

Ability West

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

Report and Financial Statements

for the year ended 31 December 2015

Company Number: 41317

Charity Number: CHY 6306

Charities Regulatory Authority Number: CRA 20011161

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REFERENCE AND ADMINISTRATIVE INFORMATION

Directors

Marie O'Dowd
Padraic Lawless
Patrick Daly
Mary O'Mahony
Jack King
Redmond Kelly
John Francis Hannon
Michael Anthony O'Connor
Kevin Flavin
Alastair Muldowney
Kevin Flaherty (Appointed 30 March 2015)
Bridie Newell (Appointed 2 July 2015)
Mary Lally (Resigned 1 October 2015)

Company Secretary

Breda Crehan-Roche

Senior Management Team

Breda Crehan-Roche (Chief Executive Officer)
Sinead Donnellan (Director of Human Resources)
John McHugo (Director of Finance)
Frances Murphy (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

CAG
Chartered Accountants and Registered Auditors
Steamship House
Dock Street
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

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DIRECTORS' ANNUAL REPORT

for the year ended 31 December 2015

The directors present their report and the audited financial statements for the year ended 31 December 2015.

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". Although not obliged to comply with the Statement of Recommended Practice (Charities SORP in accordance with FRS 102, effective January 2015), the company has implemented its recommendations where relevant in these financial statements.

Principal Activities and Review of the Operations

The principal activity of the company is 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 year ended 31 December 2015. The company is limited by guarantee not having a share capital.

The company recorded a surplus for the year of €668,343 (2014 - €123,784).

Principal Risks and Uncertainties

The company is economically dependent on the Health Service Executive for its funding to continue in operation. The risk is mitigated through a Service Arrangement between the Health Service Executive and the company. If this funding were ever to cease the company would not be in a position to continue with its normal activities.

Directors

The directors who served throughout the year, except as noted, were as follows:

Marie O'Dowd	Michael Anthony O'Connor
Padraic Lawless	Kevin Flavin
Patrick Daly	Alastair Muldowney
Mary O'Mahony	Kevin Flaherty (Appointed 30 March 2015)
Jack King	Bridie Newell (Appointed 2 July 2015)
Redmond Kelly	Mary Lally (Resigned 1 October 2015)
John Francis Hannon	

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

Future Developments

The company plans to continue its present activities and current operating levels for the foreseeable future.

Post Balance Sheet Events

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

Taxation Status

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

Auditors

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

Accounting Records

To ensure that proper books and 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 books of account are located at the company's office at Blackrock House, Salthill, Galway.

Signed on behalf of the Board

Patrick Daly
Director

25 April 2016

Bridie Newell
Director

25 April 2016

Ability West

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 December 2015

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law, the directors must not approve the financial statements unless they are satisfied 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 that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and 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;
- state whether the Charities SORP (effective January 2015) has been followed;
- 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. 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

Patrick Daly
Director

25 April 2016

Bridie Newell
Director

25 April 2016

INDEPENDENT AUDITOR'S REPORT

to the Members of Ability West

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

We have audited the financial statements of Ability West for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP (effective January 2015).

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland).

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2015 and of its results for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland and in particular with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by Sections 305 to 312 of the Act are not made.

Frank Fahy
for and on behalf of

CAG

Chartered Accountants and Registered Auditors
Steamship House
Dock Street
Galway

25 April 2016

Ability West

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

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

for the year ended 31 December 2015

	Notes	Unrestricted Funds 2015 €	Pensions Reserve 2015 €	Restricted Funds 2015 €	Total 2015 €	Total 2014 €
Incoming Resources						
Generated funds:						
Voluntary income						
Fundraising and donations		125,017	-	-	125,017	128,465
Bequests		5,000	-	-	5,000	21,037
Other income		87,544	-	-	87,544	96,271
Activities to generate funds						
Other income		27,181	-	-	27,181	26,035
Investment and other income		17,476	-	-	17,476	39,324
Charitable activities:						
Health Service Executive		-	-	23,851,824	23,851,824	22,293,432
Other income		-	26,080	841,023	867,103	868,664
Other incoming resources		180,670	-	-	180,670	-
Total incoming resources		442,888	26,080	24,692,847	25,161,815	23,473,228
Resources Expended						
Net incoming resources available for charitable application		442,888	26,080	24,692,847	25,161,815	23,473,228
Charitable activities:						
Day services and special schools		-	94,711	6,727,887	6,822,598	6,324,338
Residential and respite services		-	21,992	13,079,448	13,101,440	12,355,451
Support services		-	36,384	1,790,779	1,827,163	1,830,009
Management and administration		-	65,613	2,676,658	2,742,271	2,839,646
		-	218,700	24,274,772	24,493,472	23,349,444
Total resources expended	6	-	218,700	24,274,772	24,493,472	23,349,444
Transfers between funds		-	182,140	(182,140)	-	-
Surplus/(deficit) for the year		442,888	(10,480)	235,935	668,343	123,784
Pension scheme actuarial gains/(losses)	15	-	289,020	-	289,020	94,570
Net movement in funds for the year		442,888	278,540	235,935	957,363	218,354
Reconciliation of funds						
Balances brought forward at 1 January 2015		18,077,420	1,223,470	34,359	19,335,249	19,116,895
Balances carried forward at 31 December 2015		18,520,308	1,502,010	270,294	20,292,612	19,335,249

