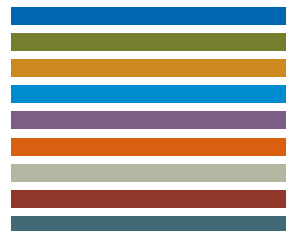
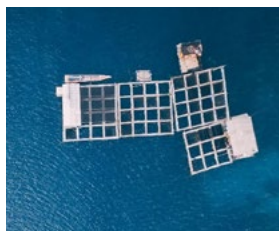




Annual Report



2018

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

Website: www.wdc.ie

CONTENTS

Chairperson's Report	2
Chief Executive's Report	3
Introduction	5
Section 1: Policy Analysis	9
Section 2: Promoting the Region	15
Section 3: Regional Development	19
Section 4: WDC Investment Fund	29
Section 5: Corporate Services	37
Financial Statement 2018	41
Glossary	73

CHAIRPERSON'S FOREWORD

In 2018, the launch of Project Ireland 2040 outlined the Government's plan for the country's long-term development and established the strategic priority of having a more effective balance of growth between Ireland's regions. It is within this context that the WDC continued to deliver on its mission of economic and social development of the region.

The Board of the WDC maintained a strong focus on leadership and governance with the permanent appointment of a CEO, strategic planning and risk management. The WDC embarked on an extensive stakeholder engagement as part of its strategic planning process, resulting in our draft strategic plan for 2019-2024. It identifies strategic themes of **Regional Promotion, Regional Leadership and Sustainable Enterprise** which will focus our decisions on key regional projects in a coherent way to continue to impact both social and economic development.

The impact of the WDC in 2018 is evidenced by the success of the Western Investment Fund, the regional insight provided by the policy team and the realisation of a number of regional development projects. The active involvement in three Regional Accelerator programmes, the award winning portfolio of companies and the exceptional returns from investment in this year are key highlights from the WDC Investment team. The regional development team continued to develop capacity and capability in the region in an integrated way, in the successful completion of the Creative momentum project, building a new platform for creative work in the region and the GREBE project, which, among other outputs, led to the establishment of an energy co-operative in Co. Mayo.

The WDC also lead the way in new projects working closely with other agencies – on the Regional Talent Tool, alerting diaspora to open opportunities in the region, the Global Digital Learning Hub, funded through the Rural Regeneration and Development Fund (RRDF) and the Atlantic Economic Corridor (AEC). 2018 saw key submissions from the policy team on the Regional Spatial and Economic Strategies (RSES) consultation process as well as series of regional sectoral profiles and infographics.

These achievements show the unique capability and capacity of the WDC in regional development. I would like to acknowledge the hard work and commitment of all of the staff in their achievements this year and in positioning the WDC for future development. I would like to thank the Board members for their work on the Board and on a number of sub committees throughout the year. I would also like to acknowledge the Department of Rural and Community Development for their support in helping the WDC and this region reach its potential.



A handwritten signature in black ink that reads "Deirdre Garvey".

Dr Deirdre Garvey
Chairperson

CHIEF EXECUTIVE'S REPORT

The Western Development Commission through investment, policy analysis and regional development, continued in 2018 to seek to ensure balanced development across the region. Continuing economic growth both created new opportunities but also underlined the contrasts across the WDC region from Donegal to Clare.

Addressing those contrasts, and building on the foundation of existing work by the WDC since 1998, has been my key focus since I took up the role as CEO in September.

The work of the team is set out in detail in this annual report; work that has had a tangible impact in the region. Five thousand jobs have been supported by investment and lending across the counties from Donegal to Clare since 1999. The original state investment of €32m has grown, with in excess of €40m currently available for investment. The WDC published more than 70 pieces of original content and research during 2018. Lookwest, ie, now an established brand speaking to, and aimed at, those who seek to live or work in the Western Region had a reach of over 1.5m users across social media in 2018.

The success to date and the experience and knowledge of the WDC team will form the platform for the coming five years. Our new strategy 2019-2024, 'Work Smarter, Live Better' will shortly be published. This strategy, through collaboration with our key stakeholders, will build on the work of the WDC to date, and bring the new and existing work to a wider audience.

The strategic pillars, as already set out by the Board Chair, are Regional Promotion, Regional Leadership and Sustainable Enterprise. The strategy is ambitious, but working closely with the Department of Rural and Community Development, the goals are realisable. The WDC team, the Board and the other key stakeholders have been central to informing and developing this strategy, and for that I am very grateful.

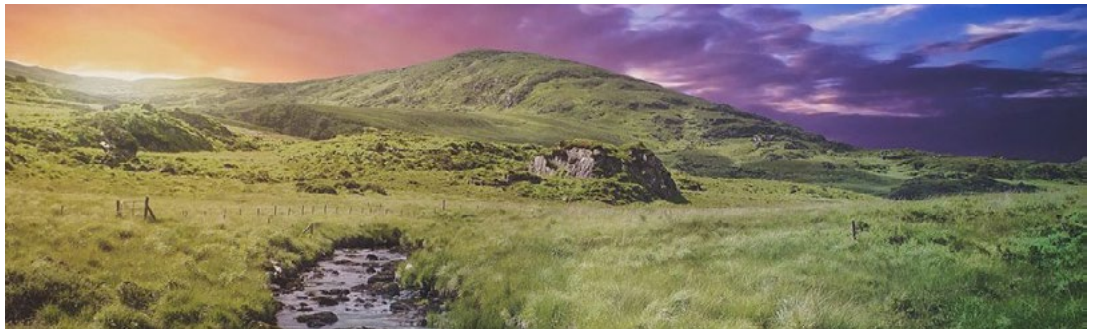
This report captures the work and success under the leadership of Ian Brannigan. I want to acknowledge Ian's support since I took over this role, and the excellent work and support of all the team. Together, we will work to develop a globally competitive region of vibrant connected communities that work smarter and live better.



Tomás Ó Siocháin
Chief Executive



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 eleven members appointed by the Minister Rural and Community Development (see Appendix 1 for 2018 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



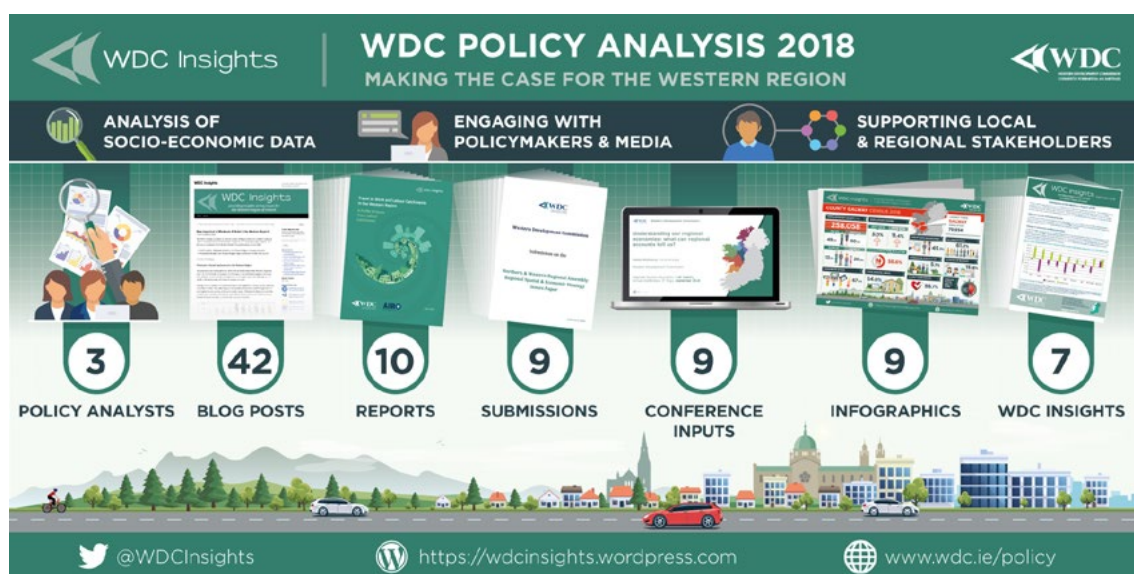
POLICY ANALYSIS

POLICY ANALYSIS

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 WDC Policy Analysis team was active in communicating their outputs to stakeholders during 2018 through regular e-mail circulation of new publications, weekly blog posts, presentations, responding to queries, attending meetings and events and through the @WDCInsights twitter account. The key activities of the WDC Policy Analysis team during 2018 are highlighted in the infographic here.



