



## **Ability West**

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

### **Report and Financial Statements**

**for the year ended 31 December 2022**

**FCC  
Chartered Accountants and Registered Auditors  
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)

# **CONTENTS**

	<b>Page</b>
Reference and Administrative Information	3
Directors' Report	4 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 8
Appendix to the Independent Auditor's Report	9
Statement of Financial Activities	10
Balance Sheet	11
Statement of Changes in Reserves	12
Cash Flow Statement	13
Notes to the Financial Statements	14 - 32
Supplementary Information relating to the Financial Statements	33 - 35

## Ability West

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

### REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Directors</b>	Kevin Newell Dermot O'Neill Michael Finnerty Breda Dolan James McNabb Redmond Kelly (Appointed 14 April 2023) Jack King (Appointed 14 April 2023) Páraic Lawless (Appointed 14 April 2023) Mary O'Mahony (Resigned 31 May 2022) Cormac Flynn (Resigned 12 September 2022) Sean McGrath (Resigned 3 February 2023) Nicola De Taranto (Resigned 28 February 2023)
<b>Company Secretary</b>	Dermot O'Neill
<b>Senior Management Team</b>	Audrey Pidgeon (Chief Executive Officer) John McHugo (Director of Finance) Cristina Mendes (Director of Human Resources) Bryan Gallagher (Director of Clinical Supports and Services) Mary Callanan (Director of Operational Supports and Services)
<b>Charity Number</b>	CHY 6306
<b>Charities Regulatory Authority Number</b>	CRA 20011161
<b>Company Number</b>	41317
<b>Registered Office and Principal Address</b>	Blackrock House Salthill Galway
<b>Auditors</b>	FCC Chartered Accountants and Registered Auditors Lismoyle House Merchants Road Galway
<b>Bankers</b>	Bank of Ireland Mainguard Street Galway Bank of Ireland Eyre Square Galway  AIB Lynch's Castle Galway
<b>Defined Benefit Pension Scheme Actuary</b>	Willis Towers Watson (Ireland) Limited Elm Park Merrion Road Dublin 4
<b>Solicitors</b>	Kieran Murphy & Co 9 The Crescent Galway Jacob and Twomey Solicitors 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 2022

The directors present their report and the audited financial statements for the financial year ended 31 December 2022.

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 FRS 102, 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 2022. The company is limited by guarantee not having a share capital.

#### Principal Risks and Uncertainties

Ability West operates a risk-management process that identifies the top risks, their likelihood and impact, and the consequent actions necessary to manage them effectively. Corporate risks and mitigating actions are regularly scrutinised by the Board and executive team. The principal risks identified that could have a serious impact on performance are as follows.

**Funding** - 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 2023.

**Covid-19** - In early 2020, the outbreak of the Covid-19 virus spread throughout Asia, Europe and worldwide. The impact of this was severe and resulted in a significant worldwide slowdown in economic activity. In Ireland, the economic impact of this pandemic was characterised by 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 the services provided by the company were in the main deemed "essential", the provision of same during the pandemic was very challenging with most outputs having been subject to public health restrictions.

The directors believe that the main risks to the company associated with Covid-19 were 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 restrictions, high rates of staff sickness, absence and burnout

#### Results

The company recorded an overall deficit for the year of €83,729 (2021 surplus of €1,984,131). At the end of the year the company had assets of €35,281,959 (2021: €37,287,729) and liabilities of €4,952,838 (2021: €6,404,429). The net funds of the company have decreased by €554,179 (2021 increased by €2,309,151). The directors are satisfied with the level of retained reserves at the year end. In relation to the total funds at the 31 December 2022 of €30,329,121 the restricted funds have a surplus of €7,155,840.

#### Directors and Secretary

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

Kevin Newell	Mary O'Mahony	(Resigned 31 May 2022)
Dermot O'Neill	Cormac Flynn	(Resigned 12 September 2022)
Michael Finnerty	Sean McGrath	(Resigned 3 February 2023)
Breda Dolan	Nicola De Taranto	(Resigned 28 February 2023)
James McNabb		

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

#### Future Developments

The company plans to continue to provide services to people with an intellectual disability for the foreseeable future.

## Ability West

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

# DIRECTORS' REPORT

for the financial year ended 31 December 2022

### Post Balance Sheet Events

There have been no significant events affecting the company since the financial year-end.

### 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.

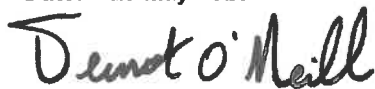
### Accounting Records

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

Date: 29 May 2023



Jack King  
Director

Date: 29 May 2023



## Ability West

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

# DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2022

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 FRS 102. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the 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.