Approved by the Directors on 25 April 2016 and signed on its behalf by

Patrick Daly
Director

Bridie Newell
Director

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BALANCE SHEET

as at 31 December 2015

		2015	2014
	Notes	€	€
Fixed Assets			
Tangible assets	10	18,544,624	19,020,888
Financial assets	11	444,507	444,507
Pension asset	15	1,502,010	1,223,470
		<u>20,491,141</u>	<u>20,688,865</u>
Current Assets			
Debtors	12	2,043,614	1,560,263
Cash and cash equivalents		4,094,267	3,719,879
		<u>6,137,881</u>	<u>5,280,142</u>
Creditors: Amounts falling due within one year	13	(4,434,204)	(4,538,959)
Net Current Assets		<u>1,703,677</u>	<u>741,183</u>
Total Assets less Current Liabilities		22,194,818	21,430,048
Loans	16	(1,902,206)	(2,094,799)
Net Assets		<u>20,292,612</u>	<u>19,335,249</u>
Funds			
Restricted funds		270,294	34,359
Unrestricted designated funds		18,520,308	18,077,420
Total funds before pension scheme reserve		<u>18,790,602</u>	<u>18,111,779</u>
Pension scheme reserve		1,502,010	1,223,470
Total funds	18	<u>20,292,612</u>	<u>19,335,249</u>

Approved by the Directors on 25 April 2016 and signed on its behalf by

Patrick Daly
DirectorBridie Newell
Director

Ability West
CASH FLOW STATEMENT

for the year ended 31 December 2015

	Notes	2015 €	2014 €
Cash flows from charitable activities			
Net movement in funds		939,887	179,030
Adjustments for:			
Depreciation		398,992	428,421
Surplus on disposal of tangible fixed assets		(180,670)	-
Movement on defined benefit pension scheme		(278,540)	(326,360)
Amortisation of loans		(192,593)	(198,227)
		<u>687,076</u>	<u>82,864</u>
Movements in working capital:			
Movement in debtors		(483,351)	(245,630)
Movement in creditors		(104,755)	(626,684)
		<u>98,970</u>	<u>(789,450)</u>
Cash flows from charitable activities			
Cash flows from other activities			
Interest received		17,476	39,324
Payments to acquire tangible fixed assets		(61,800)	(60,196)
Receipts from sales of tangible fixed assets		319,742	-
		<u>275,418</u>	<u>(20,872)</u>
Cash flows from other activities			
Net increase/(decrease) in cash and cash equivalents		374,388	(810,322)
Cash and cash equivalents at 1 January 2015		3,719,879	4,530,201
Cash and cash equivalents at 31 December 2015	21	<u>4,094,267</u>	<u>3,719,879</u>

Ability West

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

1. GENERAL INFORMATION

Ability West is a company limited by guarantee not having a share capital incorporated in the Republic of Ireland.

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

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 business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

2. ACCOUNTING POLICIES

Statement of compliance

The financial statements of the company for the year ended 31st December 2015 have been prepared on a going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014 and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland. These are the company's first set of financial statements prepared in accordance with FRS 102 (see note 4 for an explanation of the transition).

Basis of preparation

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

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.

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NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 31 December 2015

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.

Functional currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in euro, which is the company's functional and presentation currency and is denoted by the symbol "€".

Taxation

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

Tangible fixed assets and depreciation

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

Land and buildings freehold	-	2% Straight line
Motor vehicles	-	12.5% Straight line

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

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

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

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

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.