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 2018. WDC socio-economic analysis was published and disseminated through a wide range of outputs including Reports, Infographics, *WDC Insights*, *WDC Insights Policy* blog posts, presentations and submissions throughout the year which can be accessed from the WDC Website www.wdc.ie.

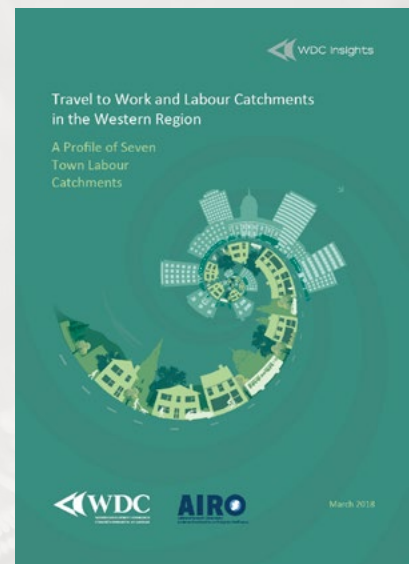
Travel to Work analysis

In May, the WDC published detailed analysis of the travel to work patterns of workers living in the Western Region. The analysis, undertaken by the All Island Research Observatory (AIRO), identified 42 labour catchments across the region.

The report contains a detailed labour market profile of the principal town in each of the seven counties – Galway, Ennis, Sligo, Letterkenny, Castlebar, Roscommon and Carrick-on-Shannon. The labour catchment of a town is that geographic area from which a town draws most of its workforce. Travel to work data shows that a town has access to a larger labour catchment than the Census measure of the town's working population. This shows that the town has access to larger labour supply than the typical Census measure would suggest.

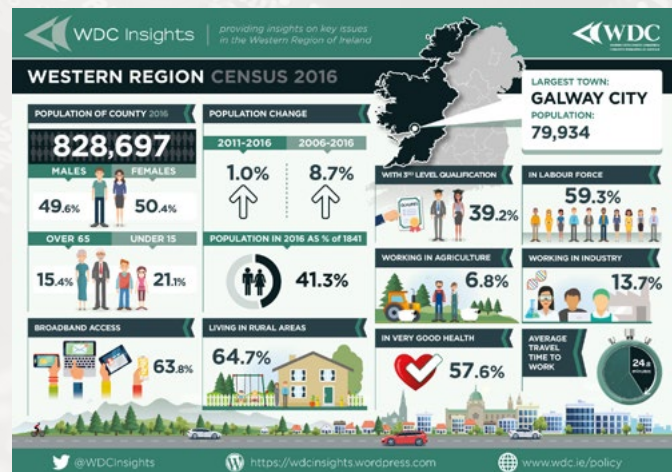
Further analysis of 26 smaller labour catchments will be published in 2019.

Download: [Travel to Work and Labour Catchments in the Western Region](#)



Infographic

In July the WDC published one of our most popular outputs, 'snapshot' infographics for each western county. The eight infographics show sixteen key statistics showing county information and characteristics in an accessible and lively way. The data is from the CSO's Census of Population in 2016 and show a range of facts about each county such as its 2016 population as a percentage of its 1841 population, the percentage with a third level qualification, average time to travel to work and broadband access.



Download: <https://www.wdc.ie/publications/reports-and-papers/>





WDC Insights

During 2018 the WDC continued to publish succinct, 2-page *WDC Insights* based on analysis of a range of issues. During the year the following were published.

1. *WDC Insights: Census 2016: Education Levels in the Western Region (March)*

Analysis of data from Census 2016 on education levels in the Western Region and its counties. The highest level of education completed by adults living in the Western Region and its seven counties is compared with the rest of the state.

Download: [WDC Insights: Census 2016: Education Levels in the Western Region](#)



2. *WDC Insights: What's happening in our regional economies? Growth and Change in Regional GVA (June)*

The most recent regional GVA and GDP data (for 2015 and preliminary 2016) published by the CSO is discussed in this *WDC Insights* with a focus on the regions which include the seven Western Region counties.

Download: [WDC Insights: What's happening in our regional economies? Growth and Change in Regional GVA](#)



3. *WDC Insights: How are we doing? County Incomes in the Western Region (June)*

County Incomes in 2015 are examined with a focus on the difference among Western Region counties and changes over time.

Download: [WDC Insights: How are we doing? County Incomes in the Western Region](#)



4. *WDC Insights: Enterprise in the Western Region 2016 (September)*

Analysis of the CSO's Business Demography data for 2016 which measures active enterprises. The total number of enterprises in the Western Region and its counties is examined, as well as how this has changed over time. The sectoral enterprise profile of the region is also highlighted.

Download: [WDC Insights: Enterprise in the Western Region 2016](#)



5. *WDC Insights: Wholesale & Retail in the Western Region (October)*

The first in a series of 'Regional Sectoral Profiles' analysing specific economic sectors in the Western Region and identifying key policy issues. The *WDC Insights* summarises key employment and enterprise data for the Wholesale & Retail sector in the Western Region.

Download: [WDC Insights: Wholesale & Retail in the Western Region](#)



6. *WDC Insights: The Health & Care Sector in the Western Region (November)*

The second 'Regional Sectoral Profile' analysing specific economic sectors in the Western Region and identifying key policy issues. The *WDC Insights* summarises key employment and enterprise data for the Health & Care sector in the Western Region.

Download: [WDC Insights: The Health & Care Sector in the Western Region](#)



7. *WDC Insights: Electricity Transmission for Renewable Generation – What's needed in the Western Region? (December)*

Examining electricity transmission infrastructure capacity in the Western Region. The Region has some of the best resources for renewable generation in Europe so it is important to the Region, and to Ireland, that there is sufficient electricity transmission infrastructure capacity for both immediate and long term development needs.

Download: [WDC Insights: Electricity Transmission for Renewable Generation – What's needed in the Western Region?](#)

Regional Sectoral Profiles

October 2018 saw the launch of a series of Regional Sectoral Profiles of economic sectors in the Western Region, analysing the latest employment and enterprise data and drawing out key policy issues. A detailed report and *WDC Insights* summary is published for each sector.

The first sector examined was Wholesale & Retail which employs just over 42,000 people in the Western Region, this was followed by Health & Care which employs a similar number. Further profiles in the series will be published during 2019.

