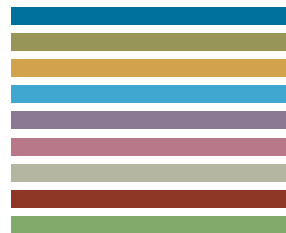




# Annual Report



# 2013

Excellence

Innovation

Creativity





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# CHAIRPERSON'S FOREWORD

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2013 marked the 15th year in the history of the Western Development Commission. The detail of the organisation's activity during 2013 is contained in this annual report. In terms of work and achievement it was another year of solid progress on its remit to promote and enhance the economic and social life in the West of Ireland.

The work builds on the record of professionalism and efficiency established since the setting up of the Commission and has resulted in the organisation now being regarded as having the pre-eminent rural development capability in the country.

To have maintained the same level of activity during the year under review, in spite of reduced staff numbers, should not go without mention. In 2008 the total WDC staff numbers stood at seventeen or six more than that on the payroll during 2013. For the first five months of the year under review there was no CEO in place and, understandably, the new appointee to the post, needed a settling-in period afterwards.

In addition, we lost two very experienced and valued staff members. On behalf of my board colleagues I wish to thank them for their great service to the WDC and to wish them every possible success in their new careers. I also want to record the Board's appreciation of the herculean work done by each member of the remaining staff. Their commitment and dedication is a source of encouragement and example to my board colleagues and me.

One of the main reasons for the ongoing success of the WDC is its willingness to work with other State agencies. Through its research it has provided valuable information to local and national organisations and identified areas needing attention. It has shown a capacity to develop and test initiatives that can then be administered by the appropriate bodies. As a consequence of this ethos of co-operation and sharing, the WDC has proven an ability to enable regional organisations to access expertise and funding which can realise economic improvement in their region.

The challenges facing the WDC are as great as they were at the time of setting up the commission. The recession has taken its toll all over the country but nowhere more so than in the West of Ireland. Statistics show that the Western Region's enterprise base has been more substantially damaged by the recession than elsewhere in the country. The region performed worse than the rest of the state in almost every sector resulting in a decline of its already low share of the country's enterprise. Significantly, the decline in enterprise numbers occurred in the most labour intensive sectors – construction, transportation, accommodation and wholesale and retail.

And so, given the proven need for increased economic activity in the region, given the WDC's record of achievement so far, given the experience and expertise of its management and staff and given the idealism of its Board, I am looking forward to influencing policy and making further progress during 2014.



A handwritten signature in black ink, reading "Paddy McGuinness". The signature is stylized and fluid.

**Paddy McGuinness**  
Chairperson

# CHIEF EXECUTIVE'S REPORT

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In 2013 the Western Development Commission (WDC), went through its fifth year of increased outputs set against the challenge of reduced resources and financial constraints. Now as we enter 2014 we have a funded, resourced approach to retaining or creating hundreds of jobs directly within the Western Region.

The WDC now seeks to drive regional employment and enterprise growth through linking the region both internally and internationally to both resources and markets. We are adapting and seeking to lead on this change manifesto; indeed, we see leveraging our region's key assets internationally as important to the state's response to the current international challenges.

To date we are working with national and international partners to drive enterprise growth in the following seven key areas:

- Creative economy
- Regional tourism
- Access to finance
- Renewable energy
- Engaging diaspora
- Promoting the region
- Regional policy insight and analysis.

Through both direct stimulus programmes and indirect promotion and linking of regional capabilities we have, with regional partners, achieved significant wins for regional business. To date, the WDC has invested a total of almost €41.6 million in 110 micro, SMEs and social enterprises in the region. 1,600 people are employed in WIF portfolio companies with the potential of job numbers to grow to 2,500 as these companies expand.

In 2013 WDC invested €2,141,859 in 18 SMEs and social enterprises which offer highly skilled employment in sectors ranging from medical devices to software development to high tech manufacturing to creative industries as well as much need services for local communities.

Going forward our vision is to significantly accelerate this growth using funded initiatives. Many of these leverage EU expertise and resources. Additionally, the WDC is incorporating the EU2020 key themes of Smart, Inclusive, Sustainable, and to some extent Governance, within its plan to realise the regional 2020 vision. How we will achieve this is based on a highly collaborative ethos, with the local authorities, regional stakeholders and indeed the EU becoming essential to translating our efforts into enterprise and employment outputs. We look forward to assisting the emerging *local enterprise offices (LEO's)* in achieving enterprise growth for the western region.



# CHIEF EXECUTIVE'S REPORT

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Furthermore we wish in 2014 to underline the image and impact of the Western Region globally in order to ensure a voice for further generations from the region.

In 2013 the WDC supported job growth initiatives, designed to practically help businesses and individuals establish, improve or be attracted to doing business here. They included:

- Developing a framework for the economic development of rural Ireland - Commission for economic development of rural areas (CEDRA) ([www.ruralireland.ie](http://www.ruralireland.ie))
- Tailored Bioenergy support programmes - BioPAD & RASLRES Bioenergy support ([www.biopad.eu](http://www.biopad.eu), [www.raslres.eu](http://www.raslres.eu))
- Creative industries Micro-Loan Fund (€1m over three years)
- Focussed creative economy support programmes Creative Edge EU export growth programme – driving exports (€1.2m total) ([www.mycreativeedge.eu](http://www.mycreativeedge.eu))
- Western investment fund (WIF) – continuing to support start up and scale up business in the Western Region.
- Pursuing access infrastructure development – Next generation broadband, Air access etc

These efforts have combined to greatly enhance the ability of the organisation to undertake its job growth remit and position itself as a self-reliant, capable regional development organisation.

My sincere thanks to the staff of the WDC for all their efforts, also to those long standing employees, Paul and Joanne, who have left us to move on to pastures greener, we wish them all the best.

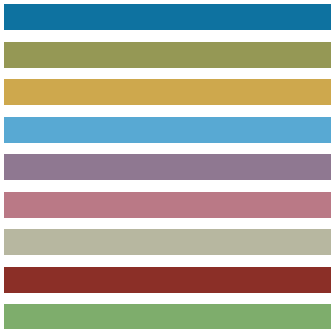
Also a special thanks to the international and regional partners, all of whom have helped in achieving these outcomes for the Western Region in 2013 and with whom I look forward to working with in 2014.



A handwritten signature in black ink, reading 'Ian Brannigan'.

**Ian Brannigan**  
*Acting CEO & Head of Regional  
Development*

# INTRODUCTION



# INTRODUCTION

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Members of the WDC Commission

## Our Vision

To be the hub for the strategic economic and social development of the Western Region.

## Our Mission

The WDC will contribute towards maximising the Western Region's full potential in order to give effect to the economic, social and cultural aspirations of the citizens of the Western Region.

## Functions of the WDC

The WDC's core function is to promote the economic and social development of the Western Region. The region's productive sectors, infrastructure and rural communities are of particular concern. The WDC works to ensure that the interests of the Western Region are always considered at the highest levels of Government.

The WDC is responsible for the management and administration of the WDC Investment Fund. This dedicated fund addresses a funding gap experienced by small and medium-sized enterprises (SMEs) and social enterprises in the region through the provision of risk capital, equity and loans on a commercial basis.



## Structure of the WDC

The WDC is made up of twelve members appointed by the Minister for Environment Community and Local Government (see Appendix 1 for 2013 membership).

The Commission is supported by a committed executive located in Dillon House, Ballaghaderreen, County Roscommon. We have a core permanent staff of 11 with expertise in policy analysis, regional and rural development, investment and administration.

We also enlist the support of special advisory panels with representatives from the public, private and voluntary sectors to assist us with various projects.

## Organisational Structure

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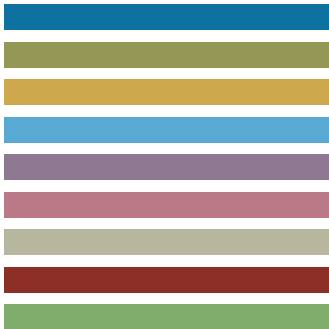


## The WDC's Strategic Aims 2010-2012

- To inform policy-making on economic and social development in the Western Region through high quality analysis.
- To promote the benefits of living, working and doing business in the Western Region.
- To encourage the development of the rural economy based on the sustainable development of the Western Region's strengths and resources.
- To provide risk capital to SMEs and social enterprises in their start-up and expansion phases through the WDC Investment Fund (WIF).
- To operate the WDC as a competent and effective organisation.



# SECTION I



## BALANCED REGIONAL DEVELOPMENT

# BALANCED REGIONAL DEVELOPMENT

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To inform policy-making on economic and social development in the Western Region through high quality analysis.

## Commission for the Economic Development of Rural Areas (CEDRA)

The Minister of the Environment, Community and Local Government announced the establishment of the Commission for the Economic Development of Rural Areas (CEDRA), in October 2012, [www.ruralireland.ie](http://www.ruralireland.ie), and asked that the WDC along with officials from his Department and Teagasc form the secretariat to support the work of the Commissioners. The WDC has a two-fold approach with CEDRA, firstly to support the public and stakeholder engagement aspect, and secondly to input into the research and final reports and report recommendations.

The WDC has directly supported two CEDRA public meetings and at least six stakeholder meetings all in our region supporting and advising the consultation process.

The WDC was responsible for delivering research sections on the Rural Economy and Commuting and Barriers to Enterprise Development as well as Exporting from Rural Areas. As part of this the WDC examined the extent to which rural dwellers avail of employment opportunities in urban areas, the extent of commuting to urban based jobs and to what extent rural dwellers access jobs in the exporting sector. These research chapters are to be included as part of the research outputs. The research chapters include; *Spatial Trends in Employment in Foreign Firms in Ireland*, *Regional labour markets in Ireland*, *Rural Commuting and Employment in Rural Towns*, *Rural Commuting and Gateways and Foreign Direct Investment* and *Barriers to Rural Enterprise Growth*.

A significant part of the work the WDC undertook was to provide input into various chapters in the final report and WDC recommendations on Broadband, the Creative Sector and Small Towns in particular have been included in the final report.

The WDC participated in the National CEDRA Conference '*The Future of Rural Society: Opportunities for Rural Economic Development*', on 10th June 2013, presenting some of the key research findings as well as chairing a session.

The report of the Commission for the Economic Development of Rural Areas was presented to Minister Hogan on 28th November 2012 for his consideration. The WDC looks forward to supporting the work of the Commission generally and the implementation of its recommendations in particular.



(Standing Ian Brannigan), WDC; Deirdre Frost, WDC; Dr. David Meredith, Teagasc; Prof. Sally Shortall, Queens University Belfast; Dr. Dirk Ahner, Polict Adviser; Ray McGreal, WDC; Prof. Jim Walsh, NUI Maynooth (seated) Dr. Kevin Heanue, Teagasc; Prof. Janet Dwyer, University of Gloucestershire; Minister Phil Hogan T.D.; Pat Spillane, CEDRA; Prof. Cathal O'Donoghue, Teagasc.

## Infrastructure

Quality infrastructure is a key factor supporting the competitiveness of enterprises as well as ensuring a good quality of life. The WDC engaged in work on various aspects of the Region's infrastructure throughout 2013.

### Telecommunications

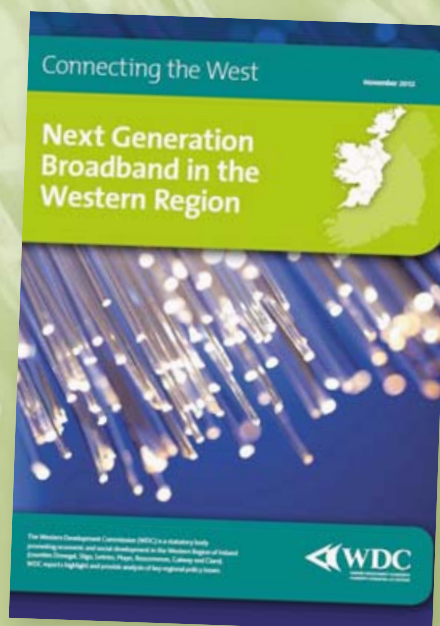
Telecommunications infrastructure and services are increasingly important, supporting the ever increasing voice and data needs of enterprises and consumers as well as enabling the development of industries such as software and the gaming sector.