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NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2015

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of these financial statements requires the directors and management to make judgements, estimates and assumptions that affect the application of the policies and the reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no 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.

4. RECONCILIATION ON TRANSITION TO FRS 102

	31/12/2014	01/01/2014
	€	€
Reconciliation of Funds		
Funds as previously stated	16,018,272	15,998,145
Cumulative adjustment for amortisation of loans (i)	3,118,750	3,118,750
Loan amortisation for the year (ii)	198,227	-
Funds as restated	<u>19,335,249</u>	<u>19,116,895</u>
		31/12/2014
		€
Reconciliation of Statement of Financial Activities for the year		
Surplus for the year as previously stated		20,127
Loan amortisation for the year (ii)		198,227
Surplus for the year as restated		<u>218,354</u>

(i) A change in accounting policy in accordance with FRS 102 with regard to the concessionary loans results in a change in the cumulative amortisation of the loans. These loans were originally included at the gross liability and were amortised in full once the charge on the property was released. On this basis an amount of €111,737 was previously amortised. They are now being amortised annually over the term of the loan agreement. This figure of €3,118,750 represents the change in the cumulative amortisation at the transition date.

(ii) The loan amortisation for the year is now credited to the Statement of Financial Activities as outlined in note (i) above.

5. SURPLUS/(DEFICIT) FOR THE YEAR

	2015	2014
	€	€
Surplus/(deficit) for the year is stated after charging/(crediting):		
Depreciation of tangible assets	398,992	428,421
Auditors remuneration	22,079	21,525
Surplus on disposal of tangible fixed assets	(180,670)	-
Amortisation of loans	<u>(192,593)</u>	<u>(198,227)</u>

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

6. ANALYSIS OF RESOURCES EXPENDED

	Day services and special schools	Residential and respite services	Support services	Management and administration	Total	Total
	2015	2015	2015	2015	2015	2014
	€	€	€	€	€	€
Other costs						
Staff salaries and pension costs	5,088,689	11,604,588	1,525,177	1,324,165	19,542,619	18,712,663
Staff related costs	5,169	1,088	1,047	116,107	123,411	154,323
Transport, travel and meeting costs	927,615	71,847	218,177	35,073	1,252,712	1,203,410
Client related costs	212,642	768,905	155	27,046	1,008,748	881,167
Equipment, furniture & aids	144,188	97,875	8,159	92,212	342,434	290,080
Facility costs	395,093	515,009	26,870	44,112	981,084	871,413
Insurance, financial and other costs	3,840	4,258	29,190	185,982	223,270	222,387
Administration and related costs	45,362	37,870	18,388	103,750	205,370	185,395
Community employment scheme	-	-	-	414,832	414,832	400,185
Depreciation	-	-	-	398,992	398,992	428,421
Totals	6,822,598	13,101,440	1,827,163	2,742,271	24,493,472	23,349,444

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

7. EMPLOYEES AND REMUNERATION

Number of employees

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

	2015 Number	2014 Number
Day services and special schools	113	109
Residential and respite services	206	207
Support services	25	24
Management and administration	23	23
	<u>367</u>	<u>363</u>

The staff costs comprise:

	2015 €	2014 €
Wages and salaries	16,697,844	16,115,447
Social security costs	1,736,170	1,699,253
Pension costs	1,108,605	897,963
	<u>19,542,619</u>	<u>18,712,663</u>

8. SALARY RANGE

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

	Number of Employees
€60,000 - €70,000	21
€70,000 - €80,000	4
€80,000 - €90,000	2
€90,000 - €100,000	-
€100,000 - €110,000	1
	<u>28</u>

Employee benefits include salary and pay related premiums and allowances but excludes employer pension and prsi contributions. A total amount of €132,609 was paid by the company in employer pension contributions in relation to these 28 employees. The above 28 employees were engaged as follows: Residential and respite services (20), Support services (6) and Management and administration (2).