### Disclosure of Information to Auditor

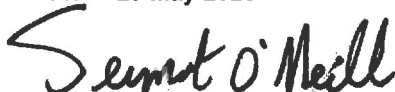
Each persons who are directors at the date of approval of this report confirms that:

- 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: 29 May 2023



Jack King  
Director

Date: 29 May 2023



# 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 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement and the 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 Charities SORP FRS 102.

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 2022 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 below 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 the 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 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 requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions 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, if applicable, matters related to 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is 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 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  
Lismoyle House  
Merchants Road  
Galway

**Date: 29 May 2023**



# 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 a going concern. 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.

## 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 2022

	Notes	Unrestricted Funds 2022 €	Pensions Reserve 2022 €	Restricted Funds 2022 €	Total 2022 €	Total 2021 €
<b>Incoming Resources</b>						
<b>Generated funds:</b>						
<b>Voluntary income</b>						
Fundraising and donations		55,523	-	-	55,523	48,379
Bequests		-	-	-	-	365,000
Other income		94,607	-	-	94,607	100,333
<b>Activities to generate funds</b>						
Other income		102,547	-	-	102,547	35,436
<b>Investment and other income</b>						
		-	-	-	-	-
<b>Charitable activities:</b>						
Health Service Executive		-	-	30,519,404	30,519,404	30,515,092
Other income		-	40,120	1,040,954	1,081,074	2,146,038
<b>Other incoming resources</b>		13,200	-	-	13,200	9,979
<b>Total incoming resources</b>		<b>265,877</b>	<b>40,120</b>	<b>31,560,358</b>	<b>31,866,355</b>	<b>33,220,257</b>
<b>Resources Expended</b>						
<b>Net incoming resources available for charitable application</b>						
		<b>265,877</b>	<b>40,120</b>	<b>31,560,358</b>	<b>31,866,355</b>	<b>33,220,257</b>
<b>Charitable activities:</b>						
Day services and special schools		-	44,075	8,923,757	8,967,832	9,002,752
Residential and respite services		-	19,129	16,631,410	16,650,539	16,219,336
Support services		-	33,450	2,255,250	2,288,700	2,198,110
Management and administration		-	42,176	4,000,837	4,043,013	3,815,928
		-	138,830	31,811,254	31,950,084	31,236,126
<b>Total resources expended</b>	6	-	<b>138,830</b>	<b>31,811,254</b>	<b>31,950,084</b>	<b>31,236,126</b>
Transfers between funds		-	55,910	(55,910)	-	-
<b>Surplus/(deficit) for the year</b>		<b>265,877</b>	<b>(42,800)</b>	<b>(306,806)</b>	<b>(83,729)</b>	1,984,131
Pension scheme actuarial gains/(losses)	15	-	(470,450)	-	(470,450)	325,020
<b>Net movement in funds for the year</b>		<b>265,877</b>	<b>(513,250)</b>	<b>(306,806)</b>	<b>(554,179)</b>	2,309,151
<b>Reconciliation of funds</b>						
Balances brought forward at 1 January 2022		20,117,484	3,303,170	7,462,646	30,883,300	28,574,149
<b>Balances carried forward at 31 December 2022</b>		<b>20,383,361</b>	<b>2,789,920</b>	<b>7,155,840</b>	<b>30,329,121</b>	<b>30,883,300</b>

Approved by the Directors on 29 May 2023 and signed on its behalf by

Dermot O'Neill  
Director

Jack King  
Director



## Ability West

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

### BALANCE SHEET

as at 31 December 2022

		2022	2021
	Notes	€	€
<b>Fixed Assets</b>			
Tangible assets	10	25,872,760	25,761,888
Financial assets	11	-	-
Pension asset	15	2,789,920	3,303,170
		<u>28,662,680</u>	<u>29,065,058</u>
<b>Current Assets</b>			
Debtors	12	1,589,208	3,063,624
Cash and cash equivalents		5,030,071	5,159,047
		<u>6,619,279</u>	<u>8,222,671</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(4,049,617)</u>	<u>(5,419,018)</u>
<b>Net Current Assets</b>		<u>2,569,662</u>	<u>2,803,653</u>
<b>Total Assets less Current Liabilities</b>		<b>31,232,342</b>	<b>31,868,711</b>
<b>Loans</b>	16	<u>(903,221)</u>	<u>(985,411)</u>
<b>Net Assets</b>		<u><u>30,329,121</u></u>	<u><u>30,883,300</u></u>
<b>Funds</b>			
Restricted funds		7,155,840	7,462,646
Unrestricted designated funds		20,383,361	20,117,484
<b>Total funds before pension scheme reserve</b>		<u>27,539,201</u>	<u>27,580,130</u>
Pension scheme reserve		2,789,920	3,303,170
<b>Total funds</b>		<u><u>30,329,121</u></u>	<u><u>30,883,300</u></u>