Following the publication of *Connecting the West, Next Generation Broadband in the Western Region* at the end of 2012, the report was widely disseminated and featured in national and local press coverage including the Irish Times and Independent. The report identifies the likely role out of next generation broadband provision across Ireland and the likely implications of the current rollout plans. The report identifies 12 recommendations which, if implemented will improve next generation broadband delivery in more regional and rural areas which will help support jobs and enterprise growth.

The WDC met with senior officials in the Department of Communications, Energy and Natural Resources to discuss the findings and recommendations contained in the WDC report *Connecting the West, Next Generation Broadband Services in the Western Region*. The Department sought further engagement with the WDC on the issue and is currently mapping the planned private sector provision of Next Generation services so as to ascertain the level of state intervention needed.

There have been several presentations and briefings to different stakeholders including to the Annual Engineers Ireland Conference on the title *Ireland's Broadband Network – Investment Equality for All?* The WDC participated in a conference on next generation access in Brussels where key issues relating to the importance of and obstacles to next generation broadband rollout in more rural regions across Europe were discussed.

The WDC continued its engagement with the key players in the telecommunications industry and other stakeholders to highlight key issues which should be addressed in the forthcoming Government's Next Generation Broadband Plan.





## Air Infrastructure

The WDC has repeatedly called for the preparation of a National Aviation Policy to provide a framework for airports serving the Western Region and we therefore welcomed the Consultation on the development of an Integrated Aviation Policy for Ireland by the Department of Transport, Tourism and Sport.

The focus of the WDC Submission is to demonstrate the importance of international air access into the Western Region and to suggest some policy instruments it would like to see in support of this. The WDC believe the forthcoming aviation policy needs to recognise and support the critical role Ireland West Airport Knock and Shannon Airport play in providing direct international air access into the Western Region supporting tourism and enterprise development. The role of Donegal Airport in supporting a remote community in the North West is also highlighted as well as the Search and Rescue services available at Sligo Airport. The WDC submission is available on the website at [www.wdc.ie](http://www.wdc.ie)

## Rail and Public Transport Infrastructure

The WDC continued to monitor developments in rail transport and public transport more generally. The Minister of State for Public & Commuter Transport, Alan Kelly met with executives in June and outlined his department's priorities with a particular focus on sustainable transport.



The WDC also continued its participation on the Irish Exporters Association All Island Rail Freight Group. Senior management of Iarnród Éireann indicated a positive outlook for the future of rail freight nationally as well as a positive outlook for rail freight from the West which is the most significant rail freight route nationally. Later in the year, the executive also met with the new senior management team and highlighted the rail priorities of the Western Region.

## Socio-economic Analysis

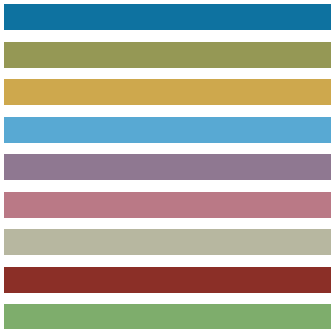
Analysis of socio-economic data for the Western Region was an ongoing activity throughout 2013. Some of the outcomes included:

- Presentation on local labour markets to students of the National Learning Network in Castlerea.
- Socio-economic data provided to inform the Cranmore and Environs Regeneration Project in Sligo.
- Updated statistics and information on the Western Region provided to Council for the West to input to their submission to CEDRA.
- A workshop on 'New Employment Trends' given at the Roscommon Education & Training Fair.
- Presentation to the National CEDRA Conference '*The Future of Rural Society: Opportunities for Rural Economic Development*'
- Presentation to Engineers Ireland on *Telecommunications, Investment Equality for All?*
- Presentation to IBEC North West – Regional Futures Forum

## Submissions

- WDC Submission to the Department of Transport, Tourism and Sport on an Integrated Irish Aviation Policy (<http://www.wdc.ie/publications/submissions>)
- WDC Submission to the Department of Communications, Energy and Natural Resources on a Bioenergy Strategy. (<http://www.wdc.ie/publications/submissions>)

## SECTION 2



PROMOTING THE REGION

# PROMOTING THE REGION

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## LookWest.ie The definitive online guide to living, working and doing business in Ireland's Western Region

LookWest.ie was launched in 2004 by the WDC to provide information for people outside the Western Region who were considering moving to the West to live, take up employment or set up a business. It provides information about a range of topics from incubation units for new business, to a regional specific jobs and property search facility, to a skills register where people record their skills and experience

to create a profile of the talent, qualifications and expertise available in the West. This profile of talent and experience is an important tool in attracting inward investment to the Region. In times of economic constraint, it is more important than ever to continually communicate the benefits, innovation and creativity of Ireland's Western Region so that the Region is well positioned to take advantage of economic recovery.

### Key achievements in 2013

In 2013 the LookWest.ie campaign continued its main impetus of promoting the Western Region internationally as well as domestically. Throughout the year LookWest.ie continued its focus on nurturing relationships with the Irish Diaspora with the aim of increasing inward investment into the Western Region. Relationships continued to be developed business and social networks both at home and abroad.

Working in conjunction with Mayo County Council, the WDC was central in the running and administration of the Brehon Law Symposium and the Cuyahoga County Executive Trade visit to Mayo in September and October 2013. Both events provided a great opportunity to promote the Western Region as a place to live, work and do business to both a National and International audience in keeping with the objectives of the LookWest.ie campaign.

### LookWest.ie Supporting Events in the Region

LookWest.ie partnered with City and County Councils, Enterprise Boards of Roscommon, Galway and Mayo with the support of Enterprise Ireland, IDA and Udaras na Gaeltachta in the hugely successful MeetWest2013, business networking conference held in Knockranny House Hotel Westport on November 21st and 22nd. Approximately 420 businesses attended with in excess of 5,000 one to one business meetings taking place over the course of the two day event.

LookWest.ie partnered with the 59th Galway International Oyster & Seafood Festival in September 2013 to promote the Western Region (Donegal, Leitrim, Sligo, Mayo, Roscommon, Galway and Clare) to all visitors at this year's festival. By aligning our common objectives so that existing marketing and promotion activities were of mutual benefit, this partnership facilitated LookWest.ie promoting the west of Ireland to an International Market.



**LookWest.ie** was central to running The Entrepreneur Exchange Business Mentoring event in Sligo. In partnership with Sligo Chamber of Commerce, Enterprise Europe Network (EEN) Regional County Enterprise Boards and EI, in delivering the initial "Entrepreneur Exchange" to Sligo on November 28th and 29th. The Entrepreneur Exchange was pitched as a unique opportunity for emerging entrepreneurs in the region to gain exclusive access to some of the most successful business leaders in the West of Ireland. A panel of 20 Entrepreneurs such as Fergal Broder from Lotus Works, Frank Salmon from CMS Distribution, Michael Dawson from One4All amongst a host of other successful entrepreneurs shared their experience and expertise in support of the next generation of Western Entrepreneurs. The WDC and

partners will make an assessment of the impact of this pilot event to determine if the model can reasonably applied to support business growth in the region in future.

**LookWest.ie** also exhibited at a number of Enterprise, Innovation and Career Opportunity events throughout the Region during the year.

#### LookWest.ie Awards:

- Shortlisted for the Social Media Awards 2013 in 'Best Use of Social Media by a State Body' in May 2013.
- 'Gold Finalist' in the Digital Media Awards 'Government to Consumer Innovation' category in March 2013.



## The Entrepreneur Exchange

Organised by the WDC and partners, The Entrepreneur Exchange, took place in Sligo on November 28th and 29th, and was a unique opportunity for emerging entrepreneurs in the region to gain exclusive access to some of the most successful business leaders in the West of Ireland. Entrepreneurs such as Seamus Farrell from SF Engineering, Fergal Broder from Lotus Works, Frank Salmon from CMS Distribution, Michael Dawson from One4All amongst a host of other successful entrepreneurs shared their experience and expertise in support of the next generation of Western Entrepreneurs.

Sligo Chamber CEO, Paul Keyes said; "The Entrepreneur Exchange [was] an opportunity for Entrepreneurs with an investor ready proposition, or with an established business who want to get focused on growing their business to get the competitive edge. It is also further evidence of the collaborative public/private partnership that is going to get the Western Region back on its feet."



Pictured at the entrepreneur exchange launch – Paul Keyes Sligo Chamber, Carole Brennan Enterprise Ireland, Ian Brannigan WDC and Niall McEvoy ITSligo

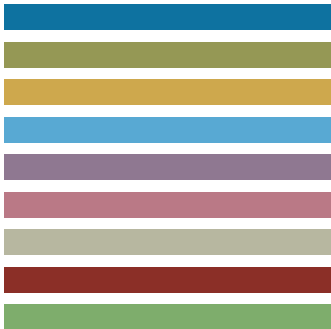
The Entrepreneur Exchange offered participating companies a full day of tailored business mentoring meetings complimented by a networking dinner. The 24 hour experience included one to one meetings, presentations, banking institutions, venture capital investors and networking opportunities.

Companies in the Food & Beverage, Medical Device, ICT, CleanTech, and Engineering sectors were the primary focus of the event.





## SECTION 3



## RURAL DEVELOPMENT

# RURAL DEVELOPMENT

Support the sustainable economic and social development of the rural economy.  
**Renewable Energy**

RASLRES – An EU Initiative for the Bioenergy Sector



RASLRES – the Regional Approaches to Stimulating Local Renewable Energy Solutions project – Was an EU project led by the WDC with partners from Ireland, Scotland, Northern Ireland and Sweden. The project sought to increase the use of renewable energy technologies in rural economies. The project was funded by the Northern Periphery Programme (NPP) which is one of thirteen Interreg IIIB programmes set up to encourage and support transnational cooperation in Europe. The project was closed by the WDC in 2013.

RASLRES designed, piloted and marketed the best products and services for creating and sustaining local renewable energy markets in rural areas. In this way, the project helped markets provide sustainable economic growth for local employment, businesses and revenue.

RASLRES worked with 11 pilot projects to build sustainable localised wood fuel supply chains via new (or existing) wood boilers and to offer best practice approaches to support industry development – resulting in 29 new FTE jobs and 10 new businesses created.

An intelligent Bioenergy Tool was developed to allow those considering investment in Bioenergy systems to assess the economic feasibility of a project at an early stage. It is available at

<http://www.raslres.eu/bioenergy-tool/>.

The project provided services to the wood energy sector in Ireland including the provision of a range of technical and business advisory support services to selected clients progressing wood energy projects in the region and the generation of market information and intelligence to support the sector – many of these have been published and are available for download at <http://www.raslres.eu/publications/>

RASLRES has also developed a model contract, and guidance notes for people in the public or private sector who are interested in purchasing heat through an Energy Supply Contract (ESCO). The guidance and contract developed by RASLRES will be further promoted by the Sustainable Energy Authority of Ireland and also by IrBEA, the Irish Bioenergy Association.

RASLRES has actively engaged with local authorities on a three-part programme to stimulate the development of bioenergy in the region, develop a public procurement model, and provide assistance to local authorities to develop appropriate policies for the development of bioenergy in their county.

## BioPAD – Bioenergy Proliferation and Deployment

BioPAD is promoting the wider use of bioenergy and developing applications targeting the whole process from supplying fuel to producing energy.