9. KEY MANAGEMENT COMPENSATION

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

	2015 €	2014 €
Wages and salaries	304,777	310,040
Social security costs	31,123	32,415
Pension costs	23,489	24,799
	<u>359,389</u>	<u>367,254</u>

Key management would include the CEO and the three directorate heads. The CEO's salary for the year was €100,796 (2014 - €100,796). 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 year ended 31 December 2015

continued

10. TANGIBLE FIXED ASSETS

	Land and buildings freehold	Motor vehicles	Total
	€	€	€
Cost			
At 1 January 2015	23,338,827	874,783	24,213,610
Additions	-	61,800	61,800
Disposals	(190,942)	(48,776)	(239,718)
	<u>23,147,885</u>	<u>887,807</u>	<u>24,035,692</u>
At 31 December 2015	23,147,885	887,807	24,035,692
Depreciation			
At 1 January 2015	4,453,417	739,305	5,192,722
Charge for the year	349,056	49,936	398,992
On disposals	(51,870)	(48,776)	(100,646)
	<u>4,750,603</u>	<u>740,465</u>	<u>5,491,068</u>
At 31 December 2015	4,750,603	740,465	5,491,068
Net book value			
At 31 December 2015	<u>18,397,282</u>	<u>147,342</u>	<u>18,544,624</u>
At 31 December 2014	<u>18,885,410</u>	<u>135,478</u>	<u>19,020,888</u>

10.1 TANGIBLE FIXED ASSETS PRIOR YEAR

	Land and buildings freehold	Motor vehicles	Total
	€	€	€
Cost			
At 1 January 2014	23,335,385	818,028	24,153,413
Additions	3,441	56,755	60,196
	<u>23,338,826</u>	<u>874,783</u>	<u>24,213,609</u>
At 31 December 2014	23,338,826	874,783	24,213,609
Depreciation			
At 1 January 2014	4,101,969	662,331	4,764,300
Charge for the year	351,447	76,974	428,421
	<u>4,453,416</u>	<u>739,305</u>	<u>5,192,721</u>
At 31 December 2014	4,453,416	739,305	5,192,721
Net book value			
At 31 December 2014	<u>18,885,410</u>	<u>135,478</u>	<u>19,020,888</u>
At 31 December 2013	<u>19,233,416</u>	<u>155,697</u>	<u>19,389,113</u>

Ability West

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

continued

11. FINANCIAL FIXED ASSETS

	Subsidiary undertakings shares €	Subsidiary undertakings loans €	Total €
Investments			
Cost			
At 31 December 2015	209,507	235,000	444,507
Net book value			
At 31 December 2015	<u>209,507</u>	<u>235,000</u>	<u>444,507</u>
At 31 December 2014	<u>209,507</u>	<u>235,000</u>	<u>444,507</u>

11.1 FINANCIAL FIXED ASSETS PRIOR YEAR

	Subsidiary undertakings shares €	Subsidiary undertakings loans €	Total €
Investments			
Cost			
At 31 December 2014	209,507	235,000	444,507
Net book value			
At 31 December 2014	<u>209,507</u>	<u>235,000</u>	<u>444,507</u>
At 31 December 2013	<u>209,507</u>	<u>235,000</u>	<u>444,507</u>

The investment in subsidiary undertakings comprises the following:

(i) The company owns 100,000 ordinary shares of €1.269738 each in Snipe Industries Limited which represents 100% of the share capital of that company. The registered office of Snipe Industries Limited is situated at Blackrock House, Salthill, Galway. The last set of financial statements prepared for Snipe Industries Limited were for the year ended 31st December 2014 and its net assets were €161,082 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 year ended 31st December 2014 and its net assets were €91,317 at that date.

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

Ability West

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

NOTES TO THE FINANCIAL STATEMENTS

continued

for the year ended 31 December 2015

12. DEBTORS	2015	2014
	€	€
Debtors	<u>2,043,614</u>	<u>1,560,263</u>

Included in the above is an amount of €2,017,392 (2014 - €1,533,026) due from the Health Service Executive.

13. CREDITORS	2015	2014
Amounts falling due within one year	€	€
Trade creditors	1,033,730	1,205,666
Other creditors	2,210,788	2,313,365
Accruals	1,092,275	992,528
Deferred Income	97,411	27,400
	<u>4,434,204</u>	<u>4,538,959</u>

Other Creditors - These comprise claims and provisions charged for €289,663 and an amount of €392,240 released during the year, culminating in a closing balance of €2,210,788.

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 €889,905 (2014 - €742,323).