Approved by the Directors on 29 May 2023 and signed on its behalf by

Dermot O'Neill  
Director



Jack King  
Director



## Ability West

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

### BALANCE SHEET

as at 31 December 2022

	Balance 1 January 2022 €	Incoming resources €	Resources expended €	Inter-fund transfers €	Gains and losses €	Balance 31 December 2022 €
<b>Restricted income</b>						
General	7,462,646	31,560,358	(31,811,254)	(55,910)	-	7,155,840
<b>Unrestricted income</b>						
Fixed Assets Expended	18,204,055	-	-	373,802	-	18,577,857
Other Capital Projects	1,913,429	265,877	-	(373,802)	-	1,805,504
	20,117,484	265,877	-	-	-	20,383,361
<b>Total funds before pension scheme reserve</b>	<b>27,580,130</b>	<b>31,826,235</b>	<b>(31,811,254)</b>	<b>(55,910)</b>	<b>-</b>	<b>27,539,201</b>
Pension	3,303,170	40,120	(138,830)	55,910	(470,450)	2,789,920
<b>Total funds</b>	<b>30,883,300</b>	<b>31,866,355</b>	<b>(31,950,084)</b>	<b>-</b>	<b>(470,450)</b>	<b>30,329,121</b>

#### In respect of the prior year

	Balance 1 January 2021 €	Incoming resources €	Resources expended €	Inter-fund transfers €	Gains and losses €	Balance 31 December 2021 €
<b>Restricted income</b>						
General	5,970,272	32,649,660	(31,096,446)	(60,840)	-	7,462,646
<b>Unrestricted income</b>						
Fixed Assets Expended	18,174,542	-	-	29,513	-	18,204,055
Other Capital Projects	1,393,815	549,127	-	(29,513)	-	1,913,429
	19,568,357	549,127	-	-	-	20,117,484
<b>Total funds before pension scheme reserve</b>	<b>25,538,629</b>	<b>33,198,787</b>	<b>(31,096,446)</b>	<b>(60,840)</b>	<b>-</b>	<b>27,580,130</b>
Pension	3,035,520	21,470	(139,680)	60,840	325,020	3,303,170
<b>Total funds</b>	<b>28,574,149</b>	<b>33,220,257</b>	<b>(31,236,126)</b>	<b>-</b>	<b>325,020</b>	<b>30,883,300</b>

## Ability West

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

### CASH FLOW STATEMENT

for the financial year ended 31 December 2022

	Notes	2022 €	2021 €
<b>Cash flows from charitable activities</b>			
Net movement in funds		(554,179)	2,309,151
Adjustments for:			
Interest received		-	-
Depreciation		694,358	634,744
Surplus on disposal of tangible fixed assets		(13,200)	(9,979)
Movement on defined benefit pension scheme		513,250	(267,650)
Amortisation of loans		(82,190)	(82,190)
		<u>558,039</u>	<u>2,584,076</u>
Movements in working capital:			
Movement in debtors		1,474,416	(1,317,571)
Movement in creditors		(1,369,401)	1,482,560
		<u>663,054</u>	<u>2,749,065</u>
<b>Cash flows from other activities</b>			
Interest received		-	-
Payments to acquire tangible fixed assets		(805,230)	(1,449,038)
Receipts from sales of tangible fixed assets		13,200	25,789
Receipts from subsidiary undertaking loans		-	19,548
		<u>(792,030)</u>	<u>(1,403,701)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(128,976)</b>	<b>1,345,364</b>
<b>Cash and cash equivalents at 1 January 2022</b>		<b>5,159,047</b>	<b>3,813,683</b>
<b>Cash and cash equivalents at 31 December 2022</b>	<b>20</b>	<b>5,030,071</b>	<b>5,159,047</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 2022

## **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 of the company 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 2022 have been prepared 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 FRS 102.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

### 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.

## 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 2022

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-funders, 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 contribution 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

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

# NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2022

### 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.

### Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are not recognised.

Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

### 3. GOING CONCERN

The company recorded an overall deficit for the year of €83,729. At the end of the year the company had net current assets of €2,569,662 and net assets of €30,329,121.

In the context of the Covid-19 restrictions the company was deemed to be an "essential" service and the HSE has continued to provide funding in 2023. 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. If in the unlikely event that the HSE were to withdraw funding then Ability West would no longer have an obligation to provide the services that it currently provides.

Detailed cashflows have been prepared for a period of 12 months from the date of signing of these financial statements which demonstrate that the company can meet its commitments as and when due. The directors are satisfied that in view of the expected continued financial support from the HSE for 2023 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.

## 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 2022

#### 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. 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 involved in preparing same.

(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 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

	2022	2021
	€	€
<b>Surplus/(deficit) for the year is stated after charging/(crediting):</b>		
Depreciation of tangible assets	694,358	634,744
Auditors remuneration	26,998	25,522
Surplus on disposal of tangible fixed assets	(13,200)	(9,979)
Amortisation of loans	(82,190)	(82,190)
	<u>625,966</u>	<u>468,117</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 2022

continued

**6. ANALYSIS OF RESOURCES EXPENDED**

	Day services and special schools 2022 €	Residential and respite services 2022 €	Support services 2022 €	Management and administration 2022 €	Total 2022 €	Total 2021 €
<b>Other costs</b>						
Staff salaries and pension costs	6,935,408	14,684,822	1,866,585	1,602,399	25,089,214	24,801,231
Staff related costs	2,303	3,277	3,793	123,581	132,954	115,528
Transport, travel and meeting costs	1,097,419	123,920	306,093	12,795	1,540,227	1,392,259
Client related costs	155,897	868,577	1,900	15,230	1,041,604	936,425
Equipment, furniture & aids	92,919	180,461	28,787	248,373	550,540	598,721
Facility costs	599,868	728,135	33,496	193,010	1,554,509	1,484,844
Insurance, financial and other costs	160	2,337	32,274	510,740	545,511	533,388
Administration and related costs	83,858	59,010	15,772	107,567	266,207	268,108
Community employment scheme	-	-	-	534,960	534,960	470,878
Depreciation	-	-	-	694,358	694,358	634,744
<b>Totals</b>	<b>8,967,832</b>	<b>16,650,539</b>	<b>2,288,700</b>	<b>4,043,013</b>	<b>31,950,084</b>	<b>31,236,126</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 2022

continued

## 7. EMPLOYEES AND REMUNERATION

### Number of employees

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

	2022 Number	2021 Number
Day services and special schools	157	159
Residential and respite services	250	248
Support services	27	29
Management and administration	29	27
	<u>463</u>	<u>463</u>

The staff costs comprise:

	2022 €	2021 €
Wages and salaries	21,228,212	20,960,198
Social security costs	2,306,876	2,283,016
Pension costs	1,554,126	1,558,017
	<u>25,089,214</u>	<u>24,801,231</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	22
€70,000 - €80,000	10
€80,000 - €90,000	2
€90,000 - €100,000	2
€100,000 - €110,000	1
€110,000 - €120,000	1
	<u>38</u>

Employee benefits includes salary and pay related premiums and allowances but excludes employer pension and prsi contributions. A total amount of €200,145 was paid in employer pension contributions in relation to these 40 employees. The above 38 employees were engaged as follows: Day Services and Special Schools (0), Residential and Respite Services (24), Support Services (7) and Management and Administration (7).

## 9. KEY MANAGEMENT COMPENSATION

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

	2022 €	2021 €
Wages and salaries	300,515	349,868
Social security costs	33,207	38,660
Pension costs	26,324	29,773
	<u>360,046</u>	<u>418,301</u>

Key management would include the CEO and the three directorate heads. The CEO's salary for the year was €110,849. 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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

continued

## 10. TANGIBLE FIXED ASSETS

	Land and buildings freehold	Motor vehicles	Total
	€	€	€
<b>Cost/Valuation</b>			
At 1 January 2022	32,354,536	1,321,528	33,676,064
Additions	582,548	222,682	805,230
Disposals	-	(176,039)	(176,039)
At 31 December 2022	<u>32,937,084</u>	<u>1,368,171</u>	<u>34,305,255</u>
<b>Depreciation</b>			
At 1 January 2022	7,087,298	826,878	7,914,176
Charge for the year	493,950	200,408	694,358
On disposals	-	(176,039)	(176,039)
At 31 December 2022	<u>7,581,248</u>	<u>851,247</u>	<u>8,432,495</u>
<b>Net book value</b>			
At 31 December 2022	<u><b>25,355,836</b></u>	<u><b>516,924</b></u>	<u><b>25,872,760</b></u>
At 31 December 2021	<u>25,267,238</u>	<u>494,650</u>	<u>25,761,888</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 was 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 was 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.

## Ability West

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

continued

## 11. FINANCIAL FIXED ASSETS

	Subsidiary undertakings shares €	Subsidiary undertakings loans €	Total €
<b>Investments</b>			
<b>Cost</b>			
At 1 January 2022	209,507	215,452	424,959
Write-off of cost	(209,507)	(215,452)	(424,959)
At 31 December 2022	-	-	-
<b>Provision for diminution in value</b>			
At 1 January 2022	209,507	215,452	424,959
Write-off of provision	(209,507)	(215,452)	(424,959)
At 31 December 2022	209,507	215,452	424,959
<b>Net book value</b>			
At 31 December 2022	-	-	-
At 31 December 2021	-	-	-

### 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. Snipe Industries Limited was dissolved on the 13 September 2021.

(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. Team Leather Products Limited was dissolved on the 13 September 2021.

(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. In April 2021 funds of €19,548 were received by Ability West from Snipe Industries Limited in respect of the €235,00 intercompany loan.

### 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 was 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 was included in 2020 to reflect the reduced value of the underlying assets of both Snipe Industries Limited and Team Leather Products Limited..

## 12. DEBTORS

	2022 €	2021 €
Debtors	<u>1,589,208</u>	<u>3,063,624</u>

Included in Debtors is an amount of €1,452,895 (2021 - €2,786,474) due from the Health Service Executive.

## 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 2022

13. CREDITORS	2022	2021
Amounts falling due within one year	€	€
Trade creditors	867,779	1,899,693
Other creditors	1,194,952	1,203,907
PAYE	551,011	571,623
Accruals	1,182,087	1,177,246
Deferred Income - HSE	201,200	516,200
Deferred Income - Other	52,588	50,349
	<u>4,049,617</u>	<u>5,419,018</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 of €271,097 in 2022 and an amount of €141,845 materialised during 2022. A further €138,207 was released during 2022, culminating in a closing balance of €1,194,952.

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 €1,415,296 (2021 - €1,418,337).

## 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:

	2022	2021
Discount rate	1.20%	0.70%
Price inflation	2.10%	1.00%
Rate of salary increase	3.10%	2.00%
Pension increases for in-payment benefits	0.00%	0.00%
Pension increases for deferred benefits	2.10%	1.00%
	<u>2022</u>	<u>2021</u>
	€	€
<b>Analysis of amount credited to other income</b>		
Net interest on net defined benefit asset/(liability)	<u>40,120</u>	<u>21,470</u>
<b>Analysis of the amount charged to charitable activities</b>		
Effect of employee service in the current period	138,830	139,680
Plan introductions, changes, curtailments and settlements	-	-
	<u>138,830</u>	<u>139,680</u>
<b>Defined benefit cost recognised in the Statement of Financial Activities</b>	<u>98,710</u>	<u>118,210</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 2022

continued

15. PENSION COSTS - DEFINED BENEFIT (CONTINUED)	2022 €	2021 €
<b>Analysis of pension scheme actuarial gains/(losses)</b>		
Actuarial (gain)/loss arising during the period	(2,630,950)	(372,530)
Return on plan assets (greater)/less than discount rate	3,101,400	47,510
<b>Remeasurement effects recognised in the Statement of Financial Activities</b>	<b>470,450</b>	<b>(325,020)</b>
<b>Total defined benefit cost</b>		
Defined benefit cost recognised in the Statement of Financial Activities	98,710	118,210
Remeasurement effects recognised in the Statement of Financial Activities	470,450	(325,020)
<b>Total defined benefit cost</b>	<b>569,160</b>	<b>(206,810)</b>
<b>Net balance sheet position</b>		
<b>Development of net balance sheet position</b>		
Defined benefit obligation (DBO)	(7,581,930)	(10,222,680)
Fair value of assets (FVA)	10,371,850	13,525,850
<b>Net defined benefit asset/(liability)</b>	<b>2,789,920</b>	<b>3,303,170</b>
<b>Reconciliation of net balance sheet position</b>		
Net defined benefit asset/(liability) at end of prior period	3,303,170	3,035,520
Effect of employee service in the current period	(138,830)	(139,680)
Plan introductions, changes, curtailments and settlements	-	-
Net interest on net defined benefit asset/(liability)	40,120	21,470
Remeasurement effects recognised in SOFA	(470,450)	325,020
Employer contributions	55,910	60,840
<b>Net defined benefit asset/(liability) at end of current period</b>	<b>2,789,920</b>	<b>3,303,170</b>
<b>Assumptions and dates used for measurements</b>		
Discount rate	3.75%	1.20%
Price inflation	2.70%	2.10%
Rate of salary increase	3.70%	3.10%
Pension increases for in-payment benefits	0.00%	0.00%
Pension increases for deferred benefits	2.70%	2.10%
Plan participant census date	31/12/2022	31/12/2021
<b>Changes in reported benefit obligations and assets</b>		
<b>Change in defined benefit obligation (DBO)</b>		
DBO at end of prior period	10,222,680	10,644,570
Effect of employee service in the current period	138,830	139,680
Plan introductions, changes, curtailments and settlements	-	-
Interest cost on the DBO	120,750	73,390
Remeasurement of the DBO	(2,630,950)	(372,530)
Plan participants' contributions	18,640	18,750
Benefits paid from plan assets	(288,020)	(281,180)
Transfer payments	-	-
<b>DBO at end of current period</b>	<b>7,581,930</b>	<b>10,222,680</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 2022