The €700,000 project is led by the Western Development Commission and is funded under the Northern Periphery Programme (NPP) of the European Regional Development Fund (ERDF Interreg IVB) <http://www.northernperiphery.eu>. BioPAD has partners in Scotland (Environmental Research Institute, UHI <http://www.eri.ac.uk/>), Northern Ireland (Action Renewables <http://www.actionrenewables.org/>) and Finland (Finnish Forest Research Institute, Metla <http://www.metla.fi/>).

The project will help the development of bioenergy and improve our understanding of the links between supply and demand by looking at supply chains for a variety of bioenergy fuels and different ways of converting these fuels into sustainable energy. Understanding the supply chains and the ways bioenergy moves from fuel source to energy provision will help the establishment of robust and efficient supply services which can match local demand.

While some areas of northern Europe have well-developed biomass supply chains, others face significant challenges in developing cost-effective and sustainable supply chains to better exploit their biomass resources. The project aims to gain a better understanding of the current status of regional biomass supply chains for a range of biomass types including wood products, energy crops, marine macroalgae and agricultural wastes.

The analysis of regional supply chains will help develop tools which enable users to source and use locally available biomass, across a range of appropriate technologies (anaerobic digestion, combustion, or micro combined heat and power (CHP)). In addition, supply chain mapping work, undertaken as part of the project, will inform policy frameworks and interventions to support renewable energy deployment in the NPP. Thus BioPAD is spreading information, knowledge and understanding of bioenergy.



# BioPAD



### Bioenergy Proliferation and Deployment



Although the BioPAD project focuses on bioenergy development the underlying goal is that of improving innovation and competitiveness in rural and peripheral region. By developing bioenergy we can help to:

- Create jobs
- Stimulate our local economies
- Unlock the potential of our local natural resources
- Make ourselves fuel secure and keep our energy spending local
- Reduce our CO<sub>2</sub> emissions.

A bioenergy tool, which highlights key steps along the supply chain for each fuel type or conversion method, is being developed in a variety of formats (e.g. web, mobile and app). The promotion of this information system and tool is an important element of the project and there is a focus on making it accessible throughout the project region and beyond.

The BioPAD project was very active in 2013 and some of these areas of activity are outlined below.

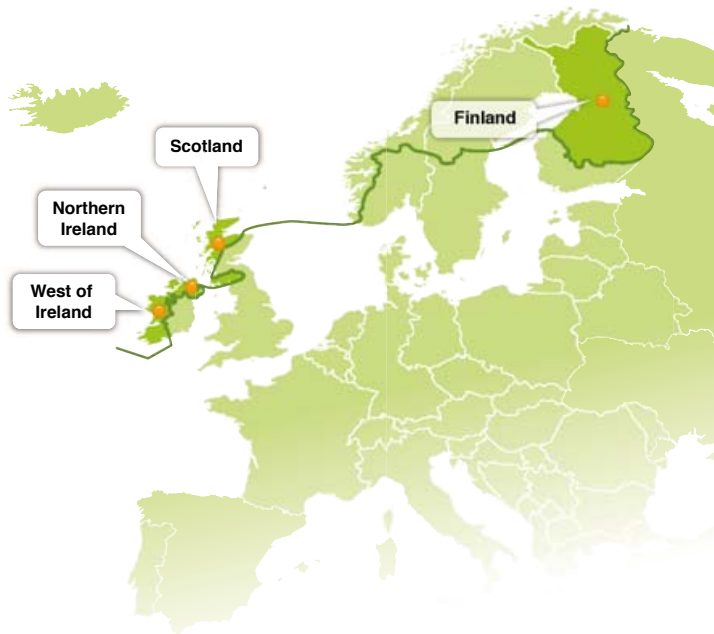
### Study tour to Austria

The WDC BioPAD team organised a study tour to Güssing in Austria for policy makers and key influencers in relation to bioenergy on the 16th to 18th April. The goal of the tour was to increase understanding of the wider social and economic benefits of bio energy investment and the importance of enabling policy to drive both the development of the sector and to ensure that the most benefit can be levered from the growth of the sector.



Participants on the study tour

The study tour was based in Graz and in addition to a full morning in Güssing (the renewable energy town) which included a presentation on developments there the tour also visited a number of smaller bioenergy facilities, including a horticultural and district heating venture, a small district heating business set up by local farmers to use their wood supplies, a school which had switched to renewable energy and a small hi tech manufacturer which provides technology and equipment for sorting recyclables, including wood.



Participants on the study tour

The tour was beneficial in creating a network of policy makers who will form the basis of an international network working along with BioPAD to promote and improve bioenergy policy. It provided insight into the possibilities for bioenergy development and the potential benefits from it and it allowed us to understand how using wood energy and bioenergy can become an essential part of the local economy. Work on economic benefits and bioenergy policy will continue through BioPAD, led by Action Renewables, the Northern Ireland Partner.

Following the study tour to Austria contact has been maintained with the policy makers and associate partners who participated and a network is being developed to allow shared learning.



## Bioenergy Supply Chain Tool (BISCUIT)



An on line supply chain tool is a key output of the BioPAD project. It will allow those involved in bioenergy (from fuel supply to energy consumption, and activities in between), to understand the workings of a supply chain for different fuel types and different conversion methods (i.e. getting energy from the fuel). The tool will contain different strands including combustion from wood, anaerobic digestions and micro Combined Heat and Power (CHP). Information about carbon savings and leakages and the value, labour requirements and potential areas of employment will also be included.

The tool, called BISCUIT, is being designed by JDK Design in Tubbercurry with content and design input from Metla- the Finnish Forest Research Institute. The WDC manages the contract and provides design input, project liaison and timescale management for the Tool.

The Supply Chain Tool will be launched with the Wood Fuel Supply Chain in early 2014 and additional Supply Chains (energy crops and agricultural wastes) will be added. An app will be developed based on the tool as the content is finalised.



Intelligently Investing  
in Europe's Northern  
Periphery for a sustainable  
and prosperous future



## Bioenergy Proliferation and Deployment



## Bioenergy workshop and launch

The BioPAD project was officially launched on 10th October in Letterkenny Co Donegal by Joe McHugh T.D during a conference and dissemination event in Ireland. The event was hosted by the Western Development Commission at the Mount Errigal Hotel, Letterkenny, County Donegal. The event was well attended by a range of people interested in the use of bioenergy and development of this sector.



At the launch of the Bioenergy workshop in Letterkenny

The WDC invited a variety of different speakers with interest in bioenergy development or bioenergy activities to highlight the benefits of bioenergy. These included Mr Michael Ó hÉanaigh, Director of Services, Donegal County Council who spoke of the approach of the local government in developing bioenergy in Donegal. . Mr John Jackson, Chairperson of Donegal Woodland Owners Society, discussed the Society's cooperative model for supplying heat from local wood and the short local supply chain they have developed. Ms Merja Rautiainen from Measurepolis followed by demonstrating bioenergy and measurement technology development in the Kainuu region of Finland, and Mr Stephen Hynes from the Irish Bioenergy Association (IrBEA) rounded off the session by outlining the development of bioenergy from anaerobic digestion and its future potential in Ireland. BioPAD partners explained more about the project and presented case studies carried out by BioPAD in partner regions.

The official launch took place after the workshop when Mr Paddy McGuinness, Chairperson of Western Development Commission, gave a brief overview of the project and introduced Joe McHugh T.D. who gave an insightful speech regarding the place and associated benefits of bioenergy within the national mix of fuels.

For further regular updates on BioPAD please see the project blog: <http://biopadbioenergyblog.wordpress.com/>. More information on the project is available at the project website: [www.biopad.eu](http://www.biopad.eu)



## ROKWOOD

In Q1 of 2013 the WDC were asked to, and agreed to join an approved FP7 project related initiative designed to increase the business uptake and understanding of energy crops. This is called ROKWOOD and will be led by Ian Brannigan. ROKWOOD supports the cooperation between six European research-driven clusters in order to improve research and technological development, market uptake and to increase investments in wooden biomass production and utilisation schemes at regional level. The six participating regional clusters will be co-ordinated in order to develop a Joint Action Plan (JAP) at European level to drive economic development through research and technological development activities in the selected topics of sustainable production and efficient use of wooden biomass.

The main objectives of the ROKWOOD project are:

- Creation of an overview of the main obstacles and barriers hindering the development of local biomass regions in Europe.
- Generation of at least 10 innovative cooperate project ideas tackling the technical barriers(e.g. harvesting, drying technologies).
- Identification of financial resources for the development of innovative products and services in this sector.
- Reaching a maximum number of stakeholders by effective dissemination activities

The lead partner is from Germany and this represents a significant opportunity for the WDC in the framework EU program, which has traditionally been the demesne of the HEI sector, and which is financially very suitable due to its high intervention rate. Mary Keaveney attended the Partner meeting in Sweden from June 24th to 27th. Irish cluster meetings were held with the other Irish partners (DIT and Bio-tricity) in October, and involved other stakeholders including growers, agricultural consultants and representatives from Teagasc. The next partner meeting will take place in January 2014 in Bristol and will include policy workshops and site visits to willow crop farms and bioenergy research centres in Dorset and the west country.



More information on the project is available at the project website: [www.rokwood.eu](http://www.rokwood.eu).

### Roscommon District Heating proposal

The WDC was approached by Tommy Ryan, Director of Services with Roscommon Co. Co. to assist in developing Irelands first large/medium scale district heating scheme. This is a potential large scale project which will involve a significant number of jobs both in build and operation if completed in the region. The initial proposal was for WDC to finance the submission of a technical assistance proposal to the European Energy Efficiency Fund which is designed, if successful, to unlock €100-€250,000 of feasibility funding. This will aid the application to the EEEF for approximately €5 million funding for a >3MW district heating scheme in Roscommon using local bioenergy fuel.

In September, the WDC placed tender to assist Roscommon Co. Co. in its application for technical assistance. Three tenders were submitted, and interviews held with all three in early October. The WDC have appointed consultants to submit the application for technical assistance on behalf of Roscommon Co. Co. to the European energy efficiency fund (EEEF). This application will be in the region of €250,000 to facilitate a full application for finance for a district heating scheme for Roscommon town. This application is progressing with Roscommon Co. Co. and will be submitted in 2014.

# Creative Economy

Throughout 2013 the WDC continued its work to support the development of the creative industries sector in the Western Region. This mainly involved implementation of the Creative Edge project and also the development of new funding proposals, support of the International Fair Fund and making the case for the sector at national level.

