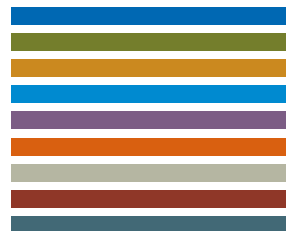
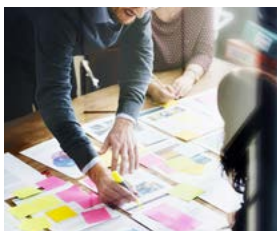




# Annual Report



# 2016

Excellence

Innovation

Creativity





Western Development Commission  
Dillon House, Ballaghaderreen,  
Co. Roscommon, Ireland.

Tel: +353 (0) 94 9861441

Fax: +353 (0) 94 9861443

Email: [info@wdc.ie](mailto:info@wdc.ie)

Website: [www.wdc.ie](http://www.wdc.ie)



# CONTENTS

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<b>Chief Executive's Report</b>	<b>2</b>
<b>Introduction</b>	<b>5</b>
<b>Section 1: Balanced Regional Development</b>	<b>9</b>
<b>Section 2: Promoting the Region</b>	<b>15</b>
<b>Section 3: Rural Development</b>	<b>19</b>
<b>Section 4: WDC Investment Fund</b>	<b>23</b>
<b>Section 5: Corporate Services</b>	<b>27</b>
<b>Appendices</b>	<b>31</b>
Appendix 1: Board Members/Committee Members	32
Appendix 2: Board Members Attendance	35
Appendix 3: Board Fees and Expenses	35
Appendix 4: CEO Salary and Expenses	36
<b>Financial Statement 2016</b>	<b>35</b>
<b>Abbreviations</b>	<b>59</b>



# CHIEF EXECUTIVE'S REPORT

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## Enhanced Role for the WDC in the 2016 Programme for Government

The OECD recognises that a “new approach to regional development is emerging”, one which involves a focus on measures to increase competitiveness of regions. Within this regional development context the WDC has spent the last number of years designing and delivering growth initiatives which have resulted in the safeguarding or creation of nearly 5,000 jobs and many businesses in rural Ireland. This expertise at a regional development level, affords us an opportunity to reposition the West of Ireland Region for sustained economic growth.

As a result of these efforts to support the region in the May 2016, “*Programme for a partnership Government*” document, the WDC was ascribed an augmented role related to its mandate for Regional Development in the West of Ireland:

**“We will also reinforce the role of the Western Development Commission (WDC), so that it supports the implementation of regional jobs plans in the West and North-West.”**

As such the WDC sought to design and implement activities to support the Regional Development Ministerial function and also the overriding Government aim “**to deliver sustainable full employment. This will mean an extra 200,000 jobs by 2020, of which 135,000 will be outside of Dublin.**”

In support of these objectives and its own remit and strategic goals, the Western Development Commission has achieved the following in 2016:

- **To encourage the development of the regions rural economy based on the sustainable development of the Western Region’s strengths and resources.**
  - WDC EU projects team with regional and international stakeholders are undertaking multiple EU programmes supporting growth in the Creative, Tourism, Bio-economy and SME sectors. Activities offered include
    - International Trade Fair support – regional businesses showcasing products internationally
    - Sectoral networks – [www.Mycreativeedge.eu](http://www.Mycreativeedge.eu) had 649 published profiles, 262 from the western region. Offering creative businesses access to global markets.
    - Support for Rural Bio-economy energy schemes – Carrick on Shannon, Roscommon and Castlebar.
  - Rural communities’ (small towns) support initiatives – Letterfrack community enterprise needs analysis completed and growth steps ongoing.
  - Regional Conference bureau initiative begun – Preliminary scoping of need for establishment of a facility to support growth in group leisure sector.
  - The WDC, in partnership with GMIT and the Galway Film Centre, is developing a Creative Pathways/Enterprise Hub initiative which is linked directly to five of the top tier recommendations of the Creative West Report.
  - Support for Atlantic economic corridor concept.



# CHIEF EXECUTIVE'S REPORT

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- **To provide risk capital to SMEs and social enterprises in their start-up and expansion phases through the WDC Investment Fund.**
  - WDC invested €2.3 million in 11 enterprises in sectors ranging from medical devices to software development to high tech manufacturing to creative industries as well as much needed services for local communities.
- **To inform policy-making on economic and social development in the Western Region through high quality analysis.**
  - Co-sponsorship of Conference on the National Planning Framework. The WDC along with the Whitaker Institute at NUI Galway co-sponsored the Conference held on Friday 9th September in NUI Galway.'
  - *Rail freight and the western region* - A study commissioned by the WDC investigating the potential for new rail freight traffic in the region.
  - Six *Insight* publications on various economic issues impacting the region.
- **To promote the benefits of living, working and doing business in the Western Region.**
  - Regional promotional platform growth – [www.lookwest.ie](http://www.lookwest.ie) had a 25% growth in total website visitors to 89,500.
  - Social media audience grew to 19,994 (15% YoY growth)

Going forward our vision is to significantly accelerate this growth using funded initiatives. Many of these will 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. In total it is hoped that from the nearly 5000 jobs today our efforts with regional, national and via the support of the EU, international partners will seek to yield an additional 19,000 jobs within this peripheral region by 2020. How we will achieve this is based on a highly collaborative ethos, with the Local authorities, regional stakeholders and indeed EU becoming essential to translating our efforts into enterprise and employment outputs.

These and other key developments 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.

Finally it is appropriate that I express my sincere thanks to the excellent and hardworking staff of the WDC and the regional partners all of whom have helped in achieving these outcomes for the Western region. I would also like to express a particular note of gratitude to the outgoing Board and its Chair (Paddy McGuinness), who have worked tirelessly to advance the interests and remit of the region and organisation.



A handwritten signature in dark ink, reading 'Ian Brannigan'. The signature is fluid and cursive, with the first name 'Ian' being more prominent.

**Ian Brannigan**  
CEO (A) & Head of Regional Development







# INTRODUCTION





# INTRODUCTION

---



## Mission Statement

To champion the economic, social and cultural development of Ireland's Western Region.

## Vision Statement

To be the go-to agency for the development of Ireland's Western Region.

## Core Values

- i. **Collaboration:** We collaborate with all national, regional and local organisations for the development of the Western Region
- ii. **Leadership:** Nurture leadership across economic and social activity within Ireland's Western Region
- iii. **Innovation:** We encourage and promote innovation in the development of the Western Region
- iv. **Integrity and Trust:** We strive to earn the trust of all our clients and stakeholders by operating with the utmost integrity in all our dealings with them
- v. **Adaptability & Flexibility:** The WDC and its staff are adaptable and flexible to meet changing circumstances



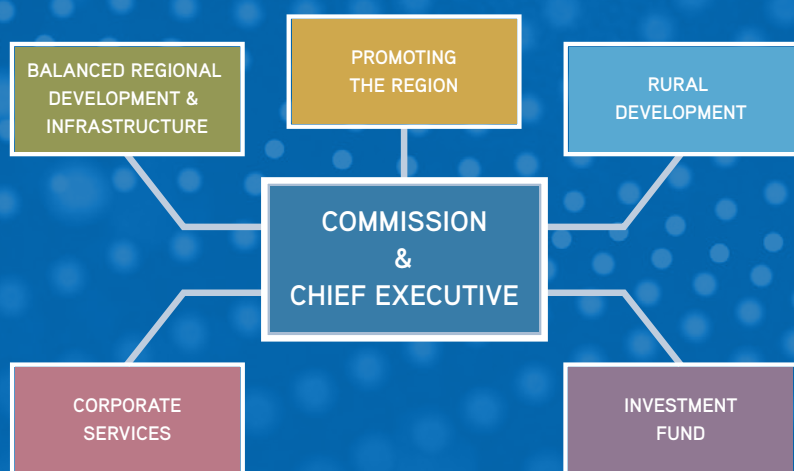
## Structure of the WDC

The WDC is made up of eight members appointed by the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs (see Appendix 1 for 2016 membership).

The Commission is supported by a committed executive located in Dillon House, Ballaghaderreen, County Roscommon. We have an equivalent full time staff of 12.6 and an additional EU project team staff of three executives. This offers the region a unique expertise in policy analysis, regional and rural development, investment and corporate services.

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

## Organisational Structure



## The WDC's Draft Strategic Objectives 2015 – 2018

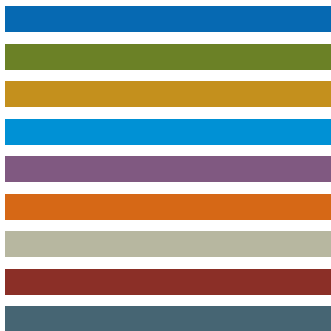
- To inform and influence policy-making on economic and social development in Ireland's Western Region through high quality analysis.
- To promote the benefits of living, working and doing business in Ireland's Western Region.
- To encourage the development of the Western economy based on the sustainable development of the Western Region's strengths and resources.
- To provide risk capital to micro, small and medium sized and social enterprises (in their start-up and expansion phases) through the WDC Investment fund (WIF).
- To operate the WDC as a competent, effective and learning organisation.
- To ensure the WDC's remit is recognised and supported at all levels of Government.
- To secure and maintain a novel region specific strategic growth fund to meet the development requirements of Ireland's Western Region.
- To establish and assess a Strategic Regional Development Office (SRDO) pilot in the West of Ireland to augment the WDC remit of accelerating economic growth in the region.







# SECTION I



## BALANCED REGIONAL DEVELOPMENT

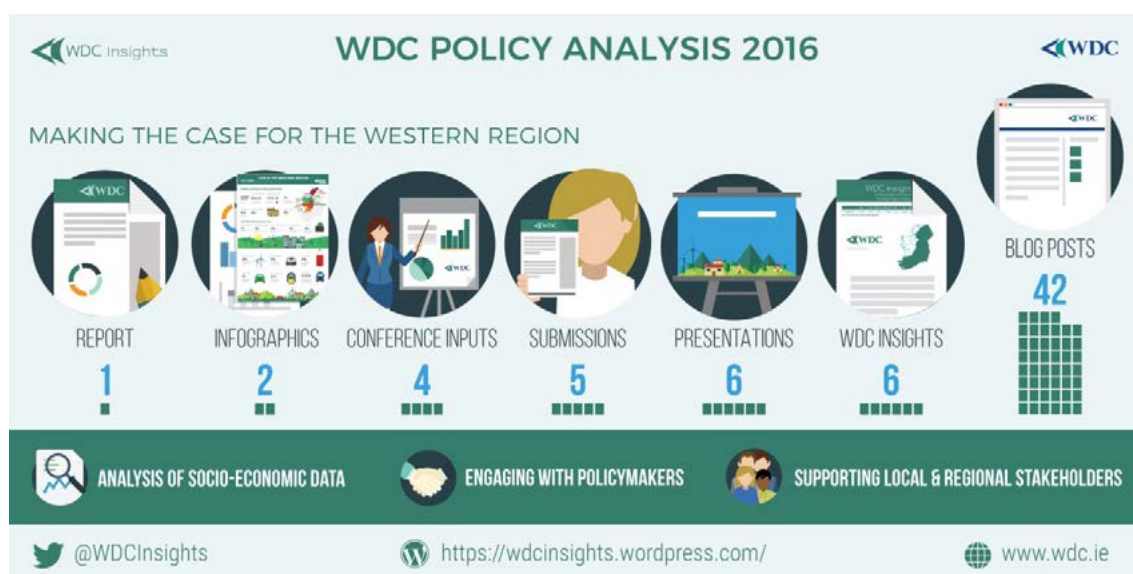


# BALANCED REGIONAL DEVELOPMENT

To inform and influence policy-making on economic and social development in Ireland's Western Region through high quality analysis.

An important element of the WDC's work is analysis of socio-economic data and trends within the Western Region. This provides a rigorous knowledge base and understanding of the key issues and challenges facing the Western Region. It also underpins the WDC's work programme.

The key activities of the WDC Policy Analysis team during 2016 are highlighted in the infographic below.



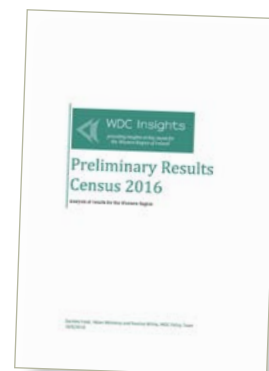
## Socio-economic Analysis

The WDC Policy Analysis team undertook detailed analysis of a range of key socio-economic issues of relevance to the economic and social development of the Western Region during 2016. This analysis was published and disseminated through a wide range of outputs.

### Report: Preliminary Results Census 2016: Analysis of results for the Western Region

In April 2016 the Central Statistics Office of Ireland (CSO) conducted a Census of Population. The full results of Census 2016 will be published over the course of 2017 but in July of this year, the CSO published preliminary results. This WDC report analysed the preliminary results for the seven county Western Region (Clare, Donegal, Galway, Leitrim, Mayo, Roscommon and Sligo). The indicators examined are:

- Geographical Population Change
- Components of Population Change
- Housing





## WDC Insights

The WDC published six *WDC Insights* during 2016:

### 1. *WDC Insights: Census 2016 – Preliminary results for the Western Region* (Nov)

This *WDC Insights* summarises key findings of the preliminary results of the 2016 Census of Population for the Western Region. It examines population change, migration and gender variations.

Download: [WDC Insights: Census 2016 – Preliminary results for the Western Region](#)

### 2. *WDC Insights: Enterprise Profile of the Western Region* (Sept)

This *WDC Insights* examines the enterprise profile of the Western Region, drawing on the CSO's Business Demography data for 2014 (latest available). The data examines active enterprises in the business economy and this *WDC Insights* outlines the current structure of the region's enterprise base as well as tracking the performance of enterprises by sector since 2008.

Download: [Enterprise Profile of the Western Region](#)

### 3. *WDC Insights: Enterprise in Western Counties* (Sept)

This *WDC Insights* examines the enterprise profile of the seven counties of the Western Region, drawing on the CSO's Business Demography data for 2014 (latest available). This data examines active enterprises in the business economy and this *WDC Insights* outlines the current structure of the each county's enterprise base as well as tracking the performance of enterprises by sector since 2008.

Download: [Enterprise in Western Counties](#)

### 4. *WDC Insights: Impact of Sectors on Western Region's Jobs Recovery* (May)

The Western Region's slower jobs recovery since 2012 has mainly been caused by contraction in employment in market services sectors, compared with growth in the rest of the state. This *WDC Insights* publication examines the impact of sectors on recent jobs trends.

Download: [Impact of Sectors on Western Region's Jobs Recovery](#)

### 5. *WDC Insights: Jobs Recovery and the Western Region* (April)

Ireland has been experiencing a gradual recovery in employment since 2012. While jobs growth is occurring in the Western Region, it is not following the same pattern, nor occurring at the same rate, as elsewhere. This *WDC Insights* publication examines some of the distinctive aspects of the Western Region's labour market during 2012-2015.

Download: [Jobs Recovery and the Western Region](#)

### 6. *WDC Insights: Rail Freight: A More Sustainable Transport Option* (Feb)

This *WDC Insights* highlights some of the findings of a report published by the WDC in late 2015 'Rail freight in the Western Region'. It highlights the potential for reducing emissions and easing congestion on the road network by moving some freight from road to rail.

Download: [Rail Freight: A More Sustainable Transport Option](#)





# Infographic

For the 2016 year end the WDC Policy Analysis team produced an infographic of the Western Region, highlighting key statistics and important elements that contribute to the economy and life of the region.

## THIS IS THE WESTERN REGION

**WDC Insights**  
providing insights on key issues for the Western Region of Ireland

**WDC**  
WATER DEVELOPMENT COMPANY  
LONDON'S PIONEER IN WATER

### POPULATION IN THE REGION<sup>1</sup>

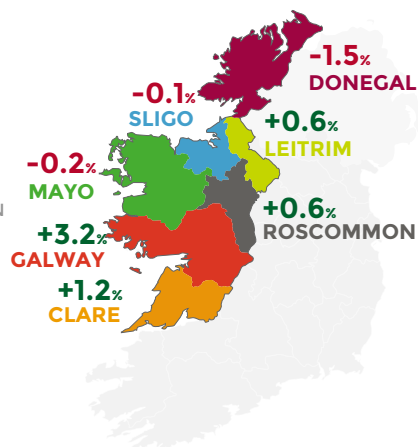
	POPULATION 2016	CHANGE 2011-2016
<b>WESTERN REGION</b>	<b>828,124</b>	<b>+0.9%</b> ▲
<b>STATE</b>	<b>4,757,976</b>	<b>+3.7%</b> ▲

HOUSING <sup>2</sup>	VACANCY RATE
<b>20%</b>	<b>22%</b>
OF STATE HOUSING STOCK	



**17%**  
OF STATE POPULATION

**37%**  
OF STATE LAND MASS<sup>3</sup>



### THE WESTERN REGION HAS

**EMPLOYMENT<sup>4</sup>**  
**17%**  
OF PEOPLE AT WORK IN IRELAND

**UNEMPLOYMENT<sup>5</sup>**  
**18%**  
OF UNEMPLOYED IN THE STATE

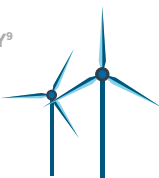
**SELF EMPLOYED<sup>6</sup>**  
**23%**  
OF PEOPLE AT WORK IN THE REGION

**ENTERPRISES<sup>7</sup>**  
**16%**  
OF ACTIVE ENTERPRISES IN THE STATE

**INCOME<sup>8</sup>**  
**92%**  
OF STATE AVERAGE PER PERSON DISPOSABLE INCOME



**WIND ENERGY<sup>9</sup>**  
**28%**  
OF IRISH INSTALLED WIND ENERGY CAPACITY



**BROADBAND<sup>10</sup>**  
**34%**  
OF NATIONAL BROADBAND PLAN AREA PREMISES



**TOURISM<sup>11</sup>**  
**28%**  
OF IRELAND'S REVENUE FROM OVERSEAS TOURISTS



**VEHICLES<sup>12</sup>**  
**15%**  
NEW CARS LICENSED FIRST TIME IN 2015



**RAIL FREIGHT<sup>13</sup>**  
**3/4**  
OF SERVICES START OR END IN THE WESTERN REGION



**REPLACING**  
**9,000**  
ROAD JOURNEYS PER ANNUM SAVING 2,500 TONNES IN CARBON EMISSIONS



DECEMBER 2016

SOURCES: PLEASE TURN OVER



## WDC Insights Blog

The WDC Insights Policy Blog provides weekly comment and analysis of items relevant to the Western Region, regional development and regional needs. It can be read at <https://wdcinsights.wordpress.com>



## Presentations & Conference inputs

The Policy Analysis team gave a number presentations and chaired sessions at conferences over the course of 2016:

- Western Development Commission chaired an Údarás na Gaeltachta seminar “Global issues.... Local solutions” which focused on Community Energy, Belmullet
- Preliminary Results Census 2016: Roscommon, presentation to Roscommon Local Community Development Committee (LCDC)
- Preliminary Results Census 2016: Analysis of results for the Western Region, presentation to Western Development Commission
- Western Development Commission, presentation to Clare Local Development Company
- Update on Infrastructure in the Western Region, presentation to Western Development Commission
- Update on Broadband policy and Next Generation Broadband in the Western Region, presentation to Roscommon County Council
- Chaired two sessions during annual conference of Regional Studies Association – Irish Branch which was co-sponsored by the WDC

## Submissions

During 2016, the WDC made four submissions to national public consultation processes:

- CSO Consultation on Census of Population 2021
- Commission for Energy Regulation consultation on the Gas Networks Ireland 2016 Ten Year Network Development Plan (CER /16/235)
- Joint Oireachtas Committee on Arts, Heritage, Regional, Rural and Gaeltacht Affairs on ‘What it takes to sustain a viable rural community’
- Draft Transmission Development Plan CER/15/283

## Regional Studies Association Conference held in Western Region 2016

The WDC is a member of the Committee of the Regional Studies Association – Irish Branch. The RSA hosts a conference each year and in 2016 it was held in association with the WDC and the Whitaker Institute at NUI Galway.

The conference was held on Friday 9th September in NUI Galway. The theme was ‘Planning Regional Development: The National Planning Framework as a Roadmap for Ireland’s Future?’



## Infrastructure

A Briefing on current and future infrastructure investment was circulated and a presentation was made to the Commission at the meeting on 24th May. This provided an update on the current situation for infrastructure in the Western Region in the areas of Transport (roads, public transport -rail and bus, and air), Energy (natural gas, electricity) and Broadband.

The briefing highlighted ongoing infrastructure deficits in the Region and the policies and actions that are in place to address some of the deficits.

### Energy

A short submission was made to the CER consultation on the Draft Transmission Development Plan CER/15/283 prepared by EirGrid, reiterating the importance of energy infrastructure for development.

The Western Development Commission (WDC) made a submission to the Commission for Energy Regulation (CER) on "Gas Networks Ireland's 2016 Ten Year Network Development Plan" (CER/16/235).

CEO (a). Ian Brannigan met with the Minister for Communications, Climate Change and Natural Resources and Minister of State for the OPW and GNI to discuss natural gas infrastructure amongst several topics.

### Telecommunications

The WDC has continued to advocate for the speedy rollout of the Government's National Broadband Plan, through various meetings with Department officials and submissions and blog posts. In July 2016, the Government decided that the new network will be held in private ownership.

In December the WDC was asked to participate on the Engineers Ireland Advisory Group on Telecommunications Infrastructure.

## Transport

### Rail Freight

In January, the WDC made a presentation to the IEA Rail Freight Group on the recently published WDC report on Rail freight (published December 2015), [Rail freight and the Western Region](#). The report was very well received and was discussed at length. The Department of Transport thanked the WDC for undertaking the report which provides a baseline for looking at rail freight across Ireland and provides the signposts for growth. It also identifies some policy options for Government to consider.

### Regional and Local Roads

A short analysis of the funding allocations for local and regional roads in recent years was carried out.

## Rural Policy



Ian Brannigan and Helen McHenry attended the *Joint Oireachtas Committee Joint Committee on Arts, Heritage, Regional, Rural and Gaeltacht Affairs* to discuss. "What it takes to sustain viable rural communities" on 26th October.



## SECTION 2



PROMOTING THE REGION



# PROMOTING THE REGION



Promote the benefits of living, working and doing business in the Western Region



107,068  
Visitors in 2016



2 Million+  
Social Media Views



6000+  
eZine Subscribers



3 Million +  
Visitors since inception

## Key Achievements in 2016

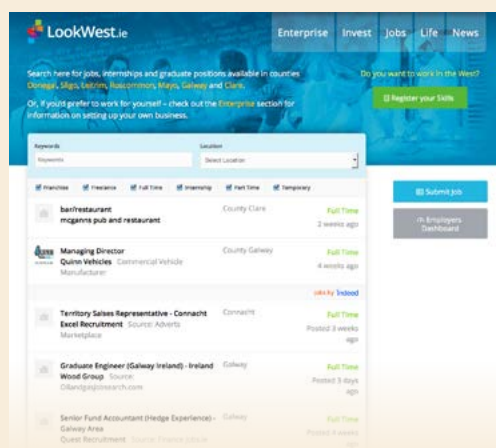
Through our [LookWest.ie](http://LookWest.ie) platform, the WDC continued to showcase all that is good about our region to the many individuals and business interested in locating in the region. The Western Region has so much to be proud of, not least its people, landscape, culture, heritage and a quality of life second to none. Throughout 2016 LookWest.ie continued its focus on promoting the business and enterprise supports available in this region to individuals both at home and abroad with the aim of increasing inward investment into the Western Region. The WDC has also strengthened links between the innovative businesses and projects operating in the Western Region. Relationships continued to be developed with Irish Embassy and Consulate offices, and business and social networks abroad.

This coupled with our unique content and promotion of the quality of life in the West is an attractor for both people and investment to the West.

Lookwest also engages with job seekers and Employers via the LookWest.ie Skills Register – in that we can create a profile of the talent, qualifications and experience of the people living in the West or considering a move here. Such a profile strongly contributes to attracting jobs and business to the Region.

A number of case studies were featured on Lookwest.ie which tell the unique stories of people living, working and doing business in the West and reach out to people from all over the world.

In 2016 we saw a 25% increase in website visitors (107,068 visitors for 2016 vs 86,012 for 2015) and a 56% increase in social traffic. Lookwest also has over 10k views of our '[West of Ireland Start-Up Guide](#)' and 4k views of our '[Invest West](#)' guide which are regularly updated. In 2016 we had a social reach of over 2 million views on our social media posts. Lookwest.ie has a combined social media audience of 20,000 followers and a very responsive eZine list of over 6,000 subscribers. LookWest.ie saw over 3,000,000 visitors to the site since its inception.



An ever increasingly popular section on Lookwest is jobs, which showcases unique job opportunities in the West. We use our social media channels and networks to reach out and promote these opportunities to a wide audience.



## LookWest.ie 2016 Award Roll Call

### Ireland eGovernment Awards:

Shortlisted in 'General' Category.



### Social Media Awards:

2016 Finalist in 'Best Use of Social Media by State Body'.



### Web Awards:

Nominated for 'Best Government and Local Government'



Lookwest.ie case studies 2016 included the following:



Ciaran Byrne and Martha Kearns - Storylab PR and Content Agency based in Sligo.



Mary Rodgers - Innovation Community Manager at The PorterShed, a co-working space for the technology sector based in the heart of Galway city.



Catherine Devlin – Wild Atlantic Adventures a family run business based in Donegal offering Adventure, Heritage, Language and Activity packages combined with on-site group accommodation.

## LookWest.ie Supporting Events in the Region

### MeetWest 2016

LookWest.ie participated at MeetWest, the largest business networking event in the West of Ireland. In 2016 MeetWest took place in Mayo and brought together over 300 companies and 4,500 business meetings with a wide range of companies from the West of Ireland and further afield. MeetWest is delivered by a partnership for business between Galway City Council, Galway County Council, Galway Local Enterprise Office, Roscommon County Council, Roscommon Local Enterprise Office, Mayo County Council, Mayo Local Enterprise Office and the Western Development Commission in association with Údarás na Gaeltachta, Enterprise Ireland and IDA Ireland.

### National Ploughing Championships 2016

LookWest.ie participated at The National Ploughing Championships which took place in September in Scraggan, Tullamore, Co Offaly.



Mary Keaveney, Karen Sweeney and Ian Brannigan WDC, with President Higgins at the WDC/LookWest.ie stand Ploughing Championships 2016.

### Fleadh Cheoil 2016

LookWest.ie partnered with and directly supported The Fleadh Cheoil Executive to actively engage with people visiting Ennis, County Clare from all across the country and beyond. A joint LookWest.ie / Fleadh Cheoil Sligo 2015 promotional campaign for the Western region comprised suitable static graphics, video footage, scrolling messages throughout the event and promoted the Western Region to an audience of around 350,000 people.



## The Exchange

In December 2016, emerging entrepreneurs from across the Country assembled in the Radisson Hotel in Sligo to help their business grow at The Exchange, a collaborative event led by Ireland's leading Entrepreneurs. The Exchange is a 24 hour residential business mentoring programme designed to transfer the knowledge, skills and experiences of Ireland's most successful entrepreneurs on to the next emerging generation. The brainchild of Fergal Broder from Lotus Works, The Exchange is facilitated by Sligo Chamber and is supported by the Western Development Commission. A panel in excess of 20 Business leaders from all over the country gave their time to mentor and advise new entrepreneurs and provide both potential investment contacts and the know-how only someone who's 'been there' can offer.

The Exchange, a pioneering national initiative aims to facilitate the exchange of knowledge, experience and learning between small and medium-sized enterprises and Ireland most experienced Entrepreneurs. All of the entrepreneurs who took part volunteered their time and expertise in order to 'give back' to small and medium-sized businesses that are following in their footsteps. The Exchange offered participating companies a full day of tailored business mentoring meetings complimented by a networking dinner.



Des Faul, Niall McEvoy, Janette Gillen, Ian Brannigan, David Kiely and Mary Harty at the launch of The Exchange 2016.

There is a significant value-add, in real terms, delivered by the Exchange – with some participants benefiting in the region of €100,000 in business investment. Furthermore, the non-financial benefits generated by the Exchange have come highly commended, with participants and mentors alike citing the extent of connectivity and long-lasting professional friendships developed through the portal. We know that The Exchange has been truly beneficial and in many cases transformative to our previous Alumni.

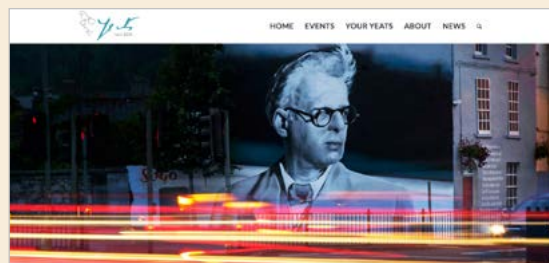


## National Award for The Western Development Commission

In January 2016, The Western Development Commission received a national award for Digital Excellence. Closing out the landmark year which celebrated Ireland's foremost literary icon on the 150th anniversary of his birth, The Western Development Commission received an Ireland E-Government Award for the Yeats2015 project's innovative use of social media. This prestigious win for The Western Development Commission highlighted the importance of digital platforms in engaging audiences, particularly the diaspora and international followers – whose participation and interaction had been a pivotal element of the Yeats2015 project's success. Yeats' works are internationally renowned and his following spans the globe, a fact which made the use of social media critical to the programme's reach. Furthermore, young people and audience segments whose predisposition to the arts or, specifically, poetry, may have been limited – now had access and insight to one of Ireland's leading Nobel-winning laureates, a crucial legacy for Yeats2015.



Pictured at Dublin Castle, Mary Keaveney & Karen Sweeney, Western Development Commission receiving the eGovernment Social Media Award from Eoin O'Siochru - Internet Marketing Unit, Enterprise Ireland





## SECTION 3



## RURAL DEVELOPMENT



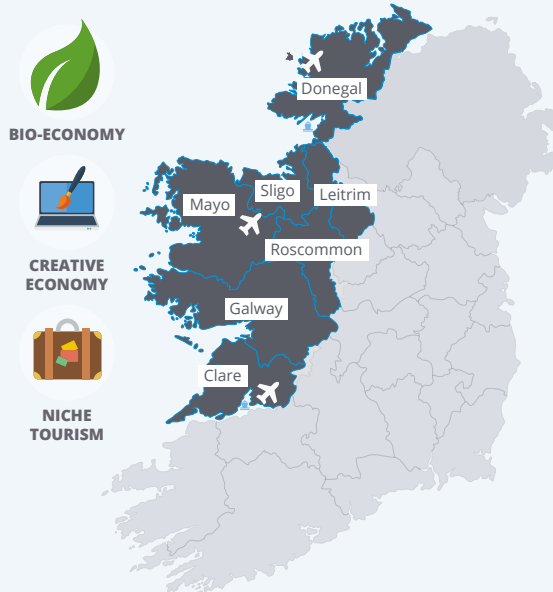
# RURAL DEVELOPMENT

## To encourage the development of the Western economy based on the sustainable development of the Western Region's strengths and resources.

In 2016 the WDC increased its staffing levels to significantly allow the region to engage in strategic development initiatives in a range of established and emerging sectors. The aim here is to enable the region to grow enterprise and employment opportunities in these areas in the coming years.

Highlights included:

- **Regional ICT Growth** - The WDC led a transnational partnership to develop an initiative to support regional technology SME's. Start Up North (SUN). SUN is intended to develop an activity-driven events platform to support start-ups and SMEs in the region. A tech talent map and matchmaking tool will help entrepreneurs connect, meet and co-develop innovative products and services for global markets faster.
- **Heritage Tourism** - The WDC led regional partners in an initiative to develop the Culture & Heritage sector in the West. Known as ANDREAS it aims to estimate economic value to specific assets within the natural and cultural heritage.
- **Bio-economy** - As well as a range of support initiatives under its EU projects team, the WDC led and delivered on specific interventions across the Region e.g. District Heating project with Leitrim County Council and Bio-economy initiative with Mayo County Council.
- **Small town program** - Enterprise Opportunity with Letterfrack, Needs analysis completed for town and now moving to assessing growth model for proposed enterprise initiatives with the community.
- **Literary Tourism growth** - The WDC partnered on an Interreg (AA) submission to develop a Literary Trail of The Atlantic Area. The project title European Literary Tourism Initiative (ELTI) is an innovative cultural tourism product that capitalises on the unique selling points of internationally recognised writers and their connectedness to the landscape and communities of the AA. ELTI will boost economic activity by increasing visitor's numbers, employment, new SME products and services and innovative practices that will establish literary tourism as a valuable economic driver within partner regions and in the longer term to other Regions/Countries.
- **Business tourism growth** - Business tourists spend significant amounts when they travel. The region currently has no dedicated convention bureau to allow this sector to fully develop. The WDC are working with a number of stakeholders/businesses to assess the feasibility of a Conference Bureau for the West of Ireland. This project aims to open new market possibilities and significantly increase the number of group visits and conferences taking place in the West and increase Business Tourism visitor numbers.
- **Galway 2020** - Capital of Culture programme. The WDC are working with the Galway 2020 team to discuss collaboration and regional activity based on the European Capital of Culture which will take place from 2017-2020.
- **Archeological Tourism** - WDC led a submission for INTERREG Atlantic Area Programme. The title of the project is 'Cultural, Historical and Archaeological Tourism for Atlantic Regions'. There are common pre-historic connections along Europe's Atlantic coast, which reflect the migration of people from the pre-historic Neolithic era up to the early Christian periods. This has given rise to shared archaeological and historical cultural heritage often set within very similar natural landscapes. The project will develop strategies and marketing actions to support regional economic development and which builds on shared pre-historic cultural assets and landscapes.
- The WDC worked with the Atlantic Economic Corridor to give capability to a committed regional initiative in the 2016 programme for government.
- WDC supported the Regional Action Plan for Jobs initiative in 2016
- WDC worked with our Parent Department on the Brexit and Rural Action Plan for Jobs.