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:

	2015	2014
Discount rate	2.00%	3.42%
Price inflation	1.75%	2.00%
Rate of salary increase	2.75%	3.00%
Pension increases for in-payment benefits	0.00%	0.00%
Pension increases for deferred benefits	1.75%	2.00%

	2015	2014
	€	€
Analysis of amount credited to other income		
Net interest on net defined benefit asset/(liability)	<u>26,080</u>	<u>33,890</u>

Analysis of the amount charged to charitable activities

Effect of employee service in the current period	<u>218,700</u>	<u>155,640</u>
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Defined benefit cost recognised in the Statement of Financial Activities	<u>192,620</u>	<u>121,750</u>
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Ability West

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

continued

15. PENSION COSTS - DEFINED BENEFIT CONTINUED	2015	2014
	€	€
Analysis of pension scheme actuarial gains/(losses)		
Actuarial (gain)/loss arising during the period	(420,710)	1,936,580
Return on plan assets (greater)/less than discount rate	131,690	(2,031,150)
	<u>(289,020)</u>	<u>(94,570)</u>
Remeasurement effects recognised in the Statement of Financial Activities	<u>(289,020)</u>	<u>(94,570)</u>
Total defined benefit cost		
Defined benefit cost recognised in the Statement of Financial Activities	192,620	121,750
Remeasurement effects recognised in the Statement of Financial Activities	(289,020)	(94,570)
	<u>(96,400)</u>	<u>27,180</u>
Net balance sheet position		
Development of net balance sheet position		
Defined benefit obligation (DBO)	(10,028,570)	(10,236,150)
Fair value of assets (FVA)	11,530,580	11,459,620
	<u>1,502,010</u>	<u>1,223,470</u>
Net defined benefit asset/(liability)	<u>1,502,010</u>	<u>1,223,470</u>
Reconciliation of net balance sheet position		
Net defined benefit asset/(liability) at end of prior period	1,223,470	897,110
Effect of employee service in the current period	(218,700)	(155,640)
Net interest on net defined benefit asset/(liability)	26,080	33,890
Remeasurement effects recognised in SOFA	289,020	94,570
Employer contributions	182,140	353,540
	<u>1,502,010</u>	<u>1,223,470</u>
Net defined benefit asset/(liability) at end of current period	<u>1,502,010</u>	<u>1,223,470</u>
Assumptions and dates used for measurements		
Discount rate	2.20%	2.00%
Price inflation	1.75%	1.75%
Rate of salary increase	2.75%	2.75%
Pension increases for in-payment benefits	0.00%	0.00%
Pension increases for deferred benefits	1.75%	1.75%
Plan participant census date	31/12/2015	31/12/2014
Changes in reported benefit obligations and assets		
Change in defined benefit obligation (DBO)		
DBO at end of prior period	10,236,150	8,035,000
Effect of employee service in the current period	218,700	155,640
Interest cost on the DBO	202,350	271,430
Remeasurement of the DBO	(420,710)	1,936,580
Plan participants' contributions	29,360	34,120
Benefits paid from plan assets	(237,280)	(196,620)
	<u>10,028,570</u>	<u>10,236,150</u>
DBO at end of current period	<u>10,028,570</u>	<u>10,236,150</u>

Ability West

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

continued

15. PENSION COSTS - DEFINED BENEFIT CONTINUED	2015	2014
	€	€
Change in plan assets		
Fair value of assets at end of prior period	11,459,620	8,932,110
Interest income on plan assets	228,430	305,320
Return on plan assets greater/(less) than discount rate	(131,690)	2,031,150
Employer contributions	182,140	353,540
Plan participants' contributions	29,360	34,120
Benefits paid	(237,280)	(196,620)
	<u>11,530,580</u>	<u>11,459,620</u>
Return on plan assets		
Total return on plan assets	<u>96,740</u>	<u>2,336,470</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 2014. 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 31/12/2015	Allocation Percentage 31/12/2014
Equity securities	22.97%	22.91%
Debt securities	75.35%	75.17%
Real estate/property	0.00%	0.00%
Other	1.68%	1.92%
Total	<u>100.00%</u>	<u>100.00%</u>
Fair value of plan assets	<u>11,530,580</u>	<u>11,459,620</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

continued

for the year ended 31 December 2015

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 excepted 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	2015 €	2014 €
At 1 January 2015	5,523,513	5,523,513
Amortisation		
At 1 January 2015	(3,428,714)	(3,230,487)
Amortised in year	(192,593)	(198,227)
At 31 December 2015	(3,621,307)	(3,428,714)
Net book value		
At 31 December 2015	1,902,206	2,094,799
At 1 January 2015	2,094,799	2,293,026

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 (see also note 4). 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 year ended 31 December 2015

17. ANALYSIS OF NET ASSETS BY FUND

	Tangible fixed assets	Financial fixed assets	Pension asset	Current assets	Current liabilities	Loans	Total
	€	€	€	€	€	€	€
Restricted income							
General	(398,992)	-	-	4,910,897	(4,434,204)	192,593	270,294
Unrestricted income							
Fixed Assets Expended	18,943,616	444,507	-	-	-	(2,094,799)	17,293,324
Other Capital Projects	-	-	-	1,226,984	-	-	1,226,984
Pension	-	-	1,502,010	-	-	-	1,502,010
	<u>18,943,616</u>	<u>444,507</u>	<u>1,502,010</u>	<u>1,226,984</u>	<u>-</u>	<u>(2,094,799)</u>	<u>20,022,318</u>
	<u>18,544,624</u>	<u>444,507</u>	<u>1,502,010</u>	<u>6,137,881</u>	<u>(4,434,204)</u>	<u>(1,902,206)</u>	<u>20,292,612</u>

Ability West

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

18. ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 January 2015 €	Incoming resources €	Resources expended €	Inter-fund transfers €	Gains and losses €	Balance 31 December 2015 €
Restricted income						
General	34,359	24,692,847	(24,274,772)	(182,140)	-	270,294
Unrestricted income						
Fixed Assets	17,370,596	-	-	(77,272)	-	17,293,324
Expended						
Other Capital Projects	706,824	442,888	-	77,272	-	1,226,984
	18,077,420	442,888	-	-	-	18,520,308
Total funds before pension scheme reserve	18,111,779	25,135,735	(24,274,772)	(182,140)	-	18,790,602
Pension	1,223,470	26,080	(218,700)	182,140	289,020	1,502,010
Total funds	19,335,249	25,161,815	24,493,472	-	289,020	20,292,612

19. STATUS

The company is limited by guarantee not having a 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 company had no material capital commitments at the year ended 31st December 2015.

21. CASH AND CASH EQUIVALENTS

	2015 €	2014 €
Cash and bank balances	<u>4,094,267</u>	<u>3,719,879</u>

22. RELATED PARTY TRANSACTIONS

No material related party transactions occurred during the year.

23. POST-BALANCE SHEET EVENTS

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

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 25 April 2016.

ABILITY WEST

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

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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 year ended 31 December 2015

	Schedule	2015 €	2014 €
Incoming resources			
Income – Unrestricted funds			
- Branch fundraising		33,372	44,365
- Other fundraising and donations		91,645	84,100
- Service user contributions		87,544	96,271
- Bequests		5,000	21,037
- Other income and sales		27,181	26,035
- Bank interest		17,476	39,324
- Surplus on disposal of tangible fixed assets		180,670	-
		<u>442,888</u>	<u>311,132</u>
Income – Pensions reserve			
- Interest on pension scheme assets		26,080	33,890
		<u>26,080</u>	<u>33,890</u>
Income – Restricted funds			
- HSE West Allocation		22,616,521	21,696,116
- HSE West Supplementary Allocation		610,500	-
- HSE West Rehabilitative Training		562,466	561,631
- HSE West ABA Project		26,652	-
- HSE Mid-West Allocation		35,685	35,685
		<u>23,851,824</u>	<u>22,293,432</u>
- Department of Education St. Joseph's TC		187,946	174,975
- Department of Social Protection CE		409,808	404,846
- Department of Social Protection ESS/WSS		13,000	10,963
- Brothers of Charity Services		36,176	44,763
- Galway Rural Development		1,500	1,000
- Amortisation of loans		192,593	198,227
		<u>24,692,847</u>	<u>23,128,206</u>
Total incoming resources		25,161,815	23,473,228
Charitable activities and other expenses	1	(24,493,472)	(23,349,444)
Surplus for the year		<u><u>668,343</u></u>	<u><u>123,784</u></u>

Ability West

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

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

for the year ended 31 December 2015

	2015	2014
	€	€
Expenses		
Wages and salaries	16,697,844	16,115,447
Social security costs	1,736,170	1,699,253
Staff defined contribution pension costs	889,905	742,323
Staff defined benefit current service costs	218,700	155,640
Staff related costs	123,411	154,323
Equipment, furniture and aids	342,434	290,080
Client related costs	1,008,748	881,167
Facility costs	981,084	871,413
Community employment scheme	414,832	400,185
Transport, travel and meeting costs	1,252,712	1,203,410
Financial and other costs	223,270	222,387
Administration and related costs	205,370	185,395
Depreciation	398,992	428,421
	<u>24,493,472</u>	<u>23,349,444</u>