	369,984	408,365	263,895
Administration and related costs	70,715	53,805	11,175	107,128	242,823	217,578
Community employment scheme	-	-	-	449,182	449,182	461,943
Depreciation	-	-	-	537,479	537,479	473,642
Subsidiary undertakings loan provision	-	-	-	215,452	215,452	-
Subsidiary undertakings share provision	-	-	-	209,507	209,507	-
Totals	7,968,574	15,479,451	2,193,962	4,152,642	29,794,629	28,824,875

Ability West

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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7. EMPLOYEES AND REMUNERATION

Number of employees

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

	2020 Number	2019 Number
Day services and special schools	142	148
Residential and respite services	239	241
Support services	30	32
Management and administration	25	25
	<u>436</u>	<u>446</u>

The staff costs comprise:

	2020 €	2019 €
Wages and salaries	20,054,920	19,827,991
Social security costs	2,152,034	2,110,646
Pension costs	1,530,728	1,547,165
	<u>23,737,682</u>	<u>23,485,802</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	25
€70,000 - €80,000	3
€80,000 - €90,000	3
€90,000 - €100,000	2
€100,000 - €110,000	-
€110,000 - €120,000	-
	<u>33</u>

Employee benefits includes salary and pay related premiums and allowances but excludes employer pension and prsi contributions. A total amount of €166,189 was paid in employer pension contributions in relation to these 33 employees. The above 33 employees were engaged as follows: Day Services and Special Schools (0), Residential and Respite Services (21), Support Services (6) and Management and Administration (6).

9. KEY MANAGEMENT COMPENSATION

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

	2020 €	2019 €
Wages and salaries	325,071	345,762
Social security costs	35,920	36,977
Pension costs	28,768	22,086
	<u>389,759</u>	<u>404,825</u>

Key management would include the CEO and the three directorate heads. The CEO's salary for the year was €98,993. The Directors do not receive any remuneration for services provided to the company but are entitled to claim reimbursement of expenses e.g. travel.

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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10. TANGIBLE FIXED ASSETS

	Land and buildings freehold €	Motor vehicles €	Total €
Cost/Valuation			
At 1 January 2020	25,766,647	1,117,645	26,884,292
Additions	5,406,416	259,642	5,666,058
Disposals	-	(65,040)	(65,040)
At 31 December 2020	<u>31,173,063</u>	<u>1,312,247</u>	<u>32,485,310</u>
Depreciation			
At 1 January 2020	6,205,067	844,400	7,049,467
Charge for the year	396,002	141,477	537,479
On disposals	-	(65,040)	(65,040)
At 31 December 2020	<u>6,601,069</u>	<u>920,837</u>	<u>7,521,906</u>
Net book value			
At 31 December 2020	<u>24,571,994</u>	<u>391,410</u>	<u>24,963,404</u>
At 31 December 2019	<u>19,561,580</u>	<u>273,245</u>	<u>19,834,825</u>

Land and buildings freehold includes two properties transferred during 2020 to Ability West from its wholly owned subsidiaries, Snipe Industries Limited and Team Leather Products Limited.

In November 2020 Snipe Industries Limited transferred the property it owned in the Liosbaun Industrial Estate, Galway to Ability West. No consideration was paid by Ability West for this property. The market value of the property at the time of the transfer was €1.6m and this amount has been included as Income from Charitable Activities in the 2020 Statement of Financial Activities.

In November 2020 Team Leather Products Limited transferred the property it owned in the IDA Business Park, Dunmore Road, Tuam, Co. Galway to Ability West. No consideration was paid by Ability West for this property. The market value of the property at the time of the transfer was €150,000 and this amount has been included as Income from Charitable Activities in the 2020 Statement of Financial Activities.

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.

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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11. FINANCIAL FIXED ASSETS

	Subsidiary undertakings shares €	Subsidiary undertakings loans €	Total €
Investments			
Cost			
At 1 January 2020	209,507	235,000	444,507
Additions	-	-	-
At 31 December 2020	209,507	235,000	444,507
Provision for diminution in value			
At 1 January 2020	-	-	-
Provision for the year	209,507	215,452	424,959
At 31 December 2020	209,507	215,452	424,959
Net book value			
At 31 December 2020	-	19,548	19,548
At 31 December 2019	209,507	235,000	444,507

Cost

The investments 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.

(iii) 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.

Provision for diminution in value

In November 2020 Snipe Industries Limited and Team Leather Products Limited transferred the properties they owned to Ability West. No consideration was paid by Ability West for these properties. The market value of these properties at the time of the transfers were €1,750,000 and this amount has been included as Income from Charitable Activities in the 2020 Statement of Financial Activities. As a result of these property transfers the value of the Investments in both Snipe Industries Limited and Team Leather Products Limited and the loan in Snipe Industries Limited were reviewed for impairment. A provision for diminution in value of €424,959 has been included in 2020 to reflect the reduced value of the underlying assets of both Snipe Industries Limited and Team Leather Products Limited. In April 2021 funds of €19,548 were received by Ability West from Snipe Industries Limited in respect of the €235,00 intercompany loan.

12. DEBTORS

	2020 €	2019 €
Debtors	1,746,053	1,367,988

Included in Debtors is an amount of €1,687,832 (2019 - €1,318,461) due from the Health Service Executive.

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NOTES TO THE FINANCIAL STATEMENTS

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13. CREDITORS	2020	2019
Amounts falling due within one year	€	€
Trade creditors	934,367	683,568
Other creditors	1,162,534	1,024,569
PAYE	549,882	526,448
Accruals	1,250,499	1,121,085
Deferred Income	39,176	37,617
	<u>3,936,458</u>	<u>3,393,287</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 €231,168 and an amount of €93,203 released during the year, culminating in a closing balance of €1,162,534.

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 €1,337,378 (2019 - €1,342,785).

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:

	2020	2019
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%

	2020	2019
	€	€
Analysis of amount credited to other income		
Net interest on net defined benefit asset/(liability)	<u>26,400</u>	<u>39,650</u>

Analysis of the amount charged to charitable activities

Effect of employee service in the current period	148,870	162,780
Plan introductions, changes, curtailments and settlements	<u>44,480</u>	<u>41,600</u>

Defined benefit cost recognised in the Statement of Financial Activities	<u>166,950</u>	<u>164,730</u>
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Ability West

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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15. PENSION COSTS - DEFINED BENEFIT CONTINUED	2020 €	2019 €
Analysis of pension scheme actuarial gains/(losses)		
Actuarial (gain)/loss arising during the period	357,460	883,970
Return on plan assets (greater)/less than discount rate	(888,060)	(1,354,810)
Remeasurement effects recognised in the Statement of Financial Activities	(530,600)	(470,840)
Total defined benefit cost		
Defined benefit cost recognised in the Statement of Financial Activities	166,950	164,730
Remeasurement effects recognised in the Statement of Financial Activities	(530,600)	(470,840)
Total defined benefit cost	(363,650)	(306,110)
Net balance sheet position		
Development of net balance sheet position		
Defined benefit obligation (DBO)	(10,644,570)	(10,292,830)
Fair value of assets (FVA)	13,680,090	12,893,530
Net defined benefit asset/(liability)	3,035,520	2,600,700
Reconciliation of net balance sheet position		
Net defined benefit asset/(liability) at end of prior period	2,600,700	2,212,960
Effect of employee service in the current period	(148,870)	(162,780)
Plan introductions, changes, curtailments and settlements	(44,480)	(41,600)
Net interest on net defined benefit asset/(liability)	26,400	39,650
Remeasurement effects recognised in SOFA	530,600	470,840
Employer contributions	71,170	81,630
Net defined benefit asset/(liability) at end of current period	3,035,520	2,600,700
Assumptions and dates used for measurements		
Discount rate	0.70%	1.00%
Price inflation	1.00%	1.30%
Rate of salary increase	2.00%	2.30%
Pension increases for in-payment benefits	0.00%	0.00%
Pension increases for deferred benefits	1.00%	1.30%
Plan participant census date	31/12/2020	31/12/2019
Changes in reported benefit obligations and assets		
Change in defined benefit obligation (DBO)		
DBO at end of prior period	10,292,830	10,486,040
Effect of employee service in the current period	148,870	162,780
Plan introductions, changes, curtailments and settlements	44,480	41,600
Interest cost on the DBO	101,310	166,950
Remeasurement of the DBO	357,460	883,970
Plan participants' contributions	20,360	23,320
Benefits paid from plan assets	(320,740)	(288,000)
Transfer payments	-	(1,183,830)
DBO at end of current period	10,644,570	10,292,830

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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

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15. PENSION COSTS - DEFINED BENEFIT CONTINUED	2020 €	2019 €
Change in plan assets		
Fair value of assets at end of prior period	12,893,530	12,699,000
Interest income on plan assets	127,710	206,600
Return on plan assets greater/(less) than discount rate	888,060	1,354,810
Employer contributions	71,170	81,630
Plan participants' contributions	20,360	23,320
Benefits paid	(320,740)	(288,000)
Transfer payments	-	(1,183,830)
	<u>13,680,090</u>	<u>12,893,530</u>
Return on plan assets		
Total return on plan assets	<u>1,015,770</u>	<u>1,561,410</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 2020. 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 31/12/2020	Allocation Percentage 31/12/2019
Equity securities	23.45%	24.27%
Debt securities	75.43%	74.79%
Real estate/property	0.00%	0.00%
Other	1.12%	0.94%
Total	<u>100.00%</u>	<u>100.00%</u>
Fair value of plan assets	<u>13,680,090</u>	<u>12,893,530</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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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	2020 €	2019 €
Loans received		
At 1 January 2020	5,523,513	5,523,513
Received in year	-	-
At 31 December 2020	<u>5,523,513</u>	<u>5,523,513</u>
Amortisation		
At 1 January 2020	(4,326,015)	(4,167,294)
Amortised in year	(129,897)	(158,721)
At 31 December 2020	<u>(4,455,912)</u>	<u>(4,326,015)</u>
Net book value		
At 31 December 2020	<u>1,067,601</u>	<u>1,197,498</u>
At 31 December 2019	<u>1,197,498</u>	<u>1,356,219</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.

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17. ANALYSIS OF NET ASSETS BY FUND

	Tangible fixed assets	Financial fixed assets	Pension asset	Current assets	Current liabilities	Loans	Total
	€	€	€	€	€	€	€
Restricted income							
General	4,713,611	-	-	4,165,921	(3,936,458)	1,027,198	5,970,272
Unrestricted income							
Fixed Assets Expended	20,249,793	19,548	-	-	-	(2,094,799)	18,174,542
Other Capital Projects	-	-	-	1,393,815	-	-	1,393,815
Pension	-	-	3,035,520	-	-	-	3,035,520
	20,249,793	19,548	3,035,520	1,393,815	-	(2,094,799)	22,603,877
	24,963,404	19,548	3,035,520	5,559,736	(3,936,458)	(1,067,601)	28,574,149

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 2020

18. ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 January 2020 €	Incoming resources €	Resources expended €	Inter-fund transfers €	Gains and losses €	Balance 31 December 2020 €
Restricted income						
General	623,278	34,594,484	(29,176,320)	(71,170)	-	5,970,272
Unrestricted income						
Fixed Assets	18,436,305	-	(424,959)	163,196	-	18,174,542
Expended						
Other Capital	1,321,795	235,216	-	(163,196)	-	1,393,815
Projects						
	19,758,100	235,216	(424,959)	-	-	19,568,357
Total funds before pension scheme reserve	20,381,378	34,829,700	(29,601,279)	(71,170)	-	25,538,629
Pension	2,600,700	26,400	(193,350)	71,170	530,600	3,035,520
Total funds	22,982,078	34,856,100	(29,794,629)	-	530,600	28,574,149

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

The building work on St. Oliver's Special School which commenced in 2019 continued in 2020. The contract sum amounts to €4.91m with €4.23m of this contract having been certified and paid as at 31 December 2020 and is included in fixed assets in Note 10. Accordingly, a commitment of €680k existed at the 31 December 2020 and this will be payable as the work proceeds. The Department of Education and Skills are providing funding for the full €4.91m building cost of this school.

21. CASH AND CASH EQUIVALENTS

	2020 €	2019 €
Cash and bank balances	3,813,683	3,324,843

22. RELATED PARTY TRANSACTIONS

Related party transactions conducted during the year on an arm's length basis are listed below together with the outstanding balances at the year end.

During the year Snipe Industries Limited and Team Leather Products Limited transferred the properties they owned to Ability West. No consideration was paid by Ability West for these properties. The market value of these properties at the time of the transfers were €1,750,000 and this amount has been included as Income from Charitable Activities in the 2020 Statement of Financial Activities. There was no outstanding balance due in relation to these transfers at the year end.

As a result of these property transfers the value of the Investments in both Snipe Industries Limited and Team Leather Products Limited and the loan in Snipe Industries Limited were reviewed for impairment. A provision for diminution in value of €424,959 has been included in 2020 in Financial Fixed Assets (Note 11) to reflect the reduced value of the underlying assets of both Snipe Industries Limited and Team Leather Products Limited.