continued

15. PENSION COSTS - DEFINED BENEFIT (CONTINUED)	2022 €	2021 €
<b>Change in plan assets</b>		
Fair value of assets at end of prior period	13,525,850	13,680,090
Interest income on plan assets	160,870	94,860
Return on plan assets greater/(less) than discount rate	(3,101,400)	(47,510)
Employer contributions	55,910	60,840
Plan participants' contributions	18,640	18,750
Benefits paid	(288,020)	(281,180)
Transfer payments	-	-
	<u>10,371,850</u>	<u>13,525,850</u>
<b>Return on plan assets</b>		
Total return on plan assets	<u>(2,940,530)</u>	<u>47,350</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 31/12/2022	Allocation Percentage 31/12/2021
Equity securities	24.91%	26.47%
Debt securities	73.29%	72.40%
Real estate/property	0.00%	0.00%
Other	1.80%	1.13%
Total	<u>100.00%</u>	<u>100.00%</u>
Fair value of plan assets	<u>10,371,850</u>	<u>13,525,850</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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

continued

## 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	2022 €	2021 €
<b>Loans received</b>		
At 1 January 2022	5,523,513	5,523,513
Received in year	-	-
At 31 December 2022	<u>5,523,513</u>	<u>5,523,513</u>
<b>Amortisation</b>		
At 1 January 2022	(4,538,102)	(4,455,912)
Amortised in year	(82,190)	(82,190)
At 31 December 2022	<u>(4,620,292)</u>	<u>(4,538,102)</u>
<b>Net book value</b>		
At 31 December 2022	<u>903,221</u>	<u>985,411</u>
At 31 December 2021	<u>985,411</u>	<u>1,067,601</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. These loans are 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 2022

continued

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

	Tangible fixed assets	Financial fixed assets	Pension asset	Current assets	Current liabilities	Loans	Total
	€	€	€	€	€	€	€
<b>Restricted income</b>							
General	5,200,104	-	-	4,813,775	(4,049,617)	1,191,578	7,155,840
<b>Unrestricted income</b>							
Fixed Assets Expended	20,672,656	-	-	-	-	(2,094,799)	18,577,857
Other Capital Projects	-	-	-	1,805,504	-	-	1,805,504
Pension	-	-	2,789,920	-	-	-	2,789,920
	20,672,656	-	2,789,920	1,805,504	-	(2,094,799)	23,173,281
	<b>25,872,760</b>	<b>-</b>	<b>2,789,920</b>	<b>6,619,279</b>	<b>(4,049,617)</b>	<b>(903,221)</b>	<b>30,329,121</b>

## 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 2022

### 18. 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.

### 19. CAPITAL COMMITMENTS

The company had no material capital commitments at the financial year ended 31 December 2022.

### 20. CASH AND CASH EQUIVALENTS

	2022	2021
	€	€
Cash and bank balances	<u>5,030,071</u>	<u>5,159,047</u>

### 21. RELATED PARTY TRANSACTIONS

No material related party transactions occurred during the year.