## Creative Edge

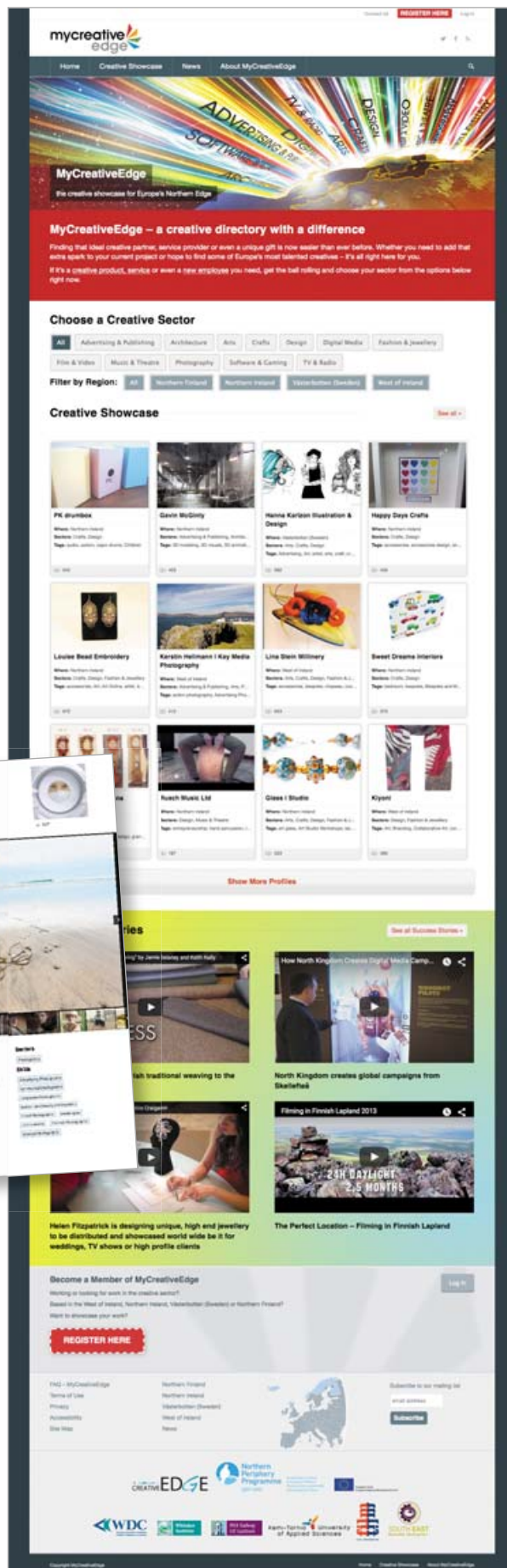
The WDC is a partner in the €1.2 million NPP funded Creative Edge project ([www.creative-edge.eu](http://www.creative-edge.eu)). Its aim is to increase access to international markets for creative industry businesses in the northern periphery regions, while also developing their emerging creative talent. The other project partners are NUI Galway, South East Economic Development (Northern Ireland), Film i Västerbotten (Sweden) and Kemi-Tornio University of Applied Sciences (Finland). The majority of the project activities were implemented during 2013. The WDC's activities under the project were:

### MyCreativeEdge: The Creative Showcase for Europe's Northern Edge

One of the core aims of Creative Edge was to develop and pilot an online export platform to facilitate creative enterprises, freelancers and emerging talent from the partner regions to access international markets. The WDC had primary responsibility for the design, development and implementation of this platform.

Following extensive research and consultations during the start of 2013 the WDC launched the website MyCreativeEdge [www.mycreativeedge.eu](http://www.mycreativeedge.eu) in mid-June 2013. It allows creatives from the partner regions to showcase their work internationally.

To be featured on the site a member must be involved in one of 12 creative sectors (Advertising & Publishing, Architecture, Arts, Crafts, Design, Digital Media, Fashion & Jewellery, Film & Video, Music & Theatre, Photography, Software & Gaming, TV & Radio) and be based in one of the Creative Edge partner regions.





Project partners at the launch of MyCreativeEdge

Each member creates their own, highly visual profile page which contains a gallery of images of their creative work, contact details and a description of their business. Visitors to the site can search for profiles by sector and region.

Following its launch the WDC focused on raising awareness of the site among the creative sector in the region and encouraging them to join the site. By the end of 2013 268 creative enterprises from the Western Region had joined MyCreativeEdge and 161 of these had published their profile online.

From September to December the WDC ran an extensive digital advertising campaign for MyCreativeEdge targeting potential business and consumer clients/customers seeking creative providers. This ran in the partner countries, the US and UK. By the end of 2013 the site had received 37,000 website visits. The website was also promoted at events across the region targeting creative businesses (e.g. Rough Draft conference), general business (e.g. MeetWest) and recent creative graduates (e.g. Letterkenny IT careers fair).

By the end of its first six months (Jun-Dec 2013), MyCreativeEdge had a total of 500 approved members and 326 published profiles from across the four partner regions. A full report on the MyCreativeEdge website development at [www.wdc.ie/publications](http://www.wdc.ie/publications).



Towards the end of 2013 the WDC ran an online survey of members of the site to gain their views on it. Of the 103 responses, 85% found the process to create their MyCreativeEdge profile easy or quite easy and over 90% had used the site to view other profiles. Access to international markets and networking with other creatives were the key reasons for joining.

### Creative Edge Talent Vouchers

The WDC also implemented a pilot Creative Edge Talent Voucher Scheme, together with Film i Västerbotten and Kemi-Tornio University of Applied Sciences. The aim was to encourage collaboration within the sector, promote innovation and provide an opportunity for work experience for emerging creative talent.

Vouchers worth €2,000 were available so a member of MyCreativeEdge could contract a creative talent for a specific assignment.

The scheme was open for applications from June to September and a total of 24 were received (12 from the West of Ireland). Following evaluation, 10 were selected in total including five from the West of Ireland:

- Donegal Designer Makers (worked with Shaun Egan Photography) (<http://www.mycreativeedge.eu/profile/donegal-designer-makers/>)
- Cox Power Architects (worked in tandem with Web Design) (<http://www.mycreativeedge.eu/profile/cox-power-architects/>)
- Black Hole Studios<sup>1</sup> (<http://www.mycreativeedge.eu/profile/black-hole-studio/>)
- Allan Curran Architects (worked with Paul McGuckin Photography)
- Leitrim Design House (worked with David Knight Photography)

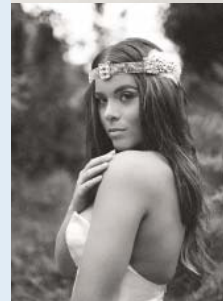
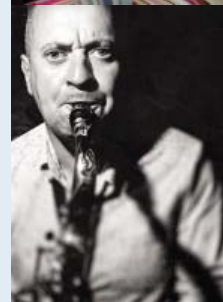
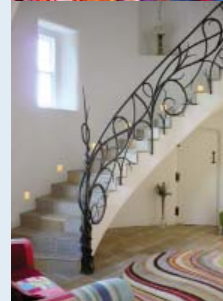
The assignments were implemented successfully during September-November. A report on the implementation of the Creative Edge Talent Voucher Scheme at [www.wdc.ie/publications](http://www.wdc.ie/publications).

<sup>1</sup> This assignment could not be completed before the end of 2013, but will be completed during 2014.





Creative Steps participants, and others, at an 'inspirational panel' event, Finland



## Creative Steps

In January-February the WDC, together with NUI Galway, supported three recent creative graduates from the Western Region to participate in the Creative Steps programme which was run by KTUAS under Creative Edge.

Creative Steps brought together 15 young creative talents from four regions to work together in international teams on real world business challenges. Four businesses presented specific creative challenges and the teams had to develop solutions over a four week period. One week was spent in Finland, one in Northern Ireland and the following weeks involved online working. A full report on the programme can be downloaded from [www.mycreativeedge.eu/creative-steps-way-idea/](http://www.mycreativeedge.eu/creative-steps-way-idea/)

## Creative Edge Audio-Visual Networking

In May 2013 the WDC invited businesses from the audio-visual sector in the Western Region to apply to attend two information and networking events begin held in Sweden. These events provided an opportunity for West of Ireland practitioners in the film, TV and digital content industry to network with others from Sweden, Finland and Norway.

In total 19 applications were received and the WDC selected four people to attend the events – Frank Delaney (Spirit Films), Lee Gooch (LG Productions), Johnny Gogan (Bandit Films) and Peter Campbell (Lone Star State). They were supported to attend the FilmArc Masterclass: Entertainment and Creative Summit, both held in Skellefteå, Sweden 10-13 June 2013.

## Creative Momentum

An application was submitted by the WDC to the NPP Secretariat for preparatory funding for a project proposal called 'Creative Momentum' for the next round of NPP funding (2014-2020). This proposal was approved and the second half of 2013 saw work commence on preparation of a full project proposal with the project partners. This will expand and build on the work undertaken under Creative Edge and other initiatives, as well as developing new support programmes.

## International Fair Fund

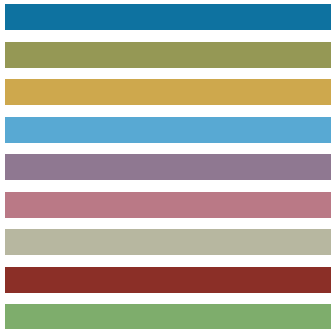
In 2013 the WDC partnered with the Crafts Council of Ireland to support the International Fair Fund which supports craft makers to attend overseas trade fairs. The WDC contributed to the fund to support Western Region based craft workers. Following evaluation of applications in April, five businesses from the Western Region were supported to attend international trade fairs in the US, UK, France and Germany:

- Molloy & Sons Weaving, Donegal
- Martina Hamilton Jewellery, Sligo
- Lisibach Marble, Mayo
- Clay Pipe Centre, Roscommon
- Foxford Woollen Mills, Mayo





## SECTION 4



WDC INVESTMENT FUND

# WDC INVESTMENT FUND

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## To provide risk capital to SMEs and social enterprises.

The Western Investment Fund (WIF) is a WDC managed fund providing risk capital (seed and venture capital and loan finance) to micro, small and medium-sized (SMEs) and social enterprises. It addresses private sector market failure in the provision of risk capital to enterprises in the Western Region. The WDC invests on commercial terms and all investments are repayable.

To date, the WDC has invested a total of almost €41.6 million in 110 micro, SMEs and social enterprises in the region; the majority of SMEs supported are highly innovative enterprises. 1,600 people are employed in WIF portfolio companies with the potential of job numbers to grow to 2,500 as these companies expand. As an Evergreen Fund all monies recouped are reinvested in the region.

total of €9.4 million in additional investment into the region; for every €1 the WDC invested through the WIF another €6.6 was levered for Western enterprises.

Through its successful investment portfolio, the WDC has demonstrated its effectiveness in delivering significant socio-economic benefits for the Government by supporting enterprise and jobs in a sustainable manner. Research carried out<sup>2</sup> shows that for an average exchequer allocation of €3 million over a 10 year period that WIF portfolio companies employ almost 1,600 people. The annual spend in on salaries and wages was €43 million, a very significant stimulus for the local economy and €11.8 million of this was paid back to the exchequer in payroll taxes. 67% of these companies turnover is exported supporting the export led recovery. Another very significant indicator of economic impact and innovation is the €11m spend on Research & Development.

In 2013 the WDC received no exchequer funding for the WIF and is fully reliant on its revolved funding to make new investments. The WDC has been successful in developing its model of a sustainable Evergreen Fund and has become self-sufficient from an investment funding perspective albeit at a lower level than previously. The WDC retains the capacity to invest exchequer funding on a prudent basis that will support enterprise and jobs in the Western Region if a new capital allocation is granted.

2013 saw the second year of the WDC's Micro-Loan Fund: Creative Industries. This is an "Access to Finance" initiative developed on a pilot basis, allocating €1 million over a three-year period from the Western Investment Revolved Fund to the Creative Industries Sector.



Rory Hynes, Enterprise Equity Venture Capital Group, Gillian Buckley, Western Development Commission, David Toohey, Syncrophi and Paul Dullaghan, AIB

In 2013 WDC invested €2,141,859 in 18 SMEs and social enterprises which offer highly skilled employment in sectors ranging from medical devices to software development to high tech manufacturing to creative industries as well as much need services for local communities. The WIF investment in 2013 levered a

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<sup>2</sup> Survey of portfolio companies carried out in 2011.

The fund is designed to support creative industries, which, based on extensive WDC research, is an area of burgeoning growth potential within the region. Access to finance is an issue for Creative Industries, and as such the fund seeks to ameliorate this issue through the provision of a timely and appropriate funding mechanism. The initiative points to the WDC's commitment to enterprise development, and its focus on regional sustainability and growth through employment, enterprise and export.



Glenfarne Ballroom of Romance, Official Opening by Minister Phil Hogan

Edward McHugh, MD Algae Health,  
Eric Reed, Enterprise Equity Venture Capital  
and Gillian Buckley, Western Development Commission  
with a sample of Algae Health's product.

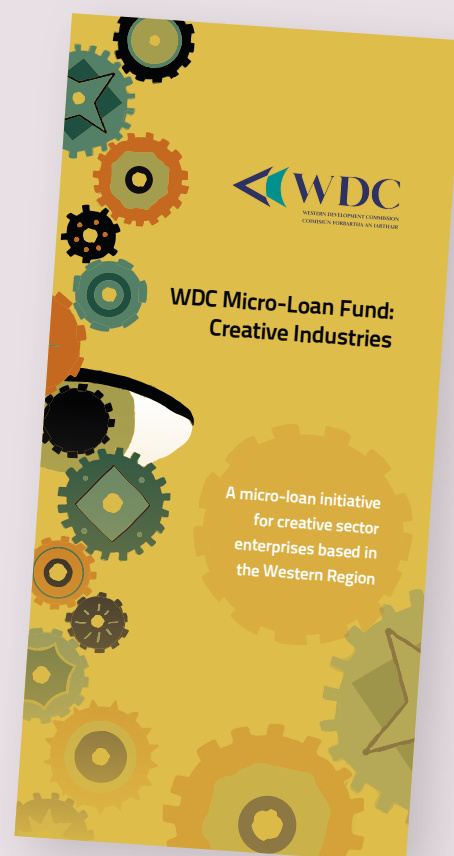




## WDC Micro-Loan Fund: Creative Industries

The WDC Micro-Loan Fund: Creative Industries is open to: sole traders, partnerships, businesses and groups operating in the creative industries sector. This is defined as: Occupations and industries centered on creativity, for the production and distribution of original goods and services. The preference is for businesses to be incorporated i.e. a company limited by shares or a company limited by guarantee but non-incorporated businesses will be considered. The following 12 creative industries make up the creative sector and businesses from these sectors are eligible to apply:

- Advertising
- Architecture
- Art/Antiques trade
- Crafts
- Design
- Digital media
- Fashion
- Internet and software
- Music, visual and performing arts
- Publishing
- Radio and TV broadcasting
- Video, film and photography

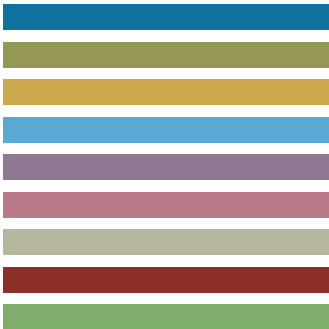


The Micro-Loan Fund operates on a competitive 'Call for Applications' basis and is publicly advertised. In addition an extensive series of Briefing Workshops were held throughout the region.

Loans of between €5,000 and €25,000 are available to successful applicants for a maximum term of 5 years.



## SECTION 5



## CORPORATE SERVICES

# CORPORATE SERVICES

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To operate the WDC as a competent and effective organisation.

As an inherent part of its strategic goals, the WDC strives to run an efficient and effective organisation that complies with legislative requirements, public sector modernisation and best practice by adhering to the following:



## Corporate Governance

The board conducted its activities cognisant of the revised Code of Conduct for the Governance of State Agencies as amended in May 2009.

## Human Resources

Through the active participation of the WDC Partnership Committee, the organisation has continued its commitment to the public sector modernisation programme and the implementation of the Haddington Road Agreement.

## Customer Care

The WDC is committed to providing its customers with a professional, efficient and courteous service in accordance with the WDC Customer Charter and the Principles of Quality Customer Services. A copy of the WDC's Customer Statement is available onn: <http://www.wdc.ie/about-us/customer-charter/>

The WDC's website is regularly updated and clients were kept informed of the work of the organisation through press releases, publications and submissions posted on: [www.wdc.ie](http://www.wdc.ie). No customer complaints were reported or recorded in 2013.

## Financial Management

The WDC's Financial Management System enables the Commission to operate a comprehensive budgeting and financial reporting process and to comply with best practice under the Code of Practice for the Governance of State Bodies.

## Freedom of Information Acts, 1997 & 2003

There were no requests for information under the terms of the Freedom of Information Acts, 1997 & 2003.

## Data Protection Acts 1988 & 2003

The WDC had no queries under the Data Protection Act in 2013.

## Official Languages Act 2003

Under the Official Languages Act (2003), the WDC has adopted the *WDC Language Scheme 2007-2010*. This scheme is published in English and Irish and is available on: [www.wdc.ie](http://www.wdc.ie). Under the terms of the scheme, the [LookWest.ie](http://LookWest.ie) website was translated into Irish.

## Board Fees and Expenses

Full details of Board Fees and expenses are outlined in Appendix 3.

## CEO Salary and Expenses

Full details of CEO salary and expenses are outlined in Appendix 4.

# Chairperson's Report on WDC Compliance with the Code of Practice for the Governance of State Bodies in 2013

## 1. Code of Business Conduct for Directors and Employees of the WDC

Codes of business conduct for all directors and employees have been signed by all relevant parties and complied with in 2013.

## 2. Internal Audit Function

I confirm that all appropriate procedures for internal audit as set out in the Code of Practice were complied with by the WDC in 2013. The following work was carried out in relation to internal audit:

(i) **Internal Audit:** The Internal Auditor completed the 2012 Internal Audit Work Programme.

(ii) **WDC Audit Committee:** The Audit Committee met once during 2013 and reported on its activity to the WDC.

(iii) **WDC Audits:** A full financial audit relating to the 2012 WDC financial statements by the Comptroller and Auditor General (External Auditors) was carried out in 2013.

## 3. Procurement

In 2013, the WDC complied fully with relevant procurement procedures as set out in the WDC Procurement Guidelines and in the 2004 Government Procurement Guidelines.

## 4. Disposal of Assets and Access to Assets by Third Parties

There have been no disposals of assets above the agreed threshold by the WDC in 2013.

## 5. Guidelines for the Appraisal and Management of Capital Expenditure

These guidelines are not applicable to the WDC.

## 6. Pay to Chief Executives and State Body Employees

The WDC has adhered to government guidelines and to the Department of the Environment, Community and Local Government's arrangements in relation to the remuneration of the Chief Executive and employees in 2013.

## 7. Payment of Directors' Fees and Expenses

The WDC adhered to government guidelines and the Department of the Environment, Community and Local Government's arrangements in relation to the payment of Directors' fees in 2013. Details of these fees and aggregate expenses are given in the annual accounts.

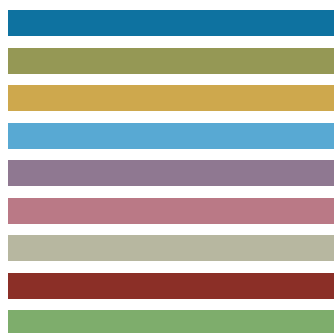
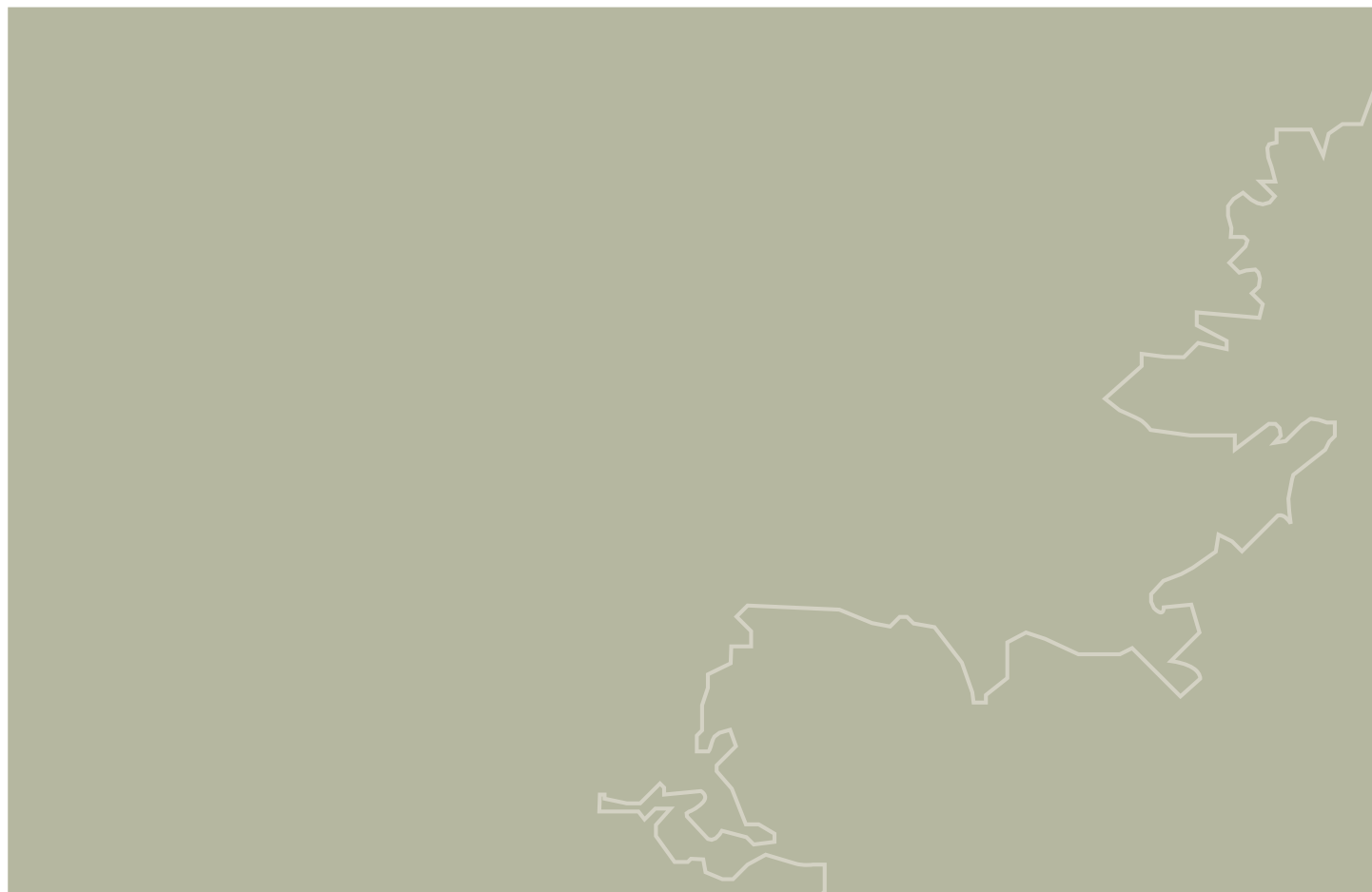
## 8. A separate Chairperson's report has been submitted to the Minister with the 2013 Annual Report.

## 9. I confirm that the WDC has complied in full with the appropriate tax laws and with its tax obligations in 2013 and that there have been no issues reported.

Signed:   
Chairperson

Date: 09/12/2014





## APPENDICES



# APPENDIX I

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## Board Members

### Chairperson

Mr. Paddy McGuinness

### Members

Mr. Neville Bagnall

Mr. Jim Devenney

Cllr. Mary Hoade

Ms. Martina Minogue

Ms. Jackie Maguire \*

Ms. Mary Devine O'Callaghan

Dr. Seosamh Ó Ceallaigh

Mr Gerry O'Connor

Mr Vincent Roche

Dr. Katie Sweeney

\* moved to Meath County Council October 2013

## Audit Committee

### Chairperson

Cllr Mary Hoade

### Members

Mr. Ray McGreal

Mr. Ben Bradish \*

Mr. Michael Morley

Mr. Willie O'Brien

Mr. Bernard O'Hara \*\*

Mr. Vincent Roche \*\*\*

\* Deceased 2013

\*\* Appointed November 2013

\*\*\*Appointed November 2013

## APPENDIX 2

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### Fund Advisory Panel

#### Chairperson

Mr. Paddy McGuinness

#### Members

Mr. John Dillon

Mr. Seán Hannick

Dr. Katie Sweeney

Ms. Martina Minogue

Mr. Gerard Barry

Mr. Fergal Broder

## APPENDIX 3

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### Board Fees and Expenses

Board Fees and Travel and Subsistence Expenses 2013		
Name	Fees (€)	Travel & Subsistence (€)
Mr. Neville Bagnall	5,985	NIL
Mr. Jim Devenney	5,985	1,988
Ms. Mary Devine O'Callaghan	5,985	132
Ms. Mary Hoade	5,985	975
Ms. Jackie Maguire*	NIL	NIL
Mr. Martina Minogue	5,985	1,179
Mr. Paddy McGuinness	8529	2,775
Dr. Seosamh Ó'Ceallaigh	5,985	2,432
Mr. Gerald O'Connor	5,985	1,818
Vincent Roche	5,985	2,383
Dr. Katie Sweeney	NIL	923

\* Resigned October 2013

## APPENDIX 3 (continued)

### Board Attendance 2013

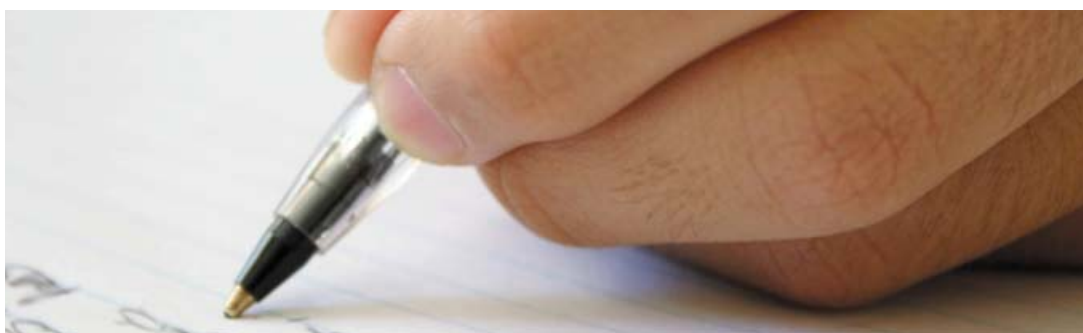
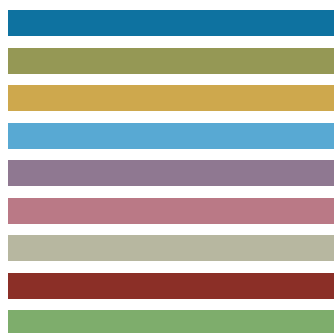
Name	Feb	Mar	May	Jul	Sept	Oct	Nov	Dec
Paddy McGuinness	✓	✓	✓	✓	✓	✓	✓	✓
Mary Hoade	✓	✓	✓	✓	✓	✓	✓	✓
Gerry O'Connor	✓	✓	✓	✓	✓	✓	✓	✓
Martina Minogue	✓	✓	✓	✓	✓	✓	✓	✓
Katie Sweeney	✓	✓	×	✓	✓	✓	✓	✓
Seosamh O'Ceallaigh	✓	✓	✓	×	✓	×	✓	✓
Jim Devenney	✓	✓	✓	✓	✓	✓	✓	✓
Neville Bagnall	✓	✓	✓	✓	✓	×	×	✓
Jackie Maguire	✓	×	✓	✓	✓	✓	✓	✓
Vincent Roche	✓	×	✓	✓	✓	✓	✓	✓
Mary Devine O'Callaghan	✓	×	×	✓	✓	✓	✓	✓

## APPENDIX 4

CEO Salary and Travel and Subsistence Expenses 2013		
CEO	Salary	Travel & Subsistence
Mr Ian Brannigan CEO (A) and Regional Development Manager	€36,498	€5,690
Raymond McGreal CEO commence 4th June 2013	€46,712	€6,418

The CEO's salary scale is set at the level of Principal Officer in the Civil Service. The WDC does not operate a performance related award scheme and superannuation benefit is included in the salary scale.





FINANCIAL STATEMENT  
For the year ended 31st December 2013



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# WESTERN DEVELOPMENT COMMISSION INFORMATION

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## Chairperson

Ms Helen Rochford Brennan \*

Mr Paddy McGuinness\*\*

## Members

Mr Neville Bagnall	Co Sligo
Mr. Jim Devenney	Co Donegal
Cllr. Mary Hoade	Co Galway
Ms. Martina Minogue	Co Clare
Ms. Jackie Maguire	Co Leitrim
Mr Pádraig Ó hAoláin***	Co Galway
Ms. Mary Devine O'Callaghan	Co Roscommon
Dr Seosamh Ó Ceallaigh	Co Donegal
Mr Gerry O'Connor	Co Sligo
Mr Vincent Roche	Co Mayo
Dr. Katie Sweeney	Co Mayo

\* *Resigned in June 2012*

\*\* *Appointed in December 2012*

\*\*\* *Resigned in September 2012*

## Bankers

Bank of Ireland, Ballaghaderreen, Co. Roscommon

Allied Irish Bank, Tuam Road, Galway

## Auditors

The Comptroller and Auditor General, Treasury Building, Dublin Castle, Dublin 2

# STATEMENT ON COMMISSION'S RESPONSIBILITIES

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Section 22 of the Western Development Commission Act, 1998, requires the Commission to prepare financial statements in such form as may be approved by the Minister for Environment, Community and Local Government with the concurrence of the Minister for Finance and to submit them for audit to the Comptroller and Auditor General. In preparing these financial statements the Commission is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless that basis is inappropriate;
- disclose and explain any material departures from applicable accounting standards.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Commission is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Commission and which enable it to ensure that the financial statements comply with Section 22 of the Act. The Commission is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairperson:



Paddy McGuinness

Commission Member:



Ian Brannigan



## Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

#### Western Development Commission

I have audited the financial statements of the Western Development Commission for the year ended 31 December 2013 under the Western Development Commission Act 1998. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the Western Investment Fund income and expenditure account, the Northern Periphery Programme income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 22 of the Act, and in accordance with generally accepted accounting practice in Ireland.

#### Responsibilities of the Commission

The Commission is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Commission's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

#### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of 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 Commission's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

#### Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Commission's affairs at 31 December 2013 and of its income and expenditure for 2013.

In my opinion, proper books of account have been kept by the Western Development Commission. The financial statements are in agreement with the books of account.

#### Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Commission's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Patricia Sheehan

For and on behalf of the  
Comptroller and Auditor General

13 December 2014



# STATEMENT ON INTERNAL FINANCIAL CONTROL 2013

---

1. On behalf of the Board of the Western Development Commission I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.
2. The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely period.
3. The following procedures have been put in place by the Board designed to provide effective internal financial control;
  - i. The Board has taken steps to ensure an appropriate control environment is in place by establishing;
    - a clearly defined organisational structure;
      - with defined lines of responsibility, authority limits, segregations of duties and delegated authority;
    - a clearly documented system of financial procedures;
      - reporting mechanisms to Management, Audit Committee and to the Chairperson and Board.
  - ii. The Board has established processes to identify and evaluate business risks by;
    - identifying the nature, extent and financial implications of risks facing the Commission;
    - assessing the likelihood of identified risks occurring (detailed risk assessment carried out by internal auditors);
    - working closely with Government and relevant agencies to ensure that there is a clear understanding of the Commission's strategy
  - iii. The Commission uses an in house Financial Management System enabling it to operate a comprehensive budgeting process and ensure that any budgetary variances are promptly identified, examined and addressed. Monthly budget and expenditure reports are prepared for management and for the Department.
  - iv. The Commission has in place procedures for addressing financial implications of major business risks. These include:
    - an annual budget approved by the Board;
    - clearly defined set of operation financial procedures;
    - clearly defined and board approved investment procedures for the operation of the Western Investment Fund; including post investment procedures;
    - defined authorisation limits, segregation of duties.

# STATEMENT ON INTERNAL FINANCIAL CONTROL 2013 (Contd)

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- v. In 2013 the Commission had in place the following procedures to monitor the effectiveness of the internal financial control system:
  - a. An Internal Audit Function, which was outsourced and operated in accordance with the internal audit work plan including a risk analysis. This audit plan and risk analysis was endorsed by the Audit Committee. The Internal Audit Function reported to the Audit Committee on its organisational expenditure reviews and this report reflected the internal auditors opinion on the adequacy and effectiveness of the system of internal financial control in the Western Development Commission.
  - b. The Board's monitoring and review of the effectiveness of the system is informed by:
    - the work of the internal auditor;
    - the audit committee (which oversees the work of the internal auditor);
    - the Commission executive who have responsibility for the development and maintenance of the financial control framework;
    - comments made by the Comptroller and Auditor General in his management letter.

## 4. Annual Review of Controls

I confirm that the Board carried out a review of the effectiveness of the internal financial controls in 2013.

Signed: \_\_\_\_\_



Chairperson

Date: \_\_\_\_\_

09/12/2014

# STATEMENT OF ACCOUNTING POLICIES

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## 1. Basis of Accounting

The financial statements are prepared under the accruals method of accounting, except as indicated below, and in accordance with generally accepted accounting principles under the historical cost convention.

Financial Reporting Standards recommended by the recognised accountancy bodies are adopted as they become operative.

## 2. Oireachtas Grants

Oireachtas Grants are accounted for on a cash receipts basis.

## 3. Fixed Assets

Fixed Assets are stated at their historical cost or valuation less accumulated depreciation. Depreciation is charged to the income and expenditure account on a straight line basis, at the rates set out below, so as to write off the assets, adjusted for estimated residual value, over the expected useful lives:

Fixtures and Fittings 15%

Computers & IT 33%

## 4. Pensions

The Commission operates a defined benefit pension scheme which is funded annually on a pay as you go basis from monies available to it, including monies provided by the Department of Environment, Community & Local Government and from contributions deducted from staff salaries.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are paid over to the Department in accordance with the Commission's funding arrangements.

Actuarial gains and losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Environment, Community & Local Government.

Pension liabilities represent the present value of future pensions payments earned by staff to date.

Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of Environment, Community & Local Government.

## 5. Capital Account

The Capital Account represents the unamortised value of income used for capital purposes.

## 6. Western Investment Fund

An overall fund of €28 million has been committed to by the Department of Environment, Community & Local Government under the NDP 2007 - 2013. On approval of a project by the Commission, funds are drawn down from the Department and loans and investments are issued to the relevant body.

## 7. Investment Income

Investment income is recognised in the Income & Expenditure account under Return on Investment Fund and Exit Gains/ Losses.

Interest on loans is calculated on a reducing balance basis and is taken to the Income & Expenditure account over the period of the agreement. Interest on loans in arrears is not accrued and is only taken to the Income & Expenditure account when received.

Dividends on equity investments are taken to the Income & Expenditure account as they are received.

# STATEMENT OF ACCOUNTING POLICIES (Contd)

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## 8. Valuation of Investments

All Investments are in unquoted companies. Where possible such investments are stated at fair value. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

In cases where fair value cannot be reliably measured the investment is valued at cost unless there is evidence that this has been impaired.

## 9. Valuation of Loans

Loans are shown at the value of the outstanding loan unless the WDC considers that the creditworthiness of the borrower has deteriorated such that the recovery of the loan is in serious doubt. In such cases the loan is valued at its expected net realisable value.

## 10. Recognition of Gains and Losses on Investments and Loans

Gains and losses realised as a result of the sale of investments, the repayment of loans (or the write off of investments) are recognised in the WIF Income and Expenditure account when they occur.

Unrealised gains and losses resulting from changes in the valuation of investments and loans are recognised as follows. Where the WDC is of the opinion that the value of an investment has fallen below the carrying value, a provision is created and charged to the Income & Expenditure account. Unrealised gains due to the revaluation of an investment are recognised in the Income & Expenditure account in instances where the fair value of the investment can be reliably estimated.

## 11. Arrangement and Management Fees

Fees received are recognised and retained in the Western Investment Fund. All overheads relating to the operation of the Western Investment Fund are charged to the Income & Expenditure account of the Commission.

## 12. Northern Periphery Programme

The Northern Periphery Programme (NPP) is an EU regional development fund programme under the Interreg strand. The WDC have engaged with the NPP on a range of approved regional development projects starting in 2009 and continuing at the present time (This support has included Bioenergy projects such as the RASLRES and BioPAD and creative economy projects such as Creative EDGE and Creative momentum).

The NPP is funded 60% by the European Union (EU) and 40% by the Western Development Commission. The claims are made directly by the WDC on behalf of the wider project partnership directly to the secretariat of the NPP interreg. body. Prior to this the expenses are certified by a national first level controller for compliance and once this body has issued a certificate of expenditure then the claim is consolidated and processed by the NPP secretariat. Claims are scheduled on a six monthly basis, however the processing lead time by the NPP is observed to be twelve to eighteen months.

As part of this process the WDC is subject to periodic auditing by the EU.

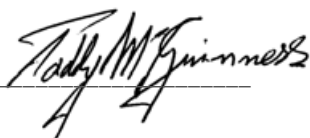
Income is recognised on an accounts receivable basis. Income is recognised on an accounts receivable basis. Income in respect of amounts not claimed at the year end are recognised based on a proportion of claims finalised after the year end and such amounts are included as accrued income.

# INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

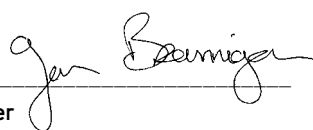
WESTERN DEVELOPMENT COMMISSION	NOTES	2013 €	2013 €	2012 €	2012 €
<b>INCOME</b>					
Oireachtas Grant	1a	1,278,827		1,352,638	
Other Income	1b	0		184,062	
Transfer to Western Investment Fund		0		0	
Transfer to NPP		(33,380)		(150,935)	
Transfer from/(to) Capital Account	8	(414)		1,753	
Net Deferred Funding for Pensions	10	<u>247,000</u>		<u>267,000</u>	
			1,492,033		1,654,518
<b>EXPENDITURE</b>					
Operating Costs	2a		<u>(1,454,524)</u>		<u>(1,564,226)</u>
Surplus/(Deficit) for the Year			37,509		90,292
Surplus/(Deficit) at the beginning of year			<u>425,576</u>		<u>335,284</u>
<b>Surplus/(Deficit) at the end of year</b>			<u><u>463,085</u></u>		<u><u>425,576</u></u>

The statement of accounting policies and the notes 1 to 12 form part of these financial statements.

Paddy McGuinness:  
Chairperson



Ian Brannigan  
Commission Member





# WESTERN INVESTMENT FUND


## INCOME AND EXPENDITURE ACCOUNT

### FOR THE YEAR ENDED 31 DECEMBER 2013

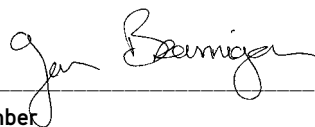
WESTERN INVESTMENT FUND	NOTE	2013 €	2013 €	2012 €	2012 €
<b>INCOME</b>					
Transfer from the Commission		0		0	
Deposit Interest Earned		98,550		115,234	
Return on Investment Fund & Exit Gains/Losses		(236,949)		356,646	
Arrangement / Management Fees		<u>11,998</u>		<u>36,593</u>	
			(126,401)		508,473
<b>DECREASE / (INCREASE) IN PROVISION FOR REVALUATION AGAINST INVESTMENT</b>			<u>55,714</u>		<u>1,005,611</u>
Surplus/(Deficit) in the Fund for the year			(70,687)		1,514,084
Surplus/(Deficit) in the Fund at beginning of the year			<u>22,939,959</u>		<u>21,425,875</u>
Surplus/(Deficit) in the Fund at year end			<u><u>22,869,272</u></u>		<u><u>22,939,959</u></u>

The statement of accounting policies and the notes 1 to 12 form part of these financial statements.

Paddy McGuinness:  
Chairperson



Ian Brannigan  
Commission Member



# NORTHERN PERIPHERY PROGRAMME INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

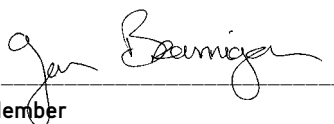
NORTHERN PERIPHERY PROGRAMME (NPP)	NOTE	2013 €	2013 €	2012 €	2012 €
<b>INCOME</b>					
Transfer from the Commission		33,383		150,935	
EU Grant		<u>251,170</u>		<u>166,691</u>	
			284,553		317,626
<b>EXPENDITURE</b>	<b>2b</b>		<u>(335,450)</u>		<u>(574,174)</u>
Increase/(Decrease) in NPP			(50,897)		(256,548)
Balance of the programme at the beginning of the year			<u>(173,442)</u>		<u>83,106</u>
Balance of the programme at the end of the year			<u><u>(224,338)</u></u>		<u><u>(173,442)</u></u>

The statement of accounting policies and the notes 1 to 12 form part of these financial statements.

Paddy McGuinness:  
Chairperson



Ian Brannigan  
Commission Member



# STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

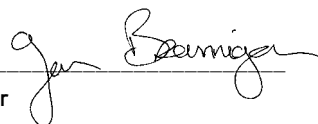
	2013 €	2012 €
Surplus/(Deficit) for the Year	37,509	90,292
Experience gains/(losses) arising on the scheme liabilities	247,000	267,000
Losses arising due to changes in assumptions	0	0
Actuarial gains/(losses) on pension liabilities	247,000	267,000
Adjustment to deferred pension funding	(247,000)	(267,000)
Total recognised gains/(losses) for the year	37,509	90,292

The statement of accounting policies and the notes 1 to 12 form part of these financial statements.

Paddy McGuinness:  
Chairperson



Ian Brannigan  
Commission Member



# BALANCE SHEET AS AT 31 DECEMBER 2013

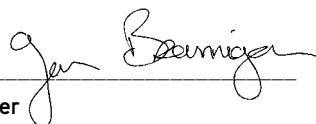
	NOTES	2013 €	2012 €
<b>FIXED ASSETS</b>			
Tangible Assets	4	11,807	11,393
<b>FINANCIAL ASSETS</b>	5	22,869,273	22,939,959
		<u>22,881,081</u>	<u>22,951,352</u>
<b>CURRENT ASSETS</b>			
Bank Current Account		429,786	342,837
Debtors	6	205,283	247,727
		<u>635,069</u>	<u>590,564</u>
<b>CURRENT LIABILITIES</b>			
Creditors	7	(396,325)	(338,431)
<b>NET CURRENT ASSETS</b>		<u>238,744</u>	<u>252,133</u>
Total Assets Less Current Liabilities before pensions		23,119,824	23,203,485
Deferred Pension Funding		2,100,000	2,100,000
Pension Liabilities		(2,100,000)	(2,100,000)
Total Assets Less Current Liabilities		<u><u>23,119,824</u></u>	<u><u>23,203,485</u></u>
<b>FINANCED BY:</b>			
Investment Fund		22,869,272	22,939,959
Northern Periphery Programme (NPP)		(224,338)	(173,442)
Income and Expenditure Account		463,085	425,576
Capital Account	8	11,806	11,392
		<u><u>23,119,824</u></u>	<u><u>23,203,485</u></u>

The statement of accounting policies and the notes 1 to 12 form part of these financial statements.

Paddy McGuinness:  
Chairperson



Ian Brannigan  
Commission Member



# CASH FLOW STATEMENT AT 31 DECEMBER 2013

## RECONCILIATION OF SURPLUS/(DEFICIT) TO CASHFLOW FROM OPERATING ACTIVITIES

	2013	2012
Surplus/(Deficit) for the year (including NPP)	(13,388)	(166,256)
Depreciation	11,049	9,218
Loss/(Profit) on disposal of assets	0	80
Transfer to capital account	414	(1,753)
(Decrease)/Increase in Prepayments	42,444	15,876
Increase/(Decrease) in Creditors & Accruals	57,895	210,523
<b>CASH (INFLOW)/OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>98,414</b>	<b>67,687</b>
<b>CAPITAL</b>		
Funds to acquire fixed assets	(11,463)	(7,545)
<b>NET CASH (INFLOW)/OUTFLOW</b>	<b>86,951</b>	<b>60,142</b>

## RECONCILIATION OF MOVEMENTS IN CASH BALANCES

	2012	MOVEMENT	2013
Bank Current Account	342,828	86,951	429,779
Petty Cash	9	1	9
	<b>342,837</b>	<b>86,951</b>	<b>429,788</b>



# NOTES TO THE FINANCIAL STATEMENTS

1a. GRANT INCOME	NOTE	2013 €	2013 €	2012 €	2012 €
Department of the Environment Community & Local Government		1,312,256		1,387,075	
Pension		(33,429)		(34,437)	
Operating Grant*		<u>1,278,827</u>		<u>1,352,638</u>	
		<u>-</u>	1,278,827	<u>-</u>	1,352,638
WIF Grant					0
Oireachtas Grants			<u>1,278,827</u>		<u>1,352,638</u>

\* Operating Grant is shown net of pension contributions.

The Operating Grant is awarded under Vote No. 25 and is paid from E7.

1b. OTHER INCOME	NOTE	2013 €	2013 €	2012 €	2012 €
Sundry Income			0		11,212
Contributions to Volvo Ocean Race					
Leitrim			0		8,000
Mayo			0		8,000
Roscommon			0		8,000
Western Regional Tourism Marketing Programme					
Donegal County Council			0		30,000
Leitrim County Council			0		30,000
Mayo County Council			0		30,000
Roscommon County Council			0		30,000
Sligo Borough Council			0		14,850
Sligo County Council			0		14,000
			<u>0</u>		<u>184,062</u>

The Commission and three County Council Authorities exhibited at the Volvo Ocean Race. The total cost of the exhibition was €29,000

The County Councils contributed a total of €24,000 with the Commission funding the balances of €5,000

The Commission Financial Statements include a charge of €29,000 (Note 2A) in respect of the costs incurred.

The Lookwest.ie Volvo exhibition involved having a showcase stand in the heart of the Volvo race event for the duration of the event. The aim was to allow cost effective access to the maximum footfall of race goers at this international event in the region in order to drive awareness of and spend in the participating locations.

The Western Development Commission together with a number of County Councils participated in the Western Region Tourism Marketing Programme in 2012. The programme comprised a regional marketing fund to promote the counties of Donegal, Sligo, Mayo, Leitrim and Roscommon in key overseas markets. Fáilte Ireland is responsible for administering the marketing programme.

The Commission acted as a conduit for the Local Authorities element of the funding of €150,000.

In addition the Commission is providing funding of €50,000.

The accounts include a charge of €200,000 (Note 2A) in respect of amounts payable to Fáilte Ireland.