Snipe Industries Limited and Team Leather Products Limited are both 100% wholly owned subsidiaries of Ability West.

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NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

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 resulted in the temporary closure of many businesses and organisations in “non-essential” areas to ensure that people’s movements were restricted in order to slow down the spread of the virus. While a vaccination programme is currently being rolled out, these restrictions have continued to impact into 2021.

While the services provided by the company are in the main deemed “essential”, the provision of same during the pandemic has been very challenging with most outputs having been subject to public health restrictions. However, the company is confident that a return to full-service provision can be attained once the current public health restrictions are 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 31 May 2021.

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 2020

NOT COVERED BY THE REPORT OF THE AUDITORS

Ability West

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SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS OPERATING STATEMENT

for the financial year ended 31 December 2020

Schedule	2020	2020	2020	2019
	€	€	€	€
	Revenue	Capital	Total	Total
Incoming resources				
Income – Unrestricted funds				
- Branch fundraising	-	5,841	5,841	20,435
- Other fundraising and donations	13,268	28,885	42,153	130,466
- Service user contributions	94,247	-	94,247	124,665
- Bequests	-	-	-	-
- Other income and sales	89,641	-	89,641	42,954
- Bank interest	-	-	-	-
- Surplus on disposal of tangible fixed assets	-	3,334	3,334	1,530
	<u>197,156</u>	<u>38,060</u>	<u>235,216</u>	<u>320,050</u>
Income – Pensions reserve				
- Interest on pension scheme assets	26,400	-	26,400	39,650
	<u>26,400</u>	<u>-</u>	<u>26,400</u>	<u>39,650</u>
Income – Restricted funds				
- HSE West Allocation	27,820,160	-	27,820,160	26,999,404
- HSE West Rehabilitative Training	452,269	-	452,269	473,289
- HSE West Other	60,217	-	60,217	30,009
- HSE Mid-West Allocation	74,929	-	74,929	77,764
- HSE West Allocation	(188,794)	188,794	-	-
- HSE Total	<u>28,218,781</u>	<u>188,794</u>	<u>28,407,575</u>	<u>27,580,466</u>
- Department of Education St. Joseph's TC	131,018	-	131,018	179,446
- Department of Education St. Oliver's (Building)	-	3,564,068	3,564,068	893,686
- Department of Education St. Joseph's (Building)	-	-	-	35,940
- Department of Social Protection CE	450,585	-	450,585	461,551
- Department of Social Protection ESS/WSS	20,747	-	20,747	20,543
- Brothers of Charity Services	140,594	-	140,594	37,193
- Tusla	-	-	-	-
- Pobal	-	-	-	-
- Subsidiary undertakings property transfer	-	1,750,000	1,750,000	-
- Amortisation of loans	-	129,897	129,897	158,721
	<u>28,961,725</u>	<u>5,632,759</u>	<u>34,594,484</u>	<u>29,367,546</u>
Total incoming resources	29,185,281	5,670,819	34,856,100	29,727,246
Charitable activities and other expenses	1 (28,832,191)	(962,438)	(29,794,629)	(28,824,875)
Surplus/(deficit) for the year	<u>353,090</u>	<u>4,708,381</u>	<u>5,061,471</u>	<u>902,371</u>

Ability West

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

for the financial year ended 31 December 2020

	2020 €	2020 €	2020 €	2019 €
	Revenue	Capital	Total	Total
Expenses				
Wages and salaries	20,054,920	-	20,054,920	19,827,991
Social security costs	2,152,034	-	2,152,034	2,110,646
Staff defined contribution pension costs	1,337,378	-	1,337,378	1,342,785
Staff defined benefit pension costs	193,350	-	193,350	204,380
Staff related costs	169,093	-	169,093	97,901
Transport, travel and meeting costs	1,121,698	-	1,121,698	1,445,160
Client related costs	838,192	-	838,192	1,119,027
Equipment, furniture and aids	663,507	-	663,507	400,235
Facility costs	1,201,649	-	1,201,649	859,692
Insurance, financial and other costs	408,365	-	408,365	263,895
Administration and related costs	242,823	-	242,823	217,578
Community employment scheme	449,182	-	449,182	461,943
Depreciation	-	537,479	537,479	473,642
Subsidiary undertakings loan provision	-	215,452	215,452	-
Subsidiary undertakings share provision	-	209,507	209,507	-
	<u>28,832,191</u>	<u>962,438</u>	<u>29,794,629</u>	<u>28,824,875</u>