### 22. POST-BALANCE SHEET EVENTS

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

## Ability West

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

continued

### 23. STATE FUNDING

Name of Grantor	Health Service Executive (CH02)
Name of Grant	Service Arrangement - Intellectual Disability Services
Purpose of Grant	Service Provision (Charitable Activities)
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€29,527,978
Grant received in the financial year	€28,198,013
Grant due at the year end	€1,329,965
Grant included in the Statement of Financial Activities in the financial year	€29,527,978
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Delivery of Service

Name of Grantor	Health Service Executive (CH02)
Name of Grant	Covid-19 funding to resume Day Services
Purpose of Grant	Service Provision (Charitable Activities)
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€132,825
Grant received in the financial year	€132,825
Grant due at the year end	Nil
Grant included in the Statement of Financial Activities in the financial year	€132,825
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Delivery of Service

Name of Grantor	Health Service Executive (CH03)
Name of Grant	Service Arrangement - Intellectual Disability Services
Purpose of Grant	Service Provision (Charitable Activities)
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€111,811
Grant received in the financial year	€96,829
Grant due at the year end	€14,982
Grant included in the Statement of Financial Activities in the financial year	€111,811
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Delivery of Service

Name of Grantor	Health Service Executive (CH02)
Name of Grant	Rehabilitative Training Fund
Purpose of Grant	Service Provision (Charitable Activities)
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€431,790
Grant received in the financial year	€323,842
Grant due at the year end	€107,948
Grant included in the Statement of Financial Activities in the financial year	€431,790
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Delivery of Service

## Ability West

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

continued

### 23. STATE FUNDING (CONTINUED)

Name of Grantor	Department of Education
Name of Grant	Special Needs and Tuition Grant
Purpose of Grant	Service Provision (Charitable Activities)
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€189,952
Grant received in the financial year	€189,952
Grant due at the year end	Nil
Grant included in the Statement of Financial Activities in the financial year	€189,952
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Delivery of Service
Name of Grantor	Department of Education
Name of Grant	St. Olivers Special School - New School Building
Purpose of Grant	Construction of New School
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€103,422
Grant received in the financial year	€103,422
Grant due at the year end	Nil
Grant included in the Statement of Financial Activities in the financial year	€103,422
Grant included in deferred income at year end	Nil
Capital Grant	€103,422
Restriction on use	Construction of New School
Name of Grantor	Department of Rural and Community Development
Name of Grant	Mobility and Cancer Care Transport Fund
Purpose of Grant	Purchase of Minibus
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€53,006
Grant received in the financial year	€53,006
Grant due at the year end	Nil
Grant included in the Statement of Financial Activities in the financial year	€53,006
Grant included in deferred income at year end	Nil
Capital Grant	€53,006
Restriction on use	Purchase of Minibus
Name of Grantor	Department of Social Protection
Name of Grant	Employment Support Scheme
Purpose of Grant	Service Provision (Charitable Activities)
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€9,441
Grant received in the financial year	€7,622
Grant due at the year end	€1,819
Grant included in the Statement of Financial Activities in the financial year	€9,441
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Delivery of Service

## Ability West

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

continued

### 23. STATE FUNDING (CONTINUED)

Name of Grantor	Department of Social Protection
Name of Grant	Wage Subsidy Scheme
Purpose of Grant	Service Provision (Charitable Activities)
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€22,707
Grant received in the financial year	€16,594
Grant due at the year end	€6,113
Grant included in the Statement of Financial Activities in the financial year	€22,707
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Delivery of Service

Name of Grantor	Department of Social Protection
Name of Grant	Community Employment Scheme
Purpose of Grant	Service Provision (Charitable Activities)
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€534,396
Grant received in the financial year	€490,281
Grant due at the year end	€44,115
Grant included in the Statement of Financial Activities in the financial year	€534,396
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Delivery of Service

Name of Grantor	Galway/Roscommon Education Training Board
Name of Grant	REACH Grant
Purpose of Grant	Expenditure on Digital Technologies
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€5,155
Grant received in the financial year	€5,155
Grant due at the year end	Nil
Grant included in the Statement of Financial Activities in the financial year	€5,155
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Expenditure on Digital Technologies

Name of Grantor	Irish Human Rights and Equity Commission
Name of Grant	Human Rights and Equity Grant Scheme
Purpose of Grant	Expenditure on Research Project (NUIG)
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€131
Grant received in the financial year	€131
Grant due at the year end	Nil
Grant included in the Statement of Financial Activities in the financial year	€131
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Expenditure on Research Project (NUIG)

## Ability West

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

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2022

continued

### 23. STATE FUNDING (CONTINUED)

Name of Grantor	Galway Rural Development
Name of Grant	SICAP LCG Grant
Purpose of Grant	Tools and Equipment
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€2,487
Grant received in the financial year	€2,487
Grant due at the year end	Nil
Grant included in the Statement of Financial Activities in the financial year	€2,487
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Tools and Equipment
Name of Grantor	Brothers of Charity
Government Body	Health Service Executive (CH02)
Name of Grant	Service Arrangement - Intellectual Disability Services
Purpose of Grant	Service Provision (Charitable Activities)
Term of Grant	1 January 2022 to 31 December 2022
Total amount of Grant	€38,067
Grant received in the financial year	€38,067
Grant due at the year end	Nil
Grant included in the Statement of Financial Activities in the financial year	€38,067
Grant included in deferred income at year end	Nil
Capital Grant	N/A
Restriction on use	Delivery of Service

### 24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29 May 2023.



**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 2022**

**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 2022

Schedule	2022 €	2022 €	2022 €	2021 €
	Revenue	Capital	Total	Total
<b>Incoming resources</b>				
<b>Income – Unrestricted funds</b>				
- Branch fundraising	-	20	20	552
- Other fundraising and donations	6,678	48,825	55,503	37,827
- Service user contributions	94,607	-	94,607	100,333
- Bequests	-	-	-	365,000
- Other income and sales	102,547	-	102,547	35,436
- Bank interest	-	-	-	-
- Surplus on disposal of tangible fixed assets	-	13,200	13,200	9,979
	<u>203,832</u>	<u>62,045</u>	<u>265,877</u>	<u>549,127</u>
<b>Income – Pensions reserve</b>				
- Interest on pension scheme assets	40,120	-	40,120	21,470
	<u>40,120</u>	<u>-</u>	<u>40,120</u>	<u>21,470</u>
<b>Income – Restricted funds</b>				
- HSE CH02 Allocation	29,527,978	-	29,527,978	30,432,039
- HSE CH02 Covid-19 re Day Services	132,825	-	132,825	-
- HSE CH02 Deferred Transport Allocation	-	275,000	275,000	(275,000)
- HSE CH02 Deferred Allocation	40,000	-	40,000	(241,200)
- HSE CH02 Rehabilitative Training	431,790	-	431,790	438,309
- HSE CH02 Other	-	-	-	52,500
- HSE CH03 Allocation	111,811	-	111,811	108,444
- HSE Total	<u>30,244,404</u>	<u>275,000</u>	<u>30,519,404</u>	<u>30,515,092</u>
- Department of Education St. Joseph's TC	189,952	-	189,952	191,700
- Department of Education St. Oliver's (Building)	-	103,422	103,422	1,181,473
- Department of Social Protection CE	534,396	-	534,396	471,436
- Department of Social Protection ESS/WSS	32,148	-	32,148	23,317
- Department of Rural & Community Development	-	53,006	53,006	42,694
- Brothers of Charity Services	38,067	-	38,067	109,148
- Galway Roscommon ETB	5,155	-	5,155	15,530
- Irish Human Rights and Equity Commission	131	-	131	7,080
- Galway Rural Development	2,487	-	2,487	-
- Amortisation of loans	-	82,190	82,190	82,190
- Other fundraising and donations	-	-	-	10,000
	<u>31,046,740</u>	<u>513,618</u>	<u>31,560,358</u>	<u>32,649,660</u>
<b>Total incoming resources</b>	<b>31,290,692</b>	<b>575,663</b>	<b>31,866,355</b>	<b>33,220,257</b>
<b>Charitable activities and other expenses</b>	<b>1 (31,255,726)</b>	<b>(694,358)</b>	<b>(31,950,084)</b>	<b>(31,236,126)</b>
<b>Surplus/(deficit) for the year</b>	<b><u>34,966</u></b>	<b><u>(118,695)</u></b>	<b><u>(83,729)</u></b>	<b><u>1,984,131</u></b>

## 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 2022

	2022 €	2022 €	2022 €	2021 €
	Revenue	Capital	Total	Total
<b>Expenses</b>				
Wages and salaries	21,228,212	-	21,228,212	20,960,198
Social security costs	2,306,876	-	2,306,876	2,283,016
Staff defined contribution pension costs	1,415,296	-	1,415,296	1,418,337
Staff defined benefit pension costs	138,830	-	138,830	139,680
Staff related costs	132,954	-	132,954	115,528
Transport, travel and meeting costs	1,540,227	-	1,540,227	1,392,259
Client related costs	1,041,604	-	1,041,604	936,425
Equipment, furniture and aids	550,540	-	550,540	598,721
Facility costs	1,554,509	-	1,554,509	1,484,844
Insurance, financial and other costs	545,511	-	545,511	533,388
Administration and related costs	266,207	-	266,207	268,108
Community employment scheme	534,960	-	534,960	470,878
Depreciation	-	694,358	694,358	634,744
	<u>31,255,726</u>	<u>694,358</u>	<u>31,950,084</u>	<u>31,236,126</u>