# NOTES TO THE FINANCIAL STATEMENTS (Contd)

2a. OPERATING COSTS	NOTE	2013 €	2012 €
Salaries (including employers PRSI)		718,780	595,344
Travel and Subsistence - Staff		52,946	72,846
Pension Costs	10C	226,571	245,563
Training & Development		13,105	8,473
Public Relations (incorporating Look West campaign)		923	3,044
Professional Fees (incorporating Look West campaign)		60,291	70,657
Professional Fees -Western Investment Fund		80,660	30,017
Board Members			
Travel and Subsistence	2C	14,605	15,114
Fees	2C	49,016	54,256
Meetings & Seminars		24,291	30,671
Board Sub-committee's / Advisory Panels			
Travel and Subsistence		2,258	291
Printing & Design		13,210	31,429
Office Expenses		40,959	26,438
Light and Heat		8,820	7,235
Repairs and Maintenance		6,752	32,416
Insurance		6,907	6,961
Audit Fee		8,700	10,810
Accountancy and Internal Audit		11,397	13,121
Advertising, Marketing & Subscriptions		64,371	82,666
(incorporating Look West campaign & Volvo Ocean Race)			
Western Regional Tourism Marketing Programme		0	200,000
Telecommunications		20,415	16,165
Bad Debts		18,000	0
Depreciation	4	11,049	9,218
Sundry		497	1,411
Profit/Loss on Disposals		0	80
		<u>1,454,524</u>	<u>1,564,226</u>

In 2013 and going forward Wages & Salaries relating to NPP are borne by the Western Development Commission and are shown in the above wages & salaries figure. The comparative figure does not include NPP wages & salaries, which are shown in note 2B.

## 2b. OPERATING COSTS

- NORTHERN PERIPHERY PROGRAMME	NOTE	2013 €	2012 €
Travelling and Subsistence -Staff		43,166	19,215
Travelling and Subsistence – Board		0	91
Travelling and Subsistence – Sub-committee		2,616	502
Professional Fees		180,467	192,309
Meetings and Conferences		2,936	2,225
Printing		0	1,000
IT Maintenance		1,233	923
Wages and Salaries		0	204,711
Promotion and Publications		6,440	63
Office expenses		1,423	1,187
Local Market Stimulation		0	40,000
Regional Approaches to Stimulating Local Renewable Energy Solutions Partner payments		97,168	111,948
		<u>335,450</u>	<u>574,174</u>

In 2013 and going forward no wages & salaries are charged to the financial statements in relation to NPP.

# NOTES TO THE FINANCIAL STATEMENTS (Contd)

2c. BOARD MEMBERS FEES AND EXPENSES	2013 Fees	2013 Travel & Subsistence	2012 Fees	2012 Travel & Subsistence
	€	€	€	€
Mr. Jim Devenney	5,985	1,988	5,985	1,301
Ms. Mary Devine O'Callaghan	5,985	132	5,985	238
Cllr. Mary Hoade	5,985	976	5,985	1,903
Ms. Jackie Maguire	0	0	0	635
Ms. Martina Minogue	5,985	1,179	5,985	1,633
Ms. Helen Rochford Brennan	0	0	4,489	917
Dr. Katie Sweeney	0	923	0	1,725
Mr Neville Bagnall	5,985	0	5,985	0
Mr Pádraig Ó hAoláin	-1,408	0	1,406	135
Dr Seosamh Ó Ceallaigh	0	2,432	5,985	2,887
Mr Gerry O'Connor	5,985	1,818	5,985	0
Mr Vincent Roche	5,985	2,383	5,985	3,417
Mr Paddy McGuinness	8,529	2,775	481	0
	<b>49,016</b>	<b>14,605</b>	<b>54,256</b>	<b>14,790</b>

A further €0 (2012: €324) was incurred in Board expenses in relation to conference fees.

## 2d. CEO SALARY 2013

The CEO's salary scale is set at the level of Principal Officer (Higher) in the Civil Service. The Western Development Commission does not operate a performance related award scheme and superannuation benefit is included in the salary scale. No bonus payments were made to the CEOs.

	2013 Salaries	2013 Travel & Subsistence	2012 Salaries	2012 Travel & Subsistence
	€	€	€	€
Mr Ian Brannigan (Acting CEO & Regional Development Manager) (1st September 2011 – 30th June 2013)	36,498	5,690	85,172	12,766
Mr Ray McGreal (Chief Executive Officer) 4th June 2013 - 31st December 2013)	46,712	6,418	0	0

Both Ian Brannigan and Ray McGreal are normal members of the Western Development Commission superannuation scheme and their pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme.

## 2e. PENSION LEVY

In 2013 €43,686 was deducted from staff by way of pension levy (2012: €44,853) and was paid over to the Department of Environment, Community & Local Government.

# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## 3. PREMISES

The Western Development Commission is based in Dillon House, a building owned by Roscommon County Council and managed by the Office of Public Works. No provision is included in the accounts for rent.

## 4. FIXED ASSETS

	2013 €	2012 €
Cost/Valuation At 1 January	161,958	164,446
Additions in Year	11,463	7,545
Disposals	0	(10,033)
Balance at 31 December	173,421	161,958
Accumulated Depreciation	150,566	151,301
Charge for period	11,049	9,218
Disposals	0	(9,953)
Balance at 31 December	161,614	150,566
Net Book Value at 31 December	11,807	11,393

Fixed Assets is comprised of Fixtures and Fittings NBV €1,784 (2012 €3,310) and Computer Equipment NBV €10,023 (2012 €8,081)

## 5a. FINANCIAL ASSETS

	NOTE	2013 €	2012 €
Equity Investments	5b	10,724,909	11,812,738
Loans	5b	7,673,141	7,132,178
Funds committed for investment		235,203	223,205
Balance available for reinvestment		4,236,020	3,771,838
		22,869,273	22,939,959

## 5b. EQUITY INVESTMENTS AND LOANS

	2013 €	2012 €
<b>Cost</b>		
Opening Value at 1 January	23,437,945	22,561,649
Additions	2,141,860	1,433,535
Disposals/Repayments/Write offs	(2,744,440)	(557,239)
Closing Cost at 31 December	22,835,365	23,437,945
<b>Provision for Diminution in Value/Revaluations</b>		
Opening Balance at 1 January	4,493,029	5,498,640
Movement in Provision/Revaluations	(55,714)	(1,005,611)
Closing Balance	4,437,315	4,493,029
<b>Closing Valuation at 31 December</b>	<b>18,398,050</b>	<b>18,944,916</b>
<b>Equity</b>	<b>10,724,909</b>	<b>11,812,738</b>
<b>Loans</b>	<b>7,673,141</b>	<b>7,132,178</b>
	<b>18,398,050</b>	<b>18,944,916</b>

Included in the Equity Investments figure of €11,330,909 are €4,216,076 in investments that have been valued at fair value. The comparable figures for 2012 were €11,812,738 and €4,626,101 respectively.



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

<b>6. DEBTORS</b>	<b>2013</b>	<b>2012</b>
	€	€
Prepayments	2,860	8,097
Debtors	0	48,000
NPP Grant Receivable	172,311	191,630
Accrued Income	30,112	0
	<u>205,283</u>	<u>247,727</u>

<b>7. CREDITORS</b>	<b>2013</b>	<b>2012</b>
	€	€
Accruals	396,325	338,431
	<u>396,325</u>	<u>338,431</u>

<b>8. CAPITAL ACCOUNT</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
	€	€	€	€
Balance at 1 January		11,392		13,145
Transfer from Income and Expenditure Account:				
Funds allocated to acquire Fixed Assets	11,463		7,545	
Amount released on disposal	0		(80)	
Amount amortised in line with asset depreciation	<u>(11,049)</u>		<u>(9,218)</u>	
		414		(1,753)
		<u>11,806</u>		<u>11,392</u>

The Commission allocated a further €11,463 to acquire further Capital additions.

<b>9. FUTURE COMMITMENTS – WIF</b>	<b>2013</b>	<b>2012</b>
Opening Commitments	1,906,933	1,105,266
Approvals	2,481,667	2,382,551
Decommitments	(375,000)	147,348
Disbursals	(2141860)	(1,433,536)
Closing Commitments	<u>1,871,740</u>	<u>1,906,933</u>

# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## 10. PENSION COSTS

### a) Pension Scheme

A defined benefit superannuation scheme applies to the staff of the Western Development Commission (WDC). Benefits are financed on a "pay-as-you-go" basis and there are no assets held in respect of the accrued pension liabilities of the WDC staff. The results set out below are based on an actuarial valuation of the liabilities in respect of WDC staff as at 31 December 2013. This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard, **Financial Reporting Standard No. 17 - Retirement Benefits** (FRS 17).

The main financial assumptions used were:

	2013	2012
Discount Rate	5.50%	5.50%
Rate of Expected Salary Increase	4.00%	4.00%
Rate of Increase in Pension Payment	4.00%	4.00%
Inflation	2.00%	2.00%

### b) Net Deferred Funding for Pensions in year

	2013 €	2012 €
Funding recoverable in respect of current year pension costs	260,000	280,000
State Grant applied to pay pensions	(€13,000)	(€13,000)
	<u>247,000</u>	<u>267,000</u>

### c) Analysis of Total Pension Costs Charged to Expenditure

	2013 €	2012 €
Current Service Costs	€150,000	€170,000
Interest on Pension Scheme Liabilities	€110,000	€110,000
Employee Contributions	(€33,429)	(€34,437)
	<u>€226,571</u>	<u>€245,563</u>

# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## e) Movement in Net Pension Liability During the Financial Year

	2013 €	2013 €	2012 €
Net Pension Scheme liability at 1 January	2,100,000	2,100,000	2,000,000
Current service cost	150,000	170,000	200,000
Interest cost	110,000	110,000	110,000
Actuarial loss/(gain)	(247,000)	(267,000)	(185,000)
Benefits paid in the year	(13,000)	(13,000)	(25,000)
<b>Net Pension Liability at 31 December</b>	<b>2,100,000</b>	<b>2,100,000</b>	<b>2,100,000</b>

## f) History of scheme liabilities and experience losses/(gains)

	2013 €	2012 €	2011 €	2010 €
<b>Net Pension liability at 31 December</b>				
Amount	€2,200,000	€2,100,000	€2,100,000	€2,000,000
<b>Experience Losses/(Gains) on Scheme Liabilities</b>				
Amount	(€247,000)	(€267,000)	(€185,000)	(€181,000)
Percentage of the present value of the scheme liabilities	(13%)	(13%)	(9%)	(9%)
<b>Total Amount Recognised in Statement of Total Recognised Gains and Losses</b>				
Deferred pension funding represents the corresponding asset which will be recovered in future periods	(€247,000)	(€267,000)	(€185,000)	€181,000
Percentage of the present value of the scheme liabilities	(7%)	(13%)	(9%)	(9%)

## g) Average future life expectancy according to the mortality tables used to determine the pension liabilities

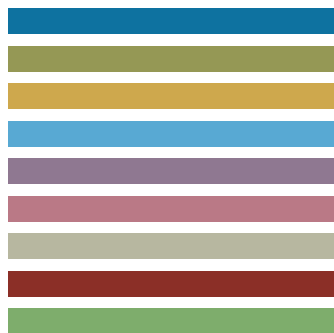
	2013 €	2012 €
<b>Average life expectancy used to determine liabilities</b>		
Male aged 65	22	22
Female aged 65	25	25

## 11. COMMISSION MEMBER'S INTERESTS

The commission adopted procedures in accordance with the Code of Practice for the Governance of State Bodies in relation to the disclosure of interests by Commission members, and these procedures have been adhered to in the year.

## 12. BOARD APPROVAL

The Board of the Western Development Commission approved these Financial Statements on 9th December 2014



## ABBREVIATIONS



## ABBREVIATIONS

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BioPad	Bioenergy Proliferation and Deployment
BISCUIT	Bioenergy Supply Chain Tool
CEDRA	Commission for the Economic Development of Rural Areas
CER	Commission for Energy Regulation
CSO	Central Statistics Office
FAP	Fund Advisory Panel
FTE	Full Time Equivalent
RASLRES	Regional Approach to Stimulating Local Renewable Energy Solutions
RDP	Revision to Rural Development Programme
SMEs	Small and Medium-Sized Enterprises
WDC	Western Development Commission







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