## EU Projects Team – A capability for the Region and its stakeholders

### Renewable Energy

#### 'Generating Renewable Energy Business Enterprise' (GREBE)

The GREBE project commenced on 1st September 2015 with the first partner meeting held in Northern Ireland in November 2015. The budget for this is €1.77 million over three years and the project focuses on the challenges of peripheral and arctic regions as places for doing business and helps develop renewable energy business opportunities provided by extreme conditions. We aim to support diversification of the technological capacity of SMEs and start-ups so that they can exploit the natural conditions of their locations and assist them in connecting with other renewable energy businesses to develop new opportunities locally, regionally and transnationally.

The official launch of the project took place in Ballina on Wednesday 24th February. The project was officially launched by the chairperson, Mr. Paddy McGuinness. Presentations were made by each of the project partners on the work of GREBE in the partner regions and renewable energy in each region. Almost 70 people attended the launch from different sectors, including local authorities, 3rd level education institutes, energy agencies, industry representative organisations, business representative organisations and renewable energy entrepreneurs and SMEs. The renewable energy businesses completed a survey at the launch which provided useful information about the sector.

As part of the project, an Industry Advisory Group will be established in each region to provide input and advice on implementation of the project. Potential members of the group in the West of Ireland have been identified and were invited to participate in the group. The group held its first meeting on Monday 4th April in Sligo. Participants included representatives from SEAI, Letterkenny IT, IT Sligo, Claremorris Energy Co-op, Udarás na Gaeltachta, Donegal LEO, Leitrim LEO, IrBEA and Mayo Energy Agency. Following the Industry Advisory Group meeting, a policy workshop was held, chaired by Action Renewables who are leading the renewable energy policy work package in GREBE.

In 2016, a website ([www.grebeproject.eu](http://www.grebeproject.eu)), project blog (<https://greberenewableenergyblog.wordpress.com/>), Facebook page (<https://www.facebook.com/GREBEProject/>) and Twitter account ([https://twitter.com/GREBE\\_NPA](https://twitter.com/GREBE_NPA)) were created for the project. These are updated twice-weekly with articles from the project partners, and other interesting activities in our regions.



Three project e-zines were published in 2016, in May, November and December. These e-zines provide an overview of the projects aims and objectives and how the GREBE project will support renewable energy start-ups and SMEs in the Northern Periphery & Arctic region, the international launch of the project, details of each of the project partners, the renewable energy sector in their region and activities in the project, our Industry Advisory Group meetings, Policy Workshops, partner meetings in Inverness and Iceland, and the launch of the Northern Ireland pilot of our Entrepreneur Enabler Scheme, details of our Policy reports, Business Supports Catalogue, and some participants in Northern Ireland pilot of our Entrepreneur Enabler Scheme. The project e-zines can be downloaded from the project website <http://grebeproject.eu/publication/>

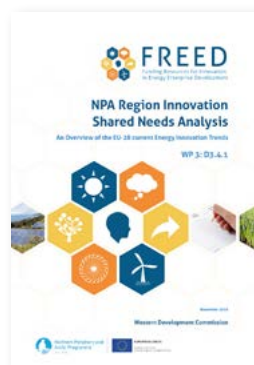
WDC is responsible for Work Package 3.2 in the GREBE project which involves an examination of business support options available in the partner regions so that models of support for SMEs in the renewable energy field can be shared and regions can learn from each other about the most effective means of supporting and developing business. The WDC developed downloadable catalogue of business supports. This is in four broad areas (financial supports, soft supports, research & development support and others – including employment supports) and is available to download from the project website <http://grebeproject.eu/wp-content/uploads/2016/09/GREBE-Business-Supports-Catalog.pdf>.





## FREED

In 2016 The Western Development Commission became a partner in the FREED project, a three year €1.9 million project funded under Interreg's Northern Periphery and Arctic Programme 2014-2020. FREED (Funding Resources for Innovation in Energy Enterprise Development) [www.freedproject.eu](http://www.freedproject.eu) aims to provide SME's in the programme area with the support network required to introduce and develop energy innovations which would otherwise be unavailable to them. Mary Keaveney and Ian Brannigan participated at partner meetings in Finland, Scotland, Ireland and a FREED seminar in Enniskillen. The Western Development Commission is responsible for Work Package 3, the main outputs delivered were the six reports researched and produced by the WDC.



FREED Project partner meeting in Galway 2016.

Ian Brannigan, Niko Hänninen, Padraic Cullen, Benjamin Daumiller, Chris Ashe, Derek Blackweir, Nick Lyth, Steve Taylor, John Harrison, Fred Johansen, Arja Sarpola, Eva Pongracz, Mary Keaveney.





Kevin Lynch (Airmid Natural Skincare) and Sallyann Marron (Sallyann's Handmade Bags) at their stalls during Urkult Festival, Sweden, August 2016

## Creative Economy

### *a creative momentum project*

The WDC is the lead partner for the €2m *a creative momentum project*. With partners from five regions – Western Region of Ireland, South East of Northern Ireland, Mid-Sweden, Northern Finland and North East Iceland – this project kicked off in May 2015 and will continue until May 2018. It is co-funded through the Interreg Northern Periphery & Arctic (NPA) programme with the core aim of supporting the development of the creative industries sector across Europe's Northern Edge.

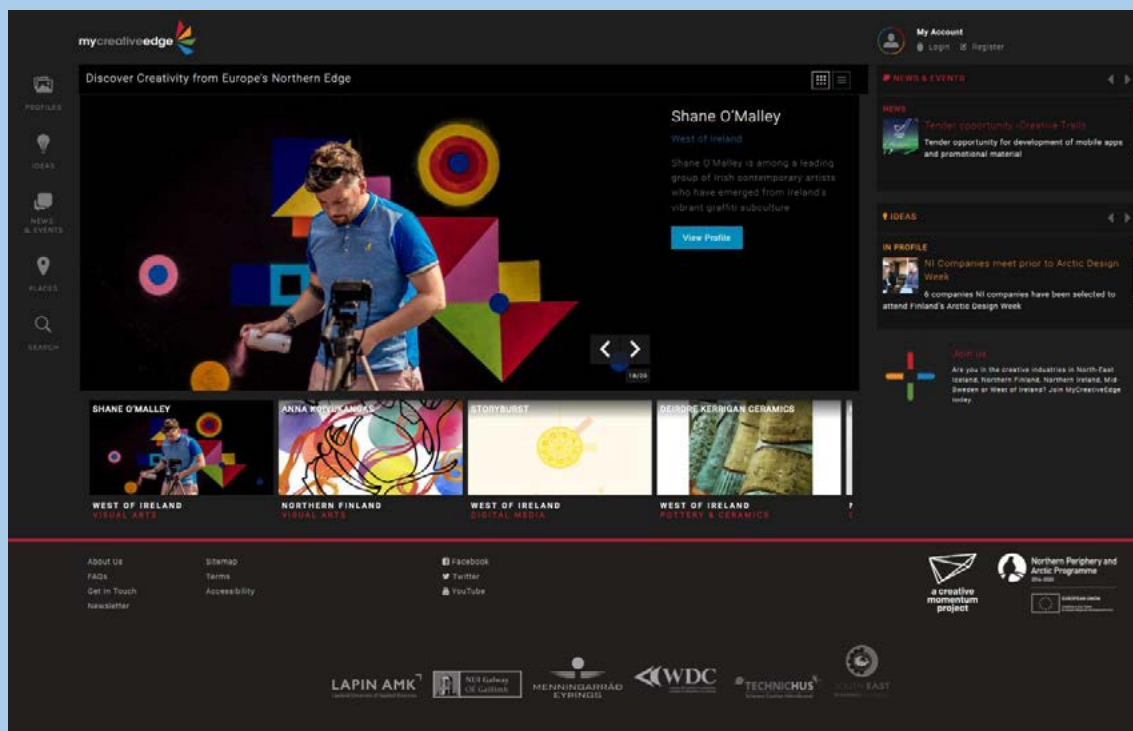
Some of the highlights of the WDC's activities during 2016 were:

- Seven open calls for applications were held for creative enterprises based in the West of Ireland
  - April 2016 – a call for applications to participate in the Urkult Festival in Mid-Sweden in August 2016, the 1st a creative momentum project Creative Hotspot
  - April 2016 – a call for applications for the 1st round of Creative Steps 2.0 collaborative innovation programme
  - June-Aug 2016 – 1st call for applications for the Peer-to-Peer Mentoring in Internationalisation programme (subsequently renamed Creative2Creative Matching)
  - Aug 2016 – call for applications to participate in Digital DNA in Armagh in September, 2nd Creative Hotspot
- Resulting from these calls, seven SMEs from the region participated in two Creative Hotspot events during 2016
  - 3 craft workers exhibited and sold their products during the Urkult Festival, Sweden in August. Urs Hartung (Bearfoot Enterprises), Sallyann Marron (Sallyann's Handmade Bags), Kevin Lynch (Airmid Natural Skincare)
  - 4 designers / digital media participated in the Digital DNA @ The Planetarium conference, Northern Ireland in September. David J. Pierce (Blackhole Studio), Camilla Meegan (DNK Media Productions), Fergal O'Connor (Happy Marketing & Media), Gary Reddin (Reddin Designs).





Home page of  
re-developed  
MyCreativeEdge.eu



- Two SMEs from the region participated in the 1st round of the Creative Steps 2.0 innovation programme run by Lapland University of Applied Sciences in May/June 2016. Sallyann Marron (Sallyann's Handmade Bags), David J. Pierce (Blackhole Studio).
- Seven creative SMEs from the Western Region of Ireland are participating in the 1st round of Creative2Creative Matching.
- Three creative SMEs exhibited at Trade Fairs during 2016 with support from the 'Support to Exhibit at an International Trade Fair' activity: Olyart (Showcase Ireland, Jan 216), Willow Design & Publishing (Spring Fair, Birmingham, Feb 2016), Leo Scarff Design (TENT London, Sept 2016).
- Three Creative Exchanges, information and networking events were organised:
  - 'Showcase Your Creative Work Effectively', Ennis, April 2016
  - 'Showcase Your Creative Work Effectively', Sligo, April 2016
  - 'So much data. So little time.', Castlebar, Nov 2016
- The 1st meeting of the Regional Industry Advisory Group for the West of Ireland was held in February and the 2nd was held in November.
- WDC managed the re-development of MyCreativeEdge.eu incorporating many other project activities – Creative Spaces, Creative Trails, Online Creative Knowledge Resource, Events. Focus was how the site could be re-developed to best showcase the work of creatives from the five regions Europe's Northern Edge. Beta version launched in October 2016 for creatives to publish their free online profile. The re-developed site will replace the current site in early 2017.  
<http://beta.mycreativeedge.eu/>.
- A contract was awarded for a Communications Strategy for 'a creative momentum project' and Marketing Plan for MyCreativeEdge.eu, both of which were finalised. A digital marketing campaign will commence in early 2017 to market MyCreativeEdge.eu internationally.
- 17 new and original video resources were created by the WDC and uploaded to the project's YouTube channel <https://www.youtube.com/channel/UCeMaPgYYLdl4veF1b4jmxOw>.
- The WDC has responsibility for the project's ongoing social media and communications activity. The project's Facebook page has 2,155 Likes <https://www.facebook.com/eucreative> and Twitter has 1,050 followers <https://twitter.com/eucreative>. The WDC also publishes a monthly Newsletter to MyCreativeEdge members.



## SECTION 4



WDC INVESTMENT FUND



# WDC INVESTMENT FUND

To provide risk capital to Micro, Small and Medium Enterprises and Social Enterprises (in their start-up and expansion phases) through the WDC Investment Fund (WIF).

The WDC 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. The investment fund operates on a commercial basis and equity investments are made using the Market Economy Investor Principle. Loans are also made on commercial terms and the interest rate charged is the applicable Reference Rate for Ireland.

To date, the WDC has invested almost €48 million in 135 SMEs, micro and social enterprises in the region.

In 2016, the WDC invested €2.3 million in 11 SMEs, micro 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 needed services for local communities. The WDC investment in 2016 levered over €20 million in additional investment into the region. For every one euro invested by the WDC, another €9 was leveraged for enterprises in the region.

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>1</sup> shows that for an annual average exchequer allocation of €3 million over a 10 year period that WIF portfolio companies support the employment of over 5,000 people. There are 2,200 people employed in portfolio companies/projects. At least as many again downstream jobs based on a multiplier effect of one. In addition jobs in the tourism sector have been grown from various promotional campaigns supported. The annual spend on salaries and wages was €60 million, a very significant stimulus for the local economy and €17 million of this was paid back to the exchequer in payroll taxes.



65% of these companies' turnover is exported supporting the export led recovery. Another very significant indicator of economic impact and innovation is the €16m spend on Research & Development. Over €208 million has been leveraged for enterprises in the region.

In addition, many of the projects supported generate an additional social dividend by way of much needed facilities and services for local communities' e.g. childcare, social housing, enterprise space, sport and recreational facilities.

<sup>1</sup> Survey of portfolio companies carried out in 2014.



## Access to Finance during 2016



11

Businesses supported



€2.3M

Disbursed

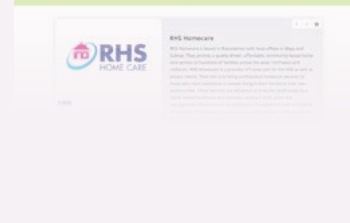
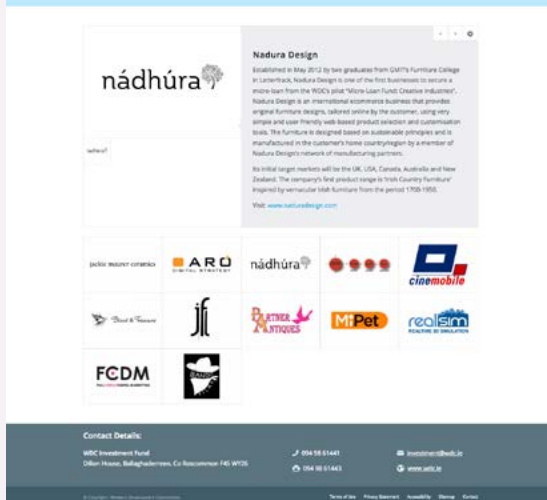
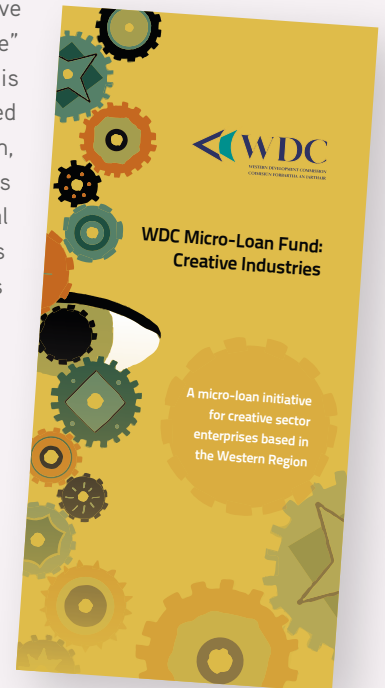


€20M

Leveraged for enterprises

The WDC has received no exchequer funding for the WIF since 2010 and is fully reliant on its revolved funding to make new and follow-on 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. As an Evergreen Fund, all monies recouped are reinvested in enterprises in the Western Region.

The WDC's Micro-Loan Fund: Creative Industries is an "Access to Finance" initiative developed on a pilot basis that is now mainstreamed. 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. Due to the success of the pilot, the fund has been established on a permanent basis.









## SECTION 5



## CORPORATE SERVICES



# CORPORATE SERVICES

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To operate the WDC as a competent, effective, and learning 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 September 2016 including the FRS102 format for Financial Statements.

## Human Resources

The organisation has continued its commitment to the public sector modernisation programme and the implementation of the Haddington Road and Lansdowne Road Agreements.



## 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 on: <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 2016.

## 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 New Code of Practice for the Governance of State Bodies.

## Freedom of Information Acts, 2014

There was one request for information under the terms of the Freedom of Information Acts, 1997 & 2003. All 3 requests were dealt with successfully within the timeframe and within the terms of the FOI Acts.

## Data Protection Act, 2016

The WDC had no queries under the Data Protection Act in 2016.

## Official Languages Act 2003

Under the Official Languages Act (2003), the WDC has adopted a *WDC Language Scheme*. This scheme is published in English and Irish and is available on: [www.wdc.ie](http://www.wdc.ie)

## Board Attendance 2016

A complete list of Board attend for 2016 is outlined in Appendix 2.

## Board Fees and Expenses 2016

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

## CEO Salary and Expenses 2016

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 2016

### 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 2016.

### 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 2016. The following work was carried out in relation to internal audit:

(i) **Internal Audit:** The Internal Auditor completed the 2016 Internal Audit Work Programme.

(ii) **WDC Audit Committee:** The Audit Committee met on four occasions during 2016 and reported on its activity to the WDC.

(iii) **WDC Audits:** A full financial audit relating to the 2016 WDC financial statements by the Comptroller and Auditor General (External Auditors) has been carried out in 2016.

### 3. Procurement

In 2016, 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 2016.

### 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 Environment, Community and Local Government's arrangements in relation to the remuneration of the Chief Executive and employees in 2016.

### 7. Payment of Directors' Fees and Expenses

The WDC adhered to Government guidelines and the Department of Environment, Community and Local Government's arrangements in relation to the payment of Directors' fees in 2016. Details of these fees and aggregate expenses are given in the annual accounts.

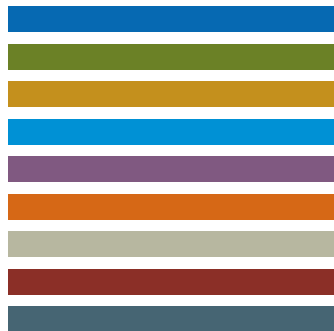
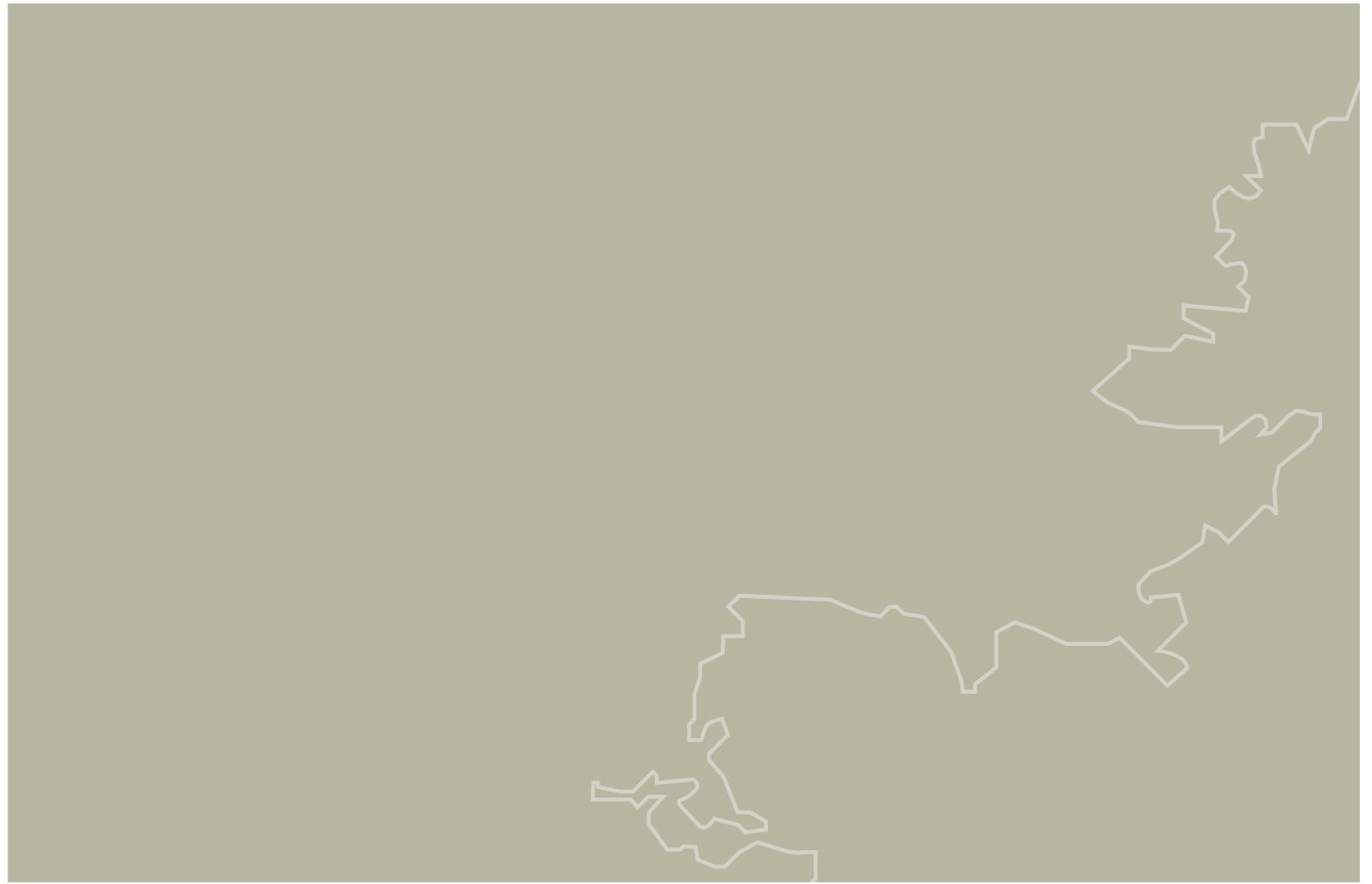
### 8. A separate Chairperson's report has been submitted to the Minister with the 2016 Annual Report.

### 9. I confirm that the WDC has complied in full with the appropriate tax laws and with its tax obligations in 2016 and that there have been no issues reported.

Signed:  Date: 15/12/2017

Chairperson





## APPENDICES





# APPENDIX I

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## Board Members

### Chairperson

Mr. Paddy McGuinness

### Members

Mr. Michael Frain

Dr. Deirdre Garvey

Dr. Ann Higgins

Mr. Paul Keyes \*

Mr. Eugene Lavin

Mr. Gerard Mullaney

Dr. Katie Sweeney

*\* (resigned Sept 2016)*

## Audit Committee

### Chairperson

Mr. Michael J. Morley

### Members

Mr. Willie O'Brien

Mr. Bernard O'Hara

Mr. Gerard Mullaney

## Fund Advisory Panel

### Chairperson

Mr. Paddy McGuinness

### Members

Mr. John Dillon

Dr. Katie Sweeney

Mr. Gerard Barry

Ms. Bairbre Meehan

Ms. Deirdre Garvey

Ms. Martina Minogue (resigned February 2016)

Mr. John Allen (appointed May 2016)

Mr. Micheál Frain (appointed May 2016)



## APPENDIX 2

### Board Members Attendance Register 2016

Name	Feb	Mar	Apr	May	Jun	Sept	Oct	Nov	Dec
Mr. Paddy McGuinness	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Michael Frain	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Ann Higgins	×	×	×	×	×	×	✓	×	✓
Mr. Paul Keyes	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Katie Sweeney	×	×	✓	×	×	×	✓	✓	✓
Mr. Eugene Lavin	✓	✓	✓	✓	✓	✓	✓	✓	×
Mr. Gerard Mullaney	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Deirdre Garvey	✓	✓	×	✓	✓	×	✓	×	×

## APPENDIX 3

### Board Fees and Expenses 2016

Board Fees and Travel and Subsistence Expenses 2016		
Name	Fees (€)	Travel & Subsistence (€)
Mr. Paddy McGuinness	8,978	0
Mr. Michael Frain	5,985	0
Ms. Deirdre Garvey	0	0
Ms. Ann Higgins	0	183.12
Mr. Paul Keyes	4,489	0
Mr. Eugene Lavin	5,985	0
Mr. Gerard Mullaney	5,985	1,728.38
Dr. Katie Sweeney	0	432.64
	33,246	4,479



## APPENDIX 4

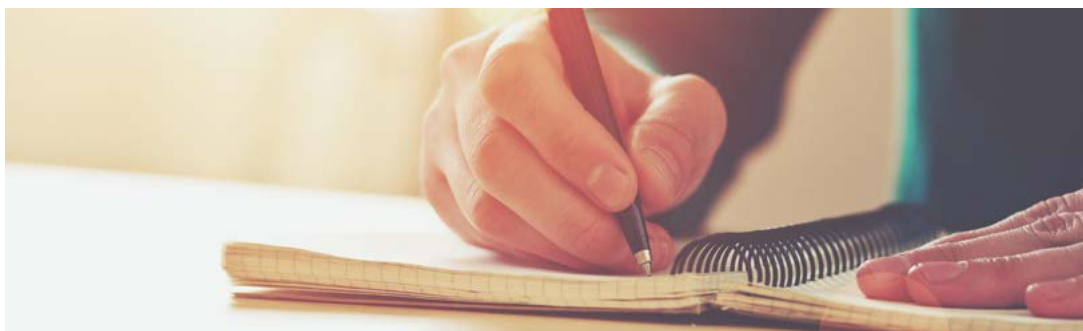
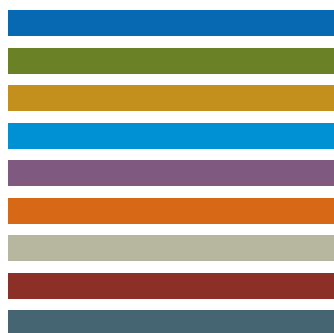
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### CEO Salary and Expenses 2016

CEO Salary and Travel and Subsistence Expenses 2016		
CEO	Salary	Travel & Subsistence
Mr Ian Brannigan CEO (A)	€84,043	€12,831

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 2016





# TABLE OF CONTENTS

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<b>Western Development Commission Information</b>	<b>39</b>
<b>Statement of Commission's Responsibilities</b>	<b>40</b>
<b>Report of the Comptroller and Auditor General</b>	<b>41</b>
<b>Statement on Internal Financial Control</b>	<b>42</b>
<b>Statement of Income and Expenditure and Retained Reserves</b>	<b>44</b>
<b>Statement of Comprehensive Income</b>	<b>45</b>
<b>Statement of Financial Position</b>	<b>46</b>
<b>Statement of Cash Flows</b>	<b>47</b>
<b>Notes to the Financial Statements</b>	<b>48</b>



# WESTERN DEVELOPMENT COMMISSION INFORMATION

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Board Members expired term 20th February 2017

## Chairperson

Mr. Paddy McGuinness

## Members

Mr. Michael Frain  
Dr. Deirdre Garvey  
Dr. Ann Higgins  
Mr. Eugene Lavin  
Mr. Gerard Mullaney  
Dr. Katie Sweeney  
Mr Paul Keyes \*

*\* Resigned 6th September 2016*

Newly appointed Board Members 18th August 2017

## Chairperson

Dr. Deirdre Garvey

## Members

Mr. Noel Brett  
Mr. Ian Barrett  
Ms. Mary P. Corcoran  
Mr. Gerry Finn  
Mr. Micheal Frain  
Mr. John Kelleher  
Mr. Christy Loftus  
Mr. Henry McGarvey  
Ms. Auveen O'Neill  
Ms. Yvonne Shields

## Bankers

Bank of Ireland, Ballaghadereen, Co. Roscommon  
Allied Irish Bank, Tuam Road, Galway

## Auditors

The Comptroller and Auditor General, 3A Mayor Street Upper, Dublin 1



# 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 the Department of Rural and Community Development 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.

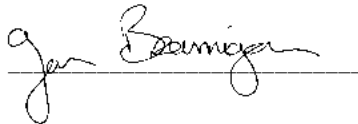
The Commission is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Commission and which enable it to ensure that the financial statements comply with Section 22 of the Act. The Commission is also responsible for safeguarding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

Chairperson:



Dr Deirdre Garvey

Chief Executive (Acting):



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 2016 under the Western Development Commission Act 1998. The financial statements comprise the statement of income and expenditure and retained reserves, the statement of comprehensive income, the statement of financial position, the statement of cash flows 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.

#### Responsibilities of the Members of the Commission

The Commission is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

#### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to 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:

- give a true and fair view of the assets, liabilities and financial position of the Western Development Commission as at 31 December 2016 and of its income and expenditure for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Commission were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

#### Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- 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
- 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  
22 December 2017



# STATEMENT ON INTERNAL FINANCIAL CONTROL 2016

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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. **Board and senior management vacancies**

The term of office of 3 years of the Western Development Commission Board members expired on 20th February 2017. A new Board was appointed on 18th August 2017 and held its first meeting on 8th September 2017.

No Board meetings were held between 20th February 2017 and 8th September 2017. A number of matters including authorisation of investments and disposals are reserved decisions of the Board. Accordingly no such decisions could be progressed pending the appointment of a new Board.

In addition, a number of senior management positions have been vacant or were filled on an acting basis during the reporting period as follows:

#### **Chief Executive Officer**

This role has been filled on an acting basis since 16th January 2014. The Western Development Commission is currently awaiting sanction from Parent Department to commence recruitment for permanent post.

#### **Head of Corporate Resources**

The position had been vacant since April 2013, this position was filled on 6th July 2017.

#### **Head of Regional Development**

This position is currently filled by the Acting CEO.

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.



# STATEMENT ON INTERNAL FINANCIAL CONTROL 2016 (Contd)

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- 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 operational 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.
- v. In 2016, 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

The Board's review of the effectiveness of financial controls for the reporting period was delayed due to the absence of a Board between February 2017 and September 2017. For future reporting periods, the Board is committed to conducting the annual review within three months of the end of the reporting period.

I confirm that the Western Development Commission engaged it's Internal Auditor to carry out a review of the internal financial controls in operation during 2016. The report of the Internal Auditor was considered by the Audit Committee on 28th April 2017.

Signed: 

Date: 15/12/2017

Chairperson: Dr. Deirdre Garvey



## STATEMENT OF INCOME AND EXPENDITURE AND RETAINED RESERVES FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2016	2016	2015	2015	2015
		€	€	€	€	€	€
	Note	Western Development Commission	Western Investment Fund	EU Grants Funding	Western Development Commission	Western Investment Fund	EU Grants Funding
Income							
Oireachtas Grant	2	1,602,193	0	0	1,251,925	0	0
EU Grants	3	0	0	288,727	0	0	173,187
Other income	4	0	0	0	511,602	0	0
Transfer to EU Grants Funding		0	0	0	(76,648)	0	76,648
Investment income	5	0	589,121	0	0	401,420	0
Net Deferred Funding for Pensions	15	192,000	0	0	257,000	0	0
Total Income		1,794,193	589,121	288,727	1,943,879	401,420	249,835
Expenditure							
Operating Costs	6A/B	(1,579,237)	0	(165,372)	(1,982,163)	0	(130,910)
Operating surplus/(Deficit) for the year		214,956	589,121	123,355	(38,284)	401,420	118,925
Increase/(Decrease) in value of financial assets	7	0	11,586,809	0	0	1,687,973	0
Surplus for the year before appropriations		214,956	12,175,930	123,355	(38,284)	2,089,393	118,925
Transfer from (to) capital account		(5,884)	0	0	(6,242)	0	0
Surplus for the year after appropriations		209,072	12,175,930	123,355	(44,526)	2,089,393	118,925
Reserves at 1 January		511,300	25,636,882	118,034	555,826	23,547,489	(891)
Reserves at 31 December		720,372	37,812,812	241,389	511,300	25,636,882	118,034

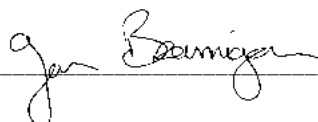
The statement of cash flows and the notes 1 to 17 form part of these financial statements.

Dr Deirdre Garvey:  
Chairperson



Date: 15/12/2017

Ian Brannigan  
CEO (A)



Date: 15/12/2017



# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016 €	2016 €
Surplus/(Deficit) for the year	<u>12,508,357</u>	<u>2,163,792</u>
Experience gains/(losses) arising on the scheme liabilities	138,000	100,000
Losses arising due to changes in assumptions	(394,000)	(1,120,000)
Actuarial gains/(losses) on pension liabilities	<u>(256,000)</u>	<u>(1,020,000)</u>
Adjustment to deferred pension funding	256,000	1,020,000
Total recognised gains/(losses) for the year	<u>12,508,357</u>	<u>2,163,792</u>

The statement of cash flows and the notes 1 to 17 form part of these financial statements.

Dr Deirdre Garvey:   
Chairperson

Date: 15/12/2017

Ian Brannigan   
CEO (A)

Date: 15/12/2017



# STATEMENT OF FINANCIAL POSITION

## AS AT 31ST DECEMBER 2016

	Notes	2016 €	2015 €
<b>Fixed Assets</b>			
Property, Plant and Equipment	9	18,013	12,129
<b>Financial Assets</b>	10	37,812,812	25,636,882
		<hr/> 37,830,825	<hr/> 25,649,011
<b>Current Assets</b>			
Cash and Cash Equivalents		811,603	654,132
Receivables	11	288,772	131,647
		<hr/> 1,100,375	<hr/> 785,779
<b>Current Liabilities</b>			
Payables	12	<hr/> (138,614)	<hr/> (156,445)
<b>Net Current Assets</b>		961,761	629,334
		<hr/>	<hr/>
Total Assets Less Current Liabilities before pensions		38,792,586	26,278,345
		<hr/>	<hr/>
Deferred Pension funding		4,025,000	3,577,000
Pension liabilities		(4,025,000)	(3,577,000)
		<hr/>	<hr/>
Total Assets Less Current Liabilities		38,792,586	26,278,345
		<hr/>	<hr/>
<b>Representing</b>			
Investment Fund	10	37,812,812	25,636,882
EU Grants/NPP		241,389	118,034
Retained Revenue Reserves		720,372	511,300
Capital Account	13	18,013	12,129
		<hr/> 38,792,586	<hr/> 26,278,345

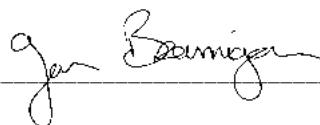
The statement of cash flows and the notes 1 to 17 form part of these financial statements.

Dr. Deirdre Garvey:  
Chairperson



Date: 15/12/2017

Ian Brannigan  
CEO (A)



Date: 15/12/2017



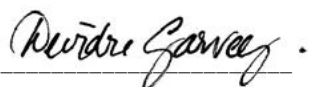
# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31ST DECEMBER 2016

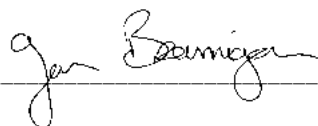
### Reconciliation of Surplus/(Deficit) to Cashflow from Operating Activities

	2016	2016	2016	2015	2015	2015
	€	€	€	€	€	€
	<i>Western Development Commission</i>	<i>Western Investment Fund</i>	<i>EU Grants Funding</i>	<i>Western Development Commission</i>	<i>Western Investment Fund</i>	<i>EU Grants Funding</i>
Excess income over expenditure	209,072	589,121	123,355	(44,526)	401,420	118,925
Depreciation and impairment of fixed assets	11,919	0	0	10,349	0	0
Transfer to capital account	5,884	0	0	6,242	0	0
Transfer to/(from) NPP	0	0	0	76,648	0	(76,648)
Bank interest	0	(1,160)	0	0	(16,788)	0
Dividends	0	(260,051)	0	0	(27,000)	0
(Increase)/Decrease in Receivables	(157,125)	0	0	102,489	0	0
Increase/(Decrease) in Payables	(17,831)	0	0	(11,351)	0	0
<b>Cash (Inflow)/Outflow from Operating Activities</b>	<b>51,919</b>	<b>327,910</b>	<b>123,355</b>	<b>139,851</b>	<b>357,632</b>	<b>42,277</b>
<b>Net Cash Flows from Investing Activities</b>						
Payments to acquire PPE	(17,803)	0	0	(16,591)	0	0
Payments to acquire equity	0	(1,835,545)	0	0	(1,232,665)	0
Payments to acquire debt instruments	0	(422,500)	0	0	(337,000)	0
Receipts from debt instruments	0	602,957	0	0	1,970,649	0
Receipts from equity	0	73,181	0	0	1,613,191	0
<b>Net Cash Inflow from Investing Activities</b>	<b>(17,803)</b>	<b>(1,581,907)</b>	<b>0</b>	<b>(16,591)</b>	<b>2,014,175</b>	<b>0</b>
<b>Net Cash Flows from Financing Activities</b>						
Bank interest received	0	1,160	0	0	16,788	0
Dividends received	0	260,051	0	0	27,000	0
Transfer to EU Grants Funding	0	0	0	(76,648)		76,648
<b>Net Cash Inflow from Financing Activities</b>	<b>0</b>	<b>261,211</b>	<b>0</b>	<b>(76,648)</b>	<b>43,788</b>	<b>76,648</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>34,116</b>	<b>(992,786)</b>	<b>123,355</b>	<b>46,612</b>	<b>2,415,595</b>	<b>118,925</b>
Cash and Cash Equivalents at 1 January	362,336	6,561,888	291,796	315,724	4,146,293	172,871
Cash and Cash Equivalents at 31 December	396,452	5,569,102	415,151	362,336	6,561,888	291,796

Dr. Deirdre Garvey:  
Chairperson



Ian Brannigan  
CEO (A)





# NOTES TO THE FINANCIAL STATEMENTS

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## 1. Accounting Policies

The basis of accounting and significant accounting policies adopted by the Western Development Commission are set out below. They have all been applied consistently throughout the year and for the preceding year.

### a) General information

The Western Development Commission was set up under the Western Development Commission Act 1998, with a head office at Dillon House, Ballaghareen, Co. Roscommon.

The Western Development Commission's primary objective as set out in part 8 of the Western Development Commission Act is to promote, and procure the promotion of, and assist in, foster and encourage economic and social development in the Western Region.

The Western Development Commission is a public entity.

### b) Statement of compliance

The financial statements of the Western Development Commission for the year ended 31 December 2016 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

### c) Basis of preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for the Department of Rural and Community Development, with the concurrence of the Minister for Finance under the Western Development Commission Act 1998. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Western Development Commission's financial statements.

### d) Revenue

#### Oireachtas grants

Revenue is generally recognised on an accruals basis; one exception to this is in the case of Oireachtas Grants which are recognised on a cash receipts basis.

#### Investment Income

Investment income is recognised in the Statement of Income and Expenditure and Retained Reserves account on an accruals basis. Interest on loans is calculated on a reducing balance basis and is recognised over the period of the agreement. Dividend income from ordinary shares is recognised on an accruals basis when the dividend is declared. Dividend income from preference shares is set out in legal agreements, and paid when the companies have sufficient distributable reserves. It is recognised as income when The Western Development Commission's right to receive payment has been established.

#### 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 Statement of Income and Expenditure and Retained Reserves of the Commission.



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

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## Recognition of Gains and Losses on Investments and Loans

Gains and losses realised as a result of the sale of investments, or the write off of equity investments or loans are recognised in the Statement of Income and Expenditure and Retained Reserves account when they occur.

Unrealised gains and losses resulting from changes in the valuation of investments and loans are recognised as follows. Where the Western Development Commission 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.

Impairment write-offs are recognised in the Income and Expenditure account under the heading 'Return on Investment Fund and Exit Gains.'

Other revenue is recognised on an accruals basis.

### **e) Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment at rates estimated to write off the cost of each asset on a straight-line basis over their estimated useful lives, as follows:

(i) Fixtures and Fittings 15% per annum

(ii) Computers 33% per annum

### **f) Financial Assets**

In accordance with Section 34 of FRS 102, the Western Development Commission operates public benefit entity concessionary loans (loans that are granted for the purpose of furthering the objectives of Western Development Commission). Loans are initially recognised in the Statement of Financial Position at the amount issued to the client company. Subsequently the loans are reviewed annually for indications of impairment and any losses are recognised in the Statement of Income and Expenditure and Retained Reserves.

## Unquoted 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.

## Other Financial Assets-Loans

Loans are shown at the value of the outstanding loan unless the Western Development Commission 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.

## Fee Income and Cash Balances

Fee income received is retained and ring fenced for future investments. In addition to equity investments, loans and fee income, the Western Development fund also comprises of a cash balance to fund future investments.

### **g) Receivables**

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the Western Development Commission will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

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## h) NPP

The Northern Periphery Programme (NPP) is an EU regional development fund programme under the Interreg strand. The Western Development Commission 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 Western Development Commission 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 Western Development Commission is subject to periodic auditing by the EU.

Income is recognised on an accounts receivable basis. Income due in respect of expenditure incurred, but where the related claim has not been submitted is included as accrued income.

## i) Employee Benefits

### Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

### Retirement Benefits

The Western Development Commission previously established its own defined benefit pension scheme, funded annually on a pay-as-you-go basis from monies provided by the Department of Rural and Community Development and from contributions deducted from staff and members' salaries. The Western Development Commission also operates the Single Public Services Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER).

Pension costs reflect pension benefits earned by employees, and are shown net of staff pension contributions which are remitted to the Department of Rural and Community Development. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income, and a corresponding adjustment is recognised in the amount recoverable from the Department of Rural and Community Development.

The financial statements reflect, at fair value, the assets and liabilities arising from the Western Development Commission's pension obligations and any related funding, and recognises the costs of providing pension benefits in the accounting periods in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

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## j) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

### Non-Traded Financial Assets

The value of financial assets that are not traded in active markets is determined by using valuation techniques. The Western Development Commission exercises judgement in selecting a variety of methods and makes assumptions that are mainly based on observable data and conditions existing at each reporting date.

### Impairment of loans

The Western Development Commission carries out a full and thorough review of its entire loan portfolio at each reporting date to determine if there is objective evidence that any of its loans are impaired. Loans are assessed on a loan by loan basis. A provision is made on loans where there is significant and real doubt as to the collectability of the amount outstanding. In addition, if, during the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

### Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## 2. Oireachtas Grants

	2016	2016	2015	2015
Notes	€	€	€	€
Department of Environment, Community and Local Government (Vote 33 Subhead E.5)	1,639,185		1,282,968	
Employee Pension Contributions	(36,992)		(31,043)	
Operating Grant*		1,602,193		1,251,925

\* Included in income for the year 2016 is an amount of €200,000 received by the Western Development Commission on the 23rd December 2016 in relation to Brexit Conference in 2017. The Department notified the Western Development Commission on the 6th January 2017.

## 3. EU Income

	2016	2016	2015	2015
Notes	€	€	€	€
EU income due in relation to 2016		288,727		173,187

The Northern Periphery Programme is an EU regional development fund programme under the Interreg strand. The NPP is funded 60% by the EU and 40% by the WDC.

## 4. Other Income

	2016	2016	2015	2015
Notes	€	€	€	€
Department of Arts – Yeats 2015		0		423,102
Other - Yeats 2015		0		88,500
		0		511,602

## 5. Investment Income

	2016	2016	2015	2015
Notes	€	€	€	€
Loan interest received		301,250		328,324
Dividends on investment		264,739		27,000
Deposit interest received		2,620		16,788
Arrangement fees		20,512		29,308
		589,121		401,420



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## 6a. Operating Costs

### – The Western Development Commission

		2016	2014
	Notes	€	€
Salaries (including employers PRSI)		827,804	708,540
Travel and Subsistence - Staff		69,430	49,540
Pension Costs	15A	203,008	238,957
Training & Development		20,246	4,754
Public Relations (incorporating Look West campaign)		2,345	6,453
Professional Fees (incorporating Look West campaign)		86,116	80,730
Professional Fees -Western Investment Fund		36,181	11,064
Staff Recruitment		5,247	21,687
Board Members			
Travel and Subsistence	6D	2,344	4,479
Fees	6D	31,422	33,246
Meetings & Seminars		14,663	11,550
Board Sub-committee's / Advisory Panels			
Travel and Subsistence		3,873	5,022
Printing & Design		12,865	12,229
Office Expenses		40,928	39,033
Light and Heat		5,125	5,034
Repairs and Maintenance		8,369	12,161
Insurance		6,467	6,606
Audit Fee		14,000	10,000
Accountancy and Internal Audit		25,518	24,995
Advertising, Marketing & Subscriptions		121,406	122,928
(incorporating Look West campaign)			
Yeats 2015		7,726	545,709
Telecommunications		21,712	16,847
Depreciation	9	11,919	10,349
Sundry		523	250
		<b>1,579,237</b>	<b>1,982,163</b>

Wages & Salaries relating to EU Grants/NPP are borne by the Western Development Commission



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## 6b. Operating Costs

### – Northern Periphery Programme (NPP)

	2016	2015
	€	€
Travelling and Subsistence - Staff	41,816	21,700
Travelling and Subsistence – Board	0	84
Professional Fees	60,243	7,667
Staff Recruitment	0	799
Meetings and Conferences	12,864	3,225
Printing	3,665	5,395
IT Maintenance	0	923
Promotion and Publications	3,812	582
Office expenses	3,663	3,666
Regional Approaches to Stimulating Local Renewable Energy Solutions, EU partner payments	39,309	86,869
	<b>165,372</b>	<b>130,910</b>

No wages & salaries are charged to the financial statements in relation to NPP.

## 6c. Key Management personnel

Key management personnel in Western Development Commission consist of the CEO and members of the Board of Directors. Total compensation paid to key management personnel, including Board members' fees and expenses and total CEO remuneration, amounted to €130,640, 2015: €132,145).

## 6d. Board Members Fees and Expenses

	2016	2016	2015	2015
	€	€	€	€
	Fees	Travel & Subsistence	Fees	Travel & Subsistence
Mr Paddy McGuinness	8,978	0	8,978	1,144
Mr Michael Frain	5,985	0	5,985	142
Mr Paul Keyes	4,489	0	5,985	0
Dr Katie Sweeney	0	433	0	417
Mr Brendan Mooney	0	0	328	0
Mr Eugene Lavin	5,985	0	5,985	0
Mr Gerard Mullaney	5,985	1,728	5,985	1,997
Ms Deirdre Garvey	0	0	0	779
Ms Ann Higgins	0	183	0	0
	<b>31,422</b>	<b>2,344</b>	<b>33,246</b>	<b>4,479</b>



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## 6e. CEO Salary

	2016	2016	2015	2015
	€	€	€	€
	Fees	Travel & Subsistence	Fees	Travel & Subsistence
Mr Ian Brannigan Acting CEO & Head of Regional Development) 16th January 2014	84,043	12,831	82,465	11,955

The CEO's salary scale is set at the level of Principal Officer in the Civil Service. The Western Development Commission does not operate a performance related award scheme. No bonuses payments were made to the CEO's. Ian Brannigan is a normal member of the Western Development Commission superannuation scheme and his pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme.

## 6f. Range of total employee benefits

	2016	2015
	€	€
€60,000 – €69,999	1	1
€70,000 – €79,999	0	0
€80,000 – €89,999	2	2
€90,000 – €99,999	0	0

## 6g. Pension Levy

In 2016, €35,747 was deducted from staff by way of pension levy (2015: €37,130) and was paid over to the Department of Rural and Community Development.

## 7. Change in value of financial assets

	2016	2015
	€	€
Change in provision against loans	3,824	(523,907)
Increase/(Decrease) to value of equity	11,582,985	2,211,880
<b>Increase/(Decrease) in value of financial assets</b>	<b>11,586,809</b>	<b>1,687,973</b>

## 8. 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. The building is provided rent-free and no provision is included in the accounts for rent.



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## 9. Fixed Assets

	2016	2015
	€	€
Cost/Valuation At 1 January	167,205	175,353
Additions in Year	17,803	16,591
Disposals	0	(24,739)
Balance at 31 December	185,008	167,205
Accumulated Depreciation	155,076	169,466
Charge for period	11,919	10,349
Disposals	0	(24,739)
Balance at 31 December	166,995	155,076
Net Book Value at 31 December	18,013	12,129

Fixed Assets is comprised of Fixtures and Fittings NBV €1,719 (2015: €424) and Computer Equipment NBV €16,294 (2015: €11,705).

## 10a. Financial Assets

	2016	2015
	€	€
Equity Investments at fair value	20,658,213	7,692,856
Equity Investments at cost	6,682,992	6,302,999
Loans	4,902,506	5,079,138
Fee income	310,034	289,522
Cash balance available for reinvestment	5,259,067	6,272,367
	37,812,812	25,636,882

The fair value of investments at 31 December 2016 of €20.66 million has been adjusted by a total of €11 million to reflect sales proceeds from investments disposed of after the year end.

## 10b. Equity Investments and Loans

	2016	2015
	€	€
<b>Cost</b>		
Opening Value at 1 January	18,288,993	22,768,534
Additions	2,258,045	1,569,665
Equity Disposals and loan Repayments	(676,138)	(3,583,840)
Write offs	(2,121,999)	(2,465,366)
<b>Cost at 31 December</b>	<b>17,748,901</b>	<b>18,288,993</b>
<b>Provision for Diminution in Value/ Revaluations</b>		
Opening Balance at 1 January	(786,000)	3,367,338
Movement in Provision/ Revaluations	(13,708,807)	(4,153,338)
<b>Balance at 31 December</b>	<b>(14,494,807)</b>	<b>(786,000)</b>
<b>Valuation at 31 December</b>		
Equity	27,341,204	13,995,855
Loans	4,902,506	5,079,138
	32,243,710	19,074,993

## 10c. Fee Income

	2016	2015
	€	€
Fee income at 1 January	289,522	260,214
Fee income in the period	20,512	29,308
Utilised in the period		
<b>Balance 31 December</b>	<b>310,034</b>	<b>289,522</b>



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## 10d. Cash balances available for reinvestment

	2016	2015
	€	€
Cash balances at 1 January	6,272,367	3,886,079
Equity disposals/loan repayments in the period	676,138	3,583,840
Amounts reinvested in equity/loans in period	(1,689,438)	(1,197,552)
<b>Cash balances at 31 December</b>	<b>5,259,067</b>	<b>6,272,367</b>

## 11. Receivables

	2016	2015
	€	€
Debtors	0	30,500
Prepayments	7,815	3,618
EU Grants/NPP Grants Receivable	280,957	97,529
	<b>288,772</b>	<b>131,647</b>

## 12. Payables

	2016	2015
	€	€
Creditors & Accruals	138,614	156,445
Deferred Income	0	0
	<b>138,614</b>	<b>156,445</b>

## 13. Capital Account

	2016	2016	2015	2015
	€	€	€	€
Balance at 1 January		12,129		5,887
Transfer to Income and Expenditure Account:				
- Funds allocated to acquire Fixed Assets	17,803		16,591	
- Amount released on disposal	0		0	
- Amount amortised in line with asset depreciation	(11,919)		(10,349)	
		5,884		6,242
		<b>18,013</b>		<b>12,129</b>

## 14. Future Commitments -WIF

	2016	Restated 2015
	€	€
Opening Commitments	2,403,804	2,602,831
Approvals	4,831,050	2,483,854
De-commitments	(1,248,404)	(1,113,216)
Disbursals	(2,258,045)	(1,569,665)
<b>Closing Commitments</b>	<b>3,728,405</b>	<b>2,403,804</b>



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## 15. Retirement Benefit Costs

### a) Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves

	2016	2015
	€	€
Current service costs	150,000	140,000
Interest on retirement benefit scheme liabilities	90,000	130,000
Employee contributions	(36,992)	(31,043)
	<u>203,008</u>	<u>238,957</u>

### b) Movement in net retirement benefit obligations during the financial year

	2016	2015
	€	€
Net retirement benefit obligation at 1 January	(3,577,000)	(2,300,000)
Current service costs	(150,000)	(140,000)
Interest costs	(90,000)	(130,000)
Actuarial gain/(loss)	(256,000)	(1,020,000)
Pensions paid in the year	48,000	13,000
Net retirement benefit obligation at 31 December	<u>(4,025,000)</u>	<u>(3,577,000)</u>

### c) Deferred funding for retirement benefits

The Commission recognises these amounts as an asset corresponding to the unfunded deferred liability for retirement benefits on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process.

The Commission has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The net deferred funding for retirement benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves was as follows:

	2016	2015
	€	€
Funding recoverable in respect of current year retirement benefit costs	240,000	270,000
State grant applied to pay retirement benefits	(48,000)	(13,000)
	<u>192,000</u>	<u>257,000</u>

The deferred funding asset for retirement benefits at 31st December 2016 amounts to €4.025M (2015: €3.577m).



# NOTES TO THE FINANCIAL STATEMENTS (Contd)

## d) History of defined benefit obligations

	2016	2015	2014	2013
	€	€	€	€
Defined benefit obligations	4,025,000	3,577,000	2,300,000	2,200,000
Experience losses(gains) on defined benefit scheme liabilities	(138,000)	(100,000)	(147,000)	(147,000)
Percentage of plan liabilities	3.4%	2.8%	6.0%	7.0%

## e) General description of the scheme

The Western Development Commission operates an unfunded defined benefit superannuation scheme for staff. Superannuation entitlements arising under the Scheme are paid out of current income and are charged to the Statement of Income and Expenditure and Retained Revenue Reserves, net of employee superannuation contributions, in the year in which they become payable.

The Scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The Scheme provides a pension (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) increase on a discretionary basis in line with general salary inflation.

With effect from 1 January 2013, new entrants become members of the Single Public Service Pension Scheme. This provides career-average revalued earnings related benefits revalued in line with increases in the Consumer Price Index. The Scheme's minimum retirement age will be linked to the State Pension age.

The results set out below are based on an actuarial valuation of the liabilities in respect of the serving, retired and deferred staff of the Commission as at 31 December 2016.

This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard, Financial Reporting Standard No. 102 – Retirement Benefits (FRS 102).

The main financial assumptions used were:

	2016	2015
	€	€
Rate of increase in salaries	2.50%	2.50%
Rate of increase in retirement benefits in payment	2.50%	2.50%
Discount rate	1.85%	2.35%
Inflation rate	1.75%	1.75%
<b>Average future life expectancy</b>	<b>2016</b>	<b>2015</b>
	€	€
Male aged 65	21.1 years	22 years
Female aged 65	23.6 years	25 years

## 16. Related Party Disclosures

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 2016.



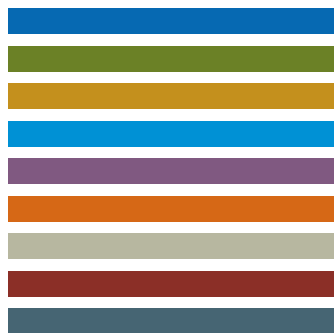
# NOTES TO THE FINANCIAL STATEMENTS (Contd)

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**17. Approval of financial statements**

The board of directors approved these Financial Statements for issue on 15/12/2017





## ABBREVIATIONS





## ABBREVIATIONS

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CSO	Central Statistics Office
CER	Commission for Energy Regulation
ELTI	European Literacy Tourism Initiative
FTE	Full Time Equivalent
FAP	Fund Advisory Panel
FREED	Funding Resources for innovation in Energy Enterprise Development
GMIT	Galway Mayo Institute of Technology
GREBE	Generating Renewable Energy Business Enterprise
IEA	Irish Exporters Association
LCDC	Local Community Development Committee
NPA	Northern Periphery and Arctic
NVI	National University Ireland
OECD	Organisation for Economic Co-operation and Development
RSA	Regional Studies Association
SMEs	Small and Medium Sized Enterprises
SRDO	Strategic Regional Development Office
WDC	Western Development Commission
WIF	Western Investment Fund









Western Development Commission  
Dillon House, Ballaghaderreen,  
Co. Roscommon, Ireland.

Tel: +353 (0) 94 9861441  
Fax: +353 (0) 94 9861443  
Email: [info@wdc.ie](mailto:info@wdc.ie)  
Website: [www.wdc.ie](http://www.wdc.ie)