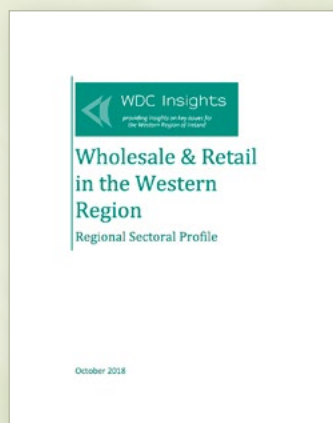
Policy submissions

One of the main work areas in any year is making submissions to national and regional policy consultations and 2018 was a busy year.

In February the WDC made submissions on the Issues Paper published for both the Northern & Western and Southern Regional Spatial and Economic Strategies (RSES). Following the consultation period in early 2018, the Draft RSES documents opened for public consultation in late 2018 and the submissions are due in early 2019.

Other submissions made by the WDC during 2018 were:

- EirGrid's Electricity Transmission Development Plan 2017-2027
- Step 3 of the North Connacht EirGrid Capital Project
- Seanad Public Consultation Committee on Small and Medium Sized Businesses in Ireland
- Initial Consultation on the National Energy and Climate Plan
- Public Consultation on the National Digital Strategy
- Consultation on Seasonal Clock Changes
- Review of Future Capacity Needs at Ireland's State Airports



Presentations and Conference inputs

During 2018 the WDC's Policy Analysts presented their work at a number of conferences, as well as chairing conference sessions. The presentations included:

- **Regional Studies Association Annual Conference, September 2018.** *Understanding our regional economies: what can regional accounts tell us?* Dr Helen McHenry, Policy Analyst.

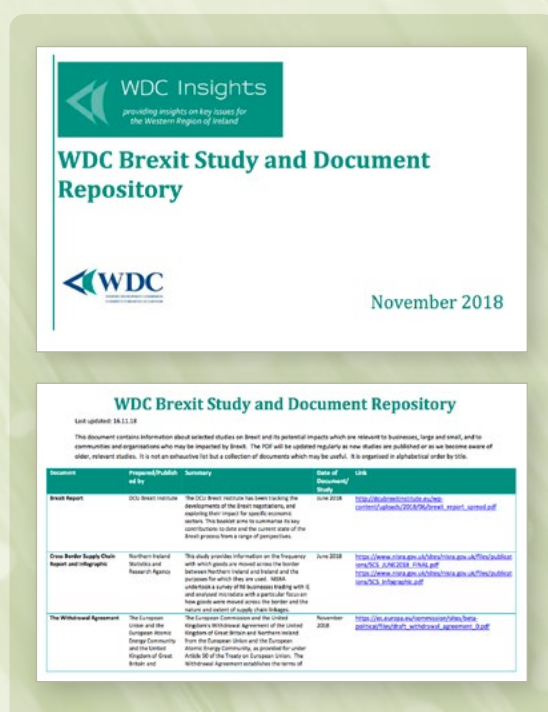


- **Jobs of the Future: Mayo Lifelong Learning Information Event, November 2018.** Pauline White, Policy Analyst.
- **Priorities for implementing 'Project Ireland 2040' Policy Forum for Ireland Conference, May 2018.** Deirdre Frost, Policy Analyst.



Brexit Study and Document Repository

This Repository was developed to provide an accessible source of information about, and links to, selected studies on Brexit and its potential impacts. The studies included are relevant to businesses, large and small, and to communities and organisations who may be impacted by Brexit. The information is updated regularly as new studies are published or as we become aware of older, relevant studies.



WDC Insights Blog

The Policy Analysis team published 42 blog posts during 2018 with posts about all of the above publications, outputs and activities. Other topics ranged from Nuts about NUTS and How many farmers are in the Western Region? to Leprechauns in Invisible Regions, Caring for the West and Is e-working on the increase?

City-Led Development & Peripheral Regions

In September the WDC sponsored the Annual Conference of the Irish Branch of the Regional Studies Association. The programme featured two international keynote speakers: Prof. Mark Partridge from the US and Dr. Andrew Copus from Scotland. Both focused on different aspects of the interaction between rural and urban areas.

The Conference also included a range of presentations from Irish academics and policymakers including WDC Policy Analyst Dr Helen McHenry. A report on the conference appeared in the Winter edition of the Local Authority Times.

Infrastructure

Telecommunications

The WDC continued to advocate for the speedy rollout of the National Broadband Plan as the lack of broadband continues to impact on rural regions and Western counties to a greater degree than elsewhere. The WDC participated in the second annual Mobile Phone and Broadband Taskforce National Stakeholder Forum in October and published a series of blogposts throughout the year.

Energy

The WDC Policy Analysis team makes the case for quality energy infrastructure which is essential for economic growth and development in the Western Region. Developing energy infrastructure will also allow for further development of renewable energy enterprises which can make the most of the region's natural assets. The WDC analyses infrastructural, policy and regulatory issues as they affect energy infrastructure and development issues important to the region in relation to gas transmission, electricity and renewable energy.

SECTION 2



PROMOTING THE REGION

PROMOTION OF THE WESTERN REGION

A critical part of the WDC Act is the promotion of the Western region to the wider global audience.

In 2018 the WDC continued to deliver on this remit through the efforts of its innovative regional promotional platform LookWest.ie. The number one regional portal for engaging citizens, diaspora and those interested in all things west of Ireland, LookWest.ie saw its total audience and reach strengthen throughout 2018.



Where did we succeed in 2018?

Lookwest had 73,500 unique website visitors in 2018. There was a 37% increase in organic Google traffic (non-paid). The changing algorithms of google adwords and changes to google grants resulted in some overall reduction in website traffic in 2018 but due to the fact that there was an increase in organic traffic this was still a very positive result and showed continued engagement with the platform. There was an overall 28% drop of visitors in 2018 due to the decrease in Google AdWords traffic.

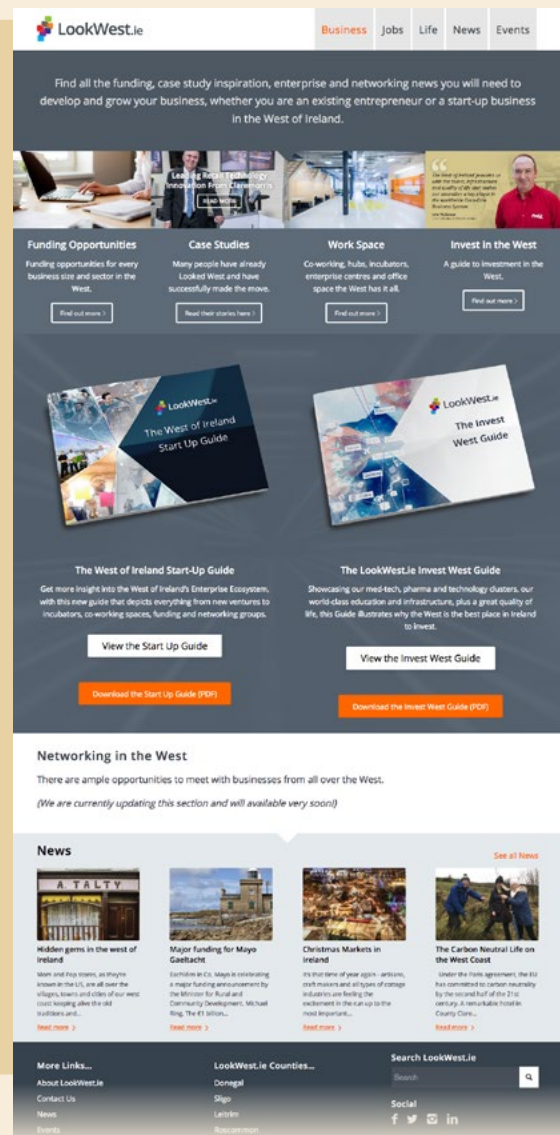
The Lookwest website is much more than just a broadcast site. It can measure engagement and practical uses of the platform, for example:

- There were 502 job applications via the website
- There were 105 Event Submissions
- There were 14 Business Register Submissions
- There were 16,991 views of the 'West of Ireland Start-Up Guide' and
- There were 8,597 views of our 'Invest West Guide' which was updated in 2018.

We continue to engage our social media channels and in 2018 we had a total social reach of over 1.5 million users.

The LookWest.ie's objectives for 2018 were:

1. To ignite online attention to the West of Ireland.
2. To be recognised as the best website / online platform of a Regional Development agency in the World.
3. Compel people and businesses to choose to live, work and do business in the West through online storytelling, case-studies, photo and video content and compelling data.



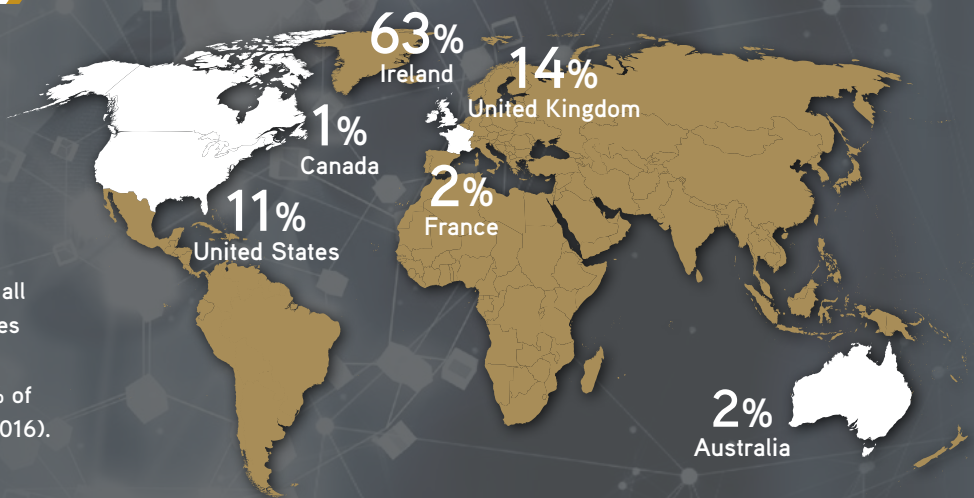
2018 Metrics

Lookwest Website Visitors

There were 73,752 total website visitors.

Google is responsible for 70% of all website traffic and Adwords drives 16% of the total website traffic. Organic search traffic brings 18% of website traffic (39% growth on 2016).

VISITOR LOCATION



Most Popular Website Content:


The Jobs section continues to be the most popular section, for example, 16% of all website visits are to the Jobs section.

The Lookwest 'Life' section is the next most popular content area with the individual county pages and 'Top 10' lists for each county all proving very popular.


The Lookwest audiences are very interested when we offer new unique content for example:

- 16,991 views of our 'West of Ireland Start-Up Guide'
- 8,597 views of our 'Invest West Guide' which was updated in 2018.
- 10,350 views of our 'Top 10 Things to do in Sligo' guide
- 8,603 views of our 'Top 10 Things to do in Donegal' guide

All of our county pages are now updated with crowd-sourced content and are all in the top 10 most popular pages on the website.



Top 10 Things To Do in Donegal



Top 10 Things To Do in Donegal

The Cliffs of Moher are a huge county, proudly independent with lots of attitude, despite being isolated from the rest of Ireland geographically.

It's a county of extremes: a land of unspoilt landscapes where majestic peaks and sweeping beaches bask in glorious sunshine, and little restaurants serve amazing food.

The greatest thing about Donegal is that because it's a little challenging to get to, it's unspoiled and welcoming. With over a third of the county in Gaeltacht areas you are also as likely to hear a dialect like Gaelic as a welcome.


We don't miss the extra bit of **Hidden Gems** at the end of this article. It's where the good stuff happens!

Here are our **Top 10 Things to Do in Donegal**.

- Visit Ireland's Highest Sea Cliffs**

The Cliffs of Moher may get more publicity, but the cliffs of Slieve League are higher. In fact, these spectacular sea cliffs are among the highest in Europe, plunging some 600m to the sea. In fact, are nearly three times the height of your County Clare sisters, the Cliffs of Moher.

More at [slieveleaguecliffs.ie](#)


- Catch some waves**


Competing with both counties Clare and Sligo for the mantle of Ireland's surf capital, Donegal's home to some of Ireland's best surf spots.

If you haven't surfed before check out any of the surf schools in Bundoran, Rosscariff or Dunfahilly, they'll get you on a wave in no time. Richie Fitzgerald, one of Ireland's most famous big wave surfers, is a proud Donegal man. You can read an [interview with Richie](#) here about living and running a business in Donegal.


Of course Donegal is also home to the [Sea Sessions Surf and Music Festival](#) in June.

More at [seasessions.com](#), [Narosa Surf School](#) in Dunfahilly, Bundoran Surf Schools include [Bundoran Surf Co](#), [Tara's Surf](#), [Donegal Adventure Centre](#) and [Surfworld Bundoran](#).


- Scale New Heights**


Scramble down a rock along the Wild Atlantic Way. Donegal has some of the most outstanding sea views in the northern hemisphere. You can take in [Glenade Bay](#), [Ben Bulbin](#) or [Ben Bulbin](#) of [Inishowen](#) and [Ben Bulbin](#) in [Inishowen](#) or [Ben Bulbin](#) in [Inishowen](#) or [Ben Bulbin](#) in [Inishowen](#).

More at [DonegalAdventures.com](#)



Top 10 Things To Do in Sligo



Top 10 Things To Do in Sligo


We have been overwhelmed with the passion of Sligoans for things to do in their county that keeping it to just 10 was a struggle!

One of the very best things about Sligo is that it is a small county. For those visiting or already living here, all of the suggested things to do below aren't more than 30 minutes away from Sligo town.

The other great thing about this beautiful county is that because it's off the beaten path, even in the height of summer, you can find the most beautiful empty beaches where nobody will bother you for miles. Locals aren't joined by visitors and so the western is always a warm and personal one. We can vouch for that.

Here are our **Top 10 Things to Do in Sligo**.


- Climb a mountain**



Whether you are looking for a short hilltop hike or the excitement of conquering Sligo's Table Mountain, there are mountain-climbing options in Sligo to suit all fitness levels.







- Climb Knocknaree.** In Irish mythology Knocknaree is the burial place of the beautiful warrior Queen Maeve of Connacht. She is said to be buried upright in the cairn at the summit of Knocknaree, spear in hand, still facing her enemies in Ulster. Until 2014 those wanting to visit Queen Maeve's cairn on the summit of Knocknaree had to use the rugged path from the car park on the south side of the mountain. This is a shorter route (about 45 mins) and has the added benefit of a little crepe stall in the car park for a treat when you get back. The new Queen Maeve trail enables you to climb Knocknaree directly from the village without the need for a car. The trail is 2.4km in length and involves an ascent of about 300m. The climb takes approximately 1 hour and the descent approximately 40 minutes (1.5 - 2 hours total duration). Good footwear/boots are recommended as the trail can be both wet and slippery.
- Climb Ben Bulbin.** At 526 METRES high, it's no small task to climb Sligo's famous mountain. The journey to the summit takes about two hours, but the views you get at the top are jaw-dropping. Unusually in Ireland's most scenic mountains, Ben Bulbin is the most distinctive peak among the Derry range. It was formed during the ice age by massive glaciers segmenting the landscape.

More at [SligoWalks.ie](#)



More at [SligoWalks.ie](#)

Social Media Reach¹

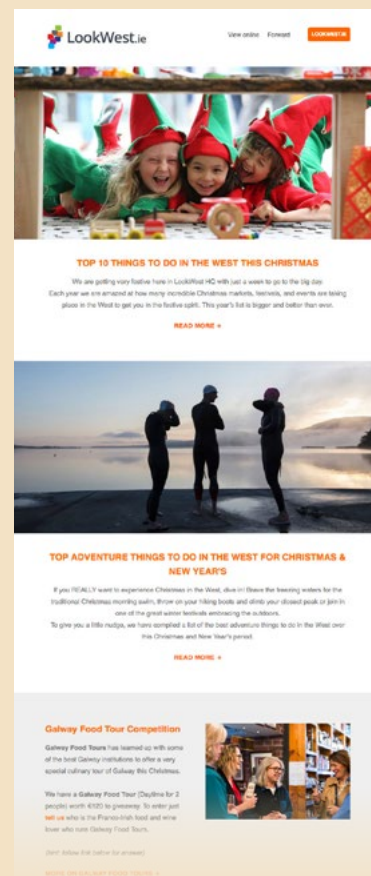
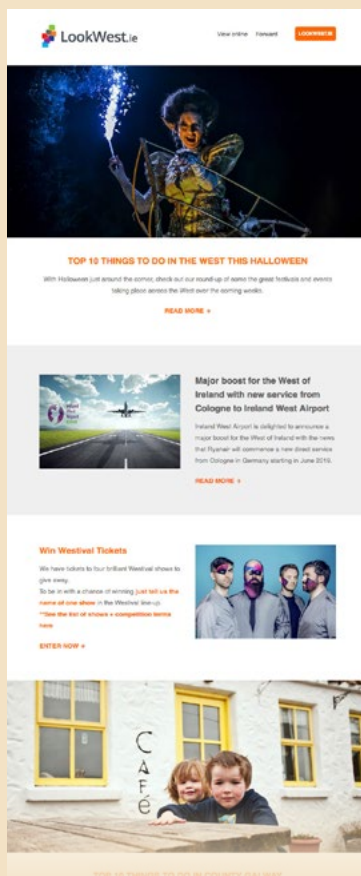
	Social Reach							
		Jan	Feb	March	April	May	June	Total
	Facebook	50,229	35,838	27,569	33,302	16,759	8,306	172,000
	Twitter	79,000	85,400	64,500	64,000	64,300	8,700	365,900
	Combined Social Media Reach	129,229	121,238	92,069	97,302	81,059	17,006	537,900
		July	Aug	Sept	Oct	Nov	Dec	Total
	Facebook	29,788	42,640	50,931	26,095	63,488	27,620	240,562
	Twitter	59,800	44,900	36,700	45,700	45,700	29,200	262,000
	Combined Social Media Reach	89,588	87,540	87,631	71,795	109,188	56,820	502,562
	Total Social Media Reach: 1,043,462							

LookWest.ie eZine Stats



There were 684 Subscribers to the Lookwest eZine in 2018.

Traffic from eZines was 1,075 (1.4% of the total), however eZine traffic decreased considerably in 2018 due to the decline in subscribers due to the new General Data Protection Regulations (GDPR) rules which came into force in May 2018.



¹ Social Media Reach = the amount of people who viewed our content on social media

SECTION 3



REGIONAL DEVELOPMENT

REGIONAL DEVELOPMENT

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

In 2018 the WDC continued to expand and deepen its offering of Regional development expertise into the West of Ireland. Over 200 businesses were engaged with and almost €2.1 Million in funding secured for the region, (through both EU and Irish government programmes such as the Rural Regeneration development Fund (RRDF). This has driven engagement, awareness and employment in the counties of the West.

Similarly, the tone was set for growth in the coming years through deep collaboration with regional and national partners to set the foundations for accelerated and sustainable achievements in the near term.

The Galway Business Convention Bureau took its first steps in 2018, on the back of the WDC commissioned needs analysis in late 2017. The early signs are promising with significant potential extra tourism revenue opportunities being identified and worked on. This was a great example of the WDC working with Fáilte Ireland and the Galway community to address a need. Similarly the adoption in the DBEI regional jobs plan of the creative economy as one of its six priorities for focus, demonstrates the work of the WDC coming to fruition in identifying and pushing meaningful development in a key emerging sector.



Outlined below are similar key achievements and developments in the regional development arena:

Regional Talent Tool for West of Ireland

In 2018 the WDC completed a Market Needs Analysis for the Redevelopment of the LookWest.ie Skills Register Tool. The objective of this research was conducted to define the stakeholders and user needs for the redevelopment of the LookWest.ie Skills Register tool. A Market Needs document has been developed which defines the requirements of these stakeholders and users and the development of a regional 'Talent Tool'.

A presentation was given to stakeholders comprising of representatives from IDA Ireland, Enterprise Ireland, WDC, Regional Skills Forum, Third Level Institutions, Abbott, Pramerica etc. who will assist in the development of the tool. The project has now progressed to the technical build stage and will be ready for launch in spring 2019.

Global Digital learning hub (GDLH) Tullycross - €1,728,000 for Regional Growth

In conjunction with a partnership which included Connemara West education Ltd., GMIT, NUIG, Forum Connemara CLG, Galway county council and several US based universities and charities, the WDC were awarded €1,728,000 under the rural regeneration development fund (RRDF), announced by the Taoiseach in Sligo on the 23rd November for the Global Digital Learning Hub (GDLH) to be located in Tullycross, Renvyle Co. Galway.

This Global learning and digital hub will seek to open up the community to new forms of tourism and SME activity and is intended to facilitate jobs both in construction and on an on-going basis. In reality within 4 years the initiative will seek to refurbish 9 cottages and build a multi-use Education/activity centre to create a sustainable rural tourism product supporting up to 45 jobs.

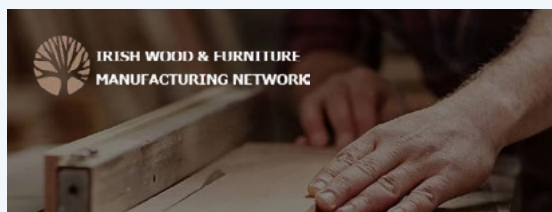
This application followed on from the WDC partnering with the local community over a number of years in getting this project to this stage, from the initial WDC small town assessment work in 2016, to the WDC commissioned Letterfrack enterprise study in 2017.

AEC Enterprise Subgroup



As a result of the AEC Feasibility Study, led by the WDC, a process for gathering enterprise data within the region was agreed across multiple stakeholders that included the Department of Rural and Community Development (DRCD), Enterprise Ireland, IDA, Udarás and the WDC. The enterprise data gathering methodology and classification was tested in two pilot towns – Sligo and Ennis. DRCD announced the appointment of ten new AEC Officers, which were funded by the Local Government & DRCD. The AECO will roll out the methodology in their own Local Authority and gather the data in a common and consistent data system. By close of 2018, eight AECO were appointed, with five towns having moved through the data gathering exercise. The process of gathering data in order to create a network of fit for purpose enterprise properties across the western region will gather pace as the experience grows.

IWFM/Regional Skills Forum Letterfrack



The Irish Wood and Manufacturing Network (IWFMN) was established in 2018 to build on the groundwork laid out by the Regional Skills Forum West. In 2017, the RSF West created a platform for the sector to discuss and consider collaboration, avail of knowledge exchange, engage across an all-Ireland context and to consider exploring best practice together. Through partnerships with key industry stakeholders, the network was established in conjunction with Galway-Mayo Institute of Technology (GMIT) Letterfrack and Western Regional Skills Forum (WRSF) and the WDC.

Smart Atlantic Way



The concept of a Smart Region is a development framework which builds upon the Smart City model, and recognises that, in order for our region to achieve our Smart future potential, we need to consider the opportunities, benefits and challenges that Smart deployment can offer. We need to look beyond the traditional application in the urban context and move towards a Smart future that embraces both urban and rural regional settings. The Smart Atlantic Way Initiative aims to build upon the progress made in the Smart Places Project. In November 2018 the WDC and Insight Research Centre launched the “Smart Atlantic Way – A Roadmap towards a Smart Region” in Roscommon County Council. The concept of our Smart Region approach is one that considers what can be better achieved within our region, and how technology and expertise can be deployed to reach this ambition. It is important to first take a closer look at what are the expected benefits of what we now have named as ‘The Smart Atlantic Way’. The SAW approach is based on 5 main Priority Areas:



The Smart Atlantic Way is led by Mathieu D’Aquin, Scientific Director, NUI Galway and Clodagh Barry, Regional Development Executive, WDC.

Regional Development EU projects - A capability for the Region and its stakeholders

The WDC continues to offer the Western Region an unparalleled access to strategic, cohesive EU funded projects which have led to real change in sectors such as the creative economy, Renewable energy etc. In total almost €13.5m in active EU funding was undertaken by the WDC and its regional partners (NUIG, Scicul, Local authorities etc.) in 2018. This funding utilised the on-going work of the WDC investment, analysis and development capabilities to ensure sustainable change was achieved in the region.

Here are some of the highlights:

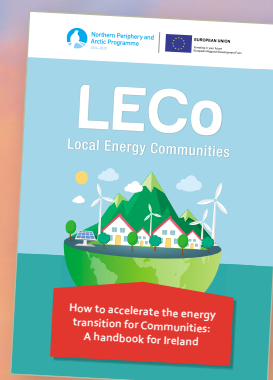
LECo Project

The Local Energy Communities (LECo) project is funded by the NPA programme and is worth €1.95m. It runs from September 2017 until April 2020. The LECo project responds to the needs of remote communities for a sustainable energy supply. The goal is to combine new innovative technologies with locally available natural resources (wind, hydro, solar and biomass, including waste from households, agriculture and industries), based on the model of local circular economy. The project will bring together the combined experience, knowledge and expertise of the project partners and provide conditions for creation of energy self-sufficient Local Energy Communities. The WDC is leading work package 1, and has completed a community energy study trip to Germany and feasibility studies for three communities during 2018.



LECo

Local Energy Communities



a creative momentum project

a creative momentum project was a three-year project (May 2015-May 2018) to support the development of the creative industries sector. It was co-funded by the Northern Periphery & Arctic Programme. The WDC was the lead partner and other partners were in Northern Ireland, Sweden, Finland and Iceland. This project came to an end during 2018 and some of its key overall achievements were:



- 242 profiles published on a totally re-designed www.MyCreativeEdge.eu online platform.
- 90,000 sessions from 70,000 users to MyCreativeEdge.eu since the start of 'a creative momentum project'.
- 42 professional photoshoots of creative enterprises in Ireland, Finland and Northern Ireland.
- 41 Creative Exchange information & networking events across five countries.
- 59 creative professionals supported to participate in five Creative Hotspots – Urkult Folk Festival, Sweden; Digital DNA @ The Planetarium, Northern Ireland; Arctic Design Week, Finland; Vaka Folk Arts Festival, Iceland; Galway Film Fleadh, Ireland.
- Four rounds of Creative Steps 2.0 collaborative innovation workshop process involving 22 enterprises and 45 students.
- 22 creative enterprises supported to participate in an international Trade Fair.
- Creative2Creative Matching programme matching creative professionals from different countries online.
- Five Economic & Social Impact Assessment reports and five Supports Assessment reports published, one for each region.

The project closing conference took place on 12 April in Galway. It included a presentation on the main project outputs, as well as on the Business Model Toolkit. This was followed by a panel discussion with creative enterprises and support agencies.



Dr Silvia Guglielmini, WDC, Dr Aisling Murtagh and Dr Patrick Collins, NUIG, Ms Pauline White, WDC and Mr Leo Scarff, Conference Chair.

A total of 21 Final Output and Research Reports were published by project partners during March to September 2018:

- Business Model Toolkit (by NUIG) 14 March
- Economic & Social Impact Assessment Reports (by NUIG) 16 April
- Supports Assessment: Northern Finland (by NUIG) 4 May
- Supports Assessment: North East Iceland (by NUIG) 11 May
- Supports Assessment: Västernorrland (by NUIG) 18 May
- Creative Hotspots (by WDC) 29 May
- Cultural Index (by NUIG) 2 June
- Creative2Creative Matching (by Lapland UAS and WDC) 5 June
- Building MyCreativeEdg.eu (by WDC) 12 June
- Creative Enterprise Index (by NUIG) 12 June
- Network of Shared Creative Spaces (by Armagh City, Banbridge & Craigavon Borough Council and WDC) 19 June
- Supports Assessment: South East of Northern Ireland (by NUIG) 22 June
- Video Pitching Toolkit (by Lapland University of Applied Sciences) 25 June
- Creative Trails (by Armagh City Banbridge & Craigavon Borough Council and WDC) 3 July
- Digital Culture Index (by NUIG) 6 July
- Creative Steps 2.0 (by Lapland UAS and WDC) 10 July
- Creative Exchanges (by ACBC and WDC) 17 July
- Supports Assessment: West of Ireland (by NUIG) 20 July
- Trade Fair Support (by WDC) 24 July
- Creative Economy Index (by NUIG) 27 August
- Cultural Economy Index (by NUIG) 6 September



FREED

In 2016 The WDC became a partner in the FREED Project (Funding Resources for Innovation in Energy Enterprise Development) funded under Interreg's Northern Periphery and Arctic Programme 2014-2020, total budget €1.996.898,09.

The project which ran from 2016 to 2018 was a collaborative partnership involving private investment firms, R&D institutions, colleges of education and public bodies from Scotland, Northern Ireland, Norway, The United Kingdom, Germany and Ireland and was led by the University of Oulu in Finland. In 2018 the project continued with partner meetings in Finland and Enniskillen. The six Innovations in Energy Technology selected through a transnational evaluation process in 2017 were further developed through 2018. The WDC supported Proair Heat Recovery Ventilation Systems Ltd who is developing the next generation Indoor Climate Control System. Support provided to the six innovation companies selected included business, financial and market development planning.

FREED developed a service that maps out private and public investment possibilities for SMEs, which is the key determinant of success in stimulating innovation.

To access funding, SMEs may rely on intermediate services.

FREED worked with companies and SMEs to provide such a service. The FREED service signposts private and public funding and support options for SMEs involved in Energy Innovation.

CASE STUDY

ProAir Co. Galway

PAICCS (Proair Indoor Climate Control System) is an air-to-air mini heat pump which leverages much higher than normal performance from an air to air plate exchanger. This combined arrangement has the capacity to produce a coefficient of performance of (greater than) >10. This is more than double its closest competing system. This highly innovative concept can revolutionise how houses are heated and ventilated and be disruptive to traditional systems such as radiators and under-floor. WDC through the FREED project provided assistance to advance this concept to the next stage of development securing significant funds for further development in the region.



EXTRA SME Project – To Boost SME’s Competitiveness & Extraversion In EU Coastal & Rural Aquaculture Economies

In May 2018, the WDC was successfully approved funding as part of a transnational partnership for the EXTRA SME project.

The project is focused on aquaculture SMEs and regional value chains with the aim of boosting innovation in production systems, supply channels and administrative processes. EXTRASMEs vision is to set the conditions for better access of EU aquaculture products to new and international markets. EXTRA-SMEs is co-funded by INTERREG Europe / European Regional Development Fund (ERDF).

The objective is to increase competitiveness and extraversion of rural and coastal aquaculture SMEs, build capacities for internalisation activities, modernise networks of aquaculture SMEs and simplify and harmonise administrative procedures.

EXTRA-SMEs is a 5-year project for peer learning, joint research and development of territorial plans on aquaculture.

Comparative research on regulatory frameworks of aquaculture operations including market, products and processes research and mapping drivers and obstacle to international commerce.

EXTRA-SMEs invests in synergies with all stakeholders, as well as in dissemination activities (EU & interregional workshops, info days, site visits) It will also involve developing a EU-wide repository of stakeholders to increase coordination capacities.

The Extra SMEs action plan is for policy interventions and measures for the uptake of EXTRA-SMEs results in partners’ regions.

The Benefits of the Extra SMEs will provide added value for stakeholders along the aquaculture value chain resulting from increasing aquaculture policy and managerial capacity through measures affecting supply and demand and increasing local/regional socio-environmental sustainability. There will be greater market potential and optimised distribution networks as a result of implementing state of the art infrastructure supporting inputs and services, production, transport and processing as well as marketing.



Project Partners:

- Region of Peloponnese (EL)
- Liguria Region (IT)
- Northern Chamber of Commerce in Szczecin (PL)
- Bucharest-Ilfov Regional Development Agency (RO)
- Lapland University of Applied Sciences (FL)
- University of Patras (EL)
- Western Development Commission (IE)
- Liguria Cluster for Marine Technologies (IT)
- Public institution National Regions
- Development Agency (LT)



Project Patners at first partner meeting in Tripoli in July 2018

GREBE

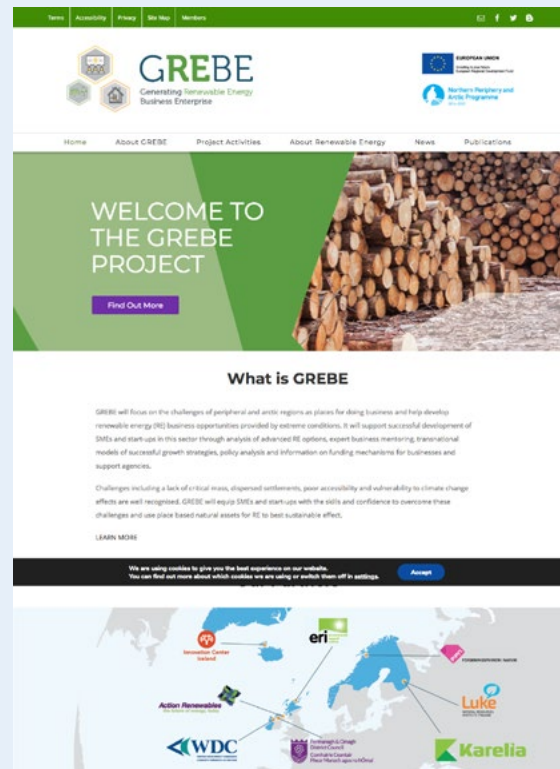
In 2018 the WDC successfully completed the Renewable energy themed “GREBE” project, which the WDC was lead partner.

The GREBE Project is about Generating Renewable Energy Business Enterprise in the Northern Periphery and Arctic Region.

This was a three year project with partners from Ireland, Northern Ireland, Scotland, Finland, Norway and Iceland and focussed on overcoming the challenges faced by renewable energy SMEs located in peripheral and arctic regions, including lack of critical mass, dispersed settlements, poor accessibility, limited networking opportunities and vulnerability to climate change.

The GREBE project equipped SMEs and startups with the skills and confidence to overcome these challenges by supporting forty five businesses through a mentoring scheme called our Entrepreneur Enabler Scheme, and supporting training and networking on our Virtual Energy Ideas Hub on our renewablebusiness.eu training platform.

Grebe developed a Roadmap to Market for renewable energy businesses for the demonstration and deployment of new products and services, as well as a funding options decision making tool for SMEs to access sources of funding to grow their business.



CASE STUDY

Claremorris Energy Co-operative

Claremorris and Western District Energy Co-operative is a community enterprise focused on the development and commercialisation of renewable energy technologies.



The group's focus is to develop financially viable renewable energy projects through education programmes with key competencies in district heating, solar, biogas, and micro grid applications.

The co-op also aims to educate the community on the benefits of community ownership, and renewable energy, on what it is and its impacts.





Blitz Partner Meeting 23rd – 24th October 2018
- Killyhevlin Hotel, Enniskillen

Back Row L to R: Sean Doran, Arts Over Borders; Bernie Mooney, Arts Over Borders; Liam Browne, Arts Over Borders; Andy Hallewell, ICBAN; Kimmo Nikkanen, Kajani University of Applied Sciences; Karen Sweeney, Western Development Commission; Anne Barclay, Wigtown Festival Company; Marlene Kohlmeier-Autto, Lapland University of Applied Sciences; Ian Brannigan, Western Development Commission.

Front Row L to R: Shane Campbell, ICBAN; Mary Keaveney, Western Development Commission; Helena Aaltonen, Regional Council of Kainuu; Minna Mustonen, Regional Council of Kainuu.

Blitz (Business of Literature Zones) NPA project

In September 2018, WDC was awarded funding with partners from Northern Ireland, Scotland, Iceland and Finland for the development of a Literary Tourism project. The project entitled BLITZ was approved funding under the Interreg Northern Periphery and Arctic Programme Priority Axis 2 – Entrepreneurship, specific objective 2.2 – Greater market reach beyond local markets for SMEs in remote and sparsely populated areas.

The NPA Region is home to world-class literary icons and landscapes. Current low levels of joined-up Literary Tourism activity in the NPA make it a sector that is ripe for development. This project addresses the need for shared development and marketing of existing assets and the development of new ones, which respond to emerging literary and cultural consumer needs, and will result in a conceptually integrated cultural tourism product to deliver greater economic impact than projects developed in national isolation.



The project will run from October 2018 until September 2021. The WDC will oversee the Communications element of the project and the development of an SME support programme to develop new products/services across the NPA that can enhance the literary tourism offering.

Blue Circular Economy (BCE)

The WDC was successful in its application to the EU Interreg, which secured over €1.9M in funding for cleaner oceans.



The BCE will build on the success of the Circular Ocean project, which focuses on marine litter as a transnational problem. BCE adopts the transboundary co-operative approach that aims at finding/establishing, innovating and promoting the relevant SMEs within the region that can potentially close the loop for plastics from Fishing Net Recycling Components in a sustainable manner.



Blue Circular Economy Project Team

BCE will build on the network of entrepreneurs, businesses and communities developed under the Circular Ocean project (2015-2018) and allow them to engage with the project at all stages, and to inform and shape the nature and needs of our dissemination workshops and eco-innovation camps to deliver relevant and constructive involvement and actions.

Bizmentors

In 2018 The WDC led a partnership which secured €1,343,000 in funding from the EU Northern Periphery and Arctic (NPA) Interreg programme. The project, Bizmentors seeks to develop a transnational model for pro-bono access to business knowledge for SME's in peripheral regions.



It will seek to provide a free mentoring solution in four NPA partner regions will result in new business models of support for SMEs and forty seven SME's should receive support under the initiative. The partnership includes SCCUL from Galway, Fermanagh and Omagh District Council, Savonia University Finland, and Icelandic Development partners.

ReDirect

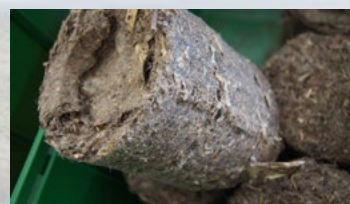
RE-DIRECT is a North West Europe Interreg project lead by the University of Kassel in Germany and with project partners across five different European nations including Ireland. The WDC is joined by the Irish Bioenergy Association (IrBea). The projects aim to convert some of the estimated thirty four million tonnes of residual biomass that occurs annually throughout the EU regions, into an indigenous source of either biochar or activated carbon.



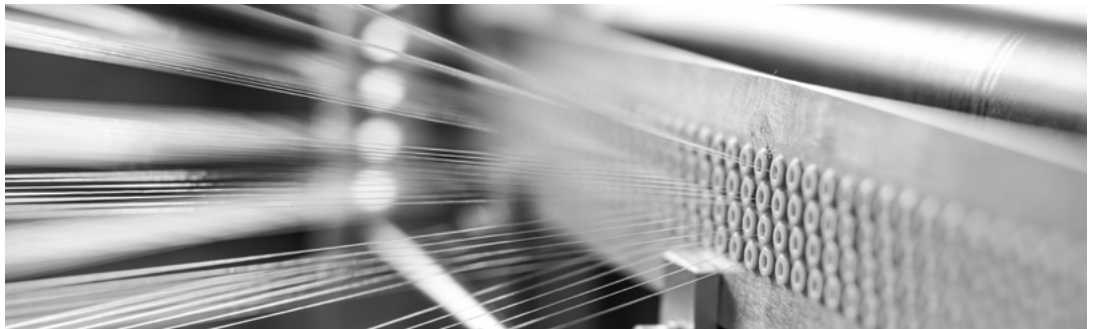
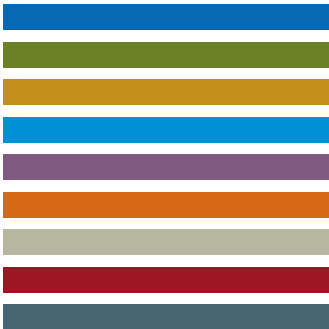
RE-DIRECT is setting out to develop a sustainable circular economy approach to biomass management. The RE-DIRECT approach and the potential development of indigenous biochar/activated carbon production could drive us forward to meet some of our renewable energy targets and water quality targets.

In the context of the EU Water Frame work directive which sets out the requirements to improve the quality of ground and surface water and, with increasing calls to develop legislation that sets limit values for potentially environmentally harmful priority substances such as antibiotics, herbicides and insecticides from entering our waterways - the RE-DIRECT approach is timely. Currently nearly all activated carbon is imported with production occurring mainly in Asia- Pacific region, with the source material generally consisting of coconut husks, bamboo, peat or brown coal, and, typically costing €1500 per tonne or more. Many market studies estimate that the biochar and activated carbon market will see steady growth over the coming years.

The WDC hosted the inaugural carbon conference in Claremorris in October 2018, with submission to RSES on the Carbon opportunity. We continue to work with SMEs in our region and partner with IRbea to progress the BioChar and Activated Carbon opportunity. The next step is to land a demonstrator facility in the region, in order to showcase the technology and providing a learning platform.



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. Equity investments are made using the Market Economy Investor Principle.

Loans are made on commercial terms and the interest rate charged is the applicable Reference Rate for Ireland. To date, the WDC has invested just over €52 million in 156 SMEs, micro and social enterprises in the region.

In 2018, the WDC invested €3.7m in 22 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. WDC investment in 2018 levered over €31 million in additional investment into the region. For every one euro invested by the WDC, another €8.40 was leveraged for enterprises in the region.

Access to Finance for the region 2018



22

Enterprise supported



€3.7M

Invested



€31M

Additional investment levered into the region

Business Investment Fund

The Business Investment Fund provides equity investment and loan finance for small and medium-sized enterprises (SMEs). Equity investments range from €100,000 to €2 million with first round investments typically between €300,000 and €500,000. With loan finance ranging from €25,000 to €300,000 on an amortised basis.

Investments are across a range of sectors but have a particular interest in supporting those from the following sectors:

- CleanTech
- Creative Industries
- Food & Natural Resources
- Information & Communications Technology
- Manufacturing and Internationally Traded Services
- MedTech & Life Sciences
- Tourism

CASE STUDY

Kite Medical Ltd



Kite Medical Ltd closed a €1.5 million seed round of which WDC was an investor. The funding will be used to commercialise a device that offers a pain-free, non-invasive means of detecting kidney reflux in children. Kidney reflux is prevalent in up to 2.5% of children and in 30 – 40 % of those presenting with urinary tract infections. The condition involves reflux of urine from the bladder to the kidneys and the consequences of missed diagnosis are severe, including chronic kidney disease.

The current diagnostic test requires a catheter, forced filling of the bladder and radiation exposure, resulting in pain and trauma for the children. In contrast, Kite Medical's device will be a wearable device where the child will wear sensors to detect possible reflux over normal urination cycles. The device will be a game-changer in transferring the detection of kidney reflux from the hospital to an office-based primary care setting and can even facilitate monitoring at home. The Kite Medical device serves a market of almost €500 million, created by the ease of use and child-friendly nature of the innovation. Kite Medical's device will also take advantage of the growth in digital healthcare trends.



From left Paul Frehill (CTO), Sarah Loughney (CSO) & Founder) and Joan Fitzpatrick (CEO)

CASE STUDY

Class Grass Ltd



A simple child's request ignited the idea for a new business venture for Padraic Cuddy and his family. Padraic's then three-year-old son Tommy wanted a toy field to graze his many farm animals. Padraic obliged by handcrafting a realistic model toy field complete with hedging and traditional timber gate. His company *Class Grass* providers of artificial grass products proved most useful with both the field and hedging crafted from this natural looking grass product. The Field story has gone from strength to strength with national and international media coverage. The WDC supported the company in 2018 with the next phase of its development - expansion in the US market by providing a term loan. The company based in Castlecoote Co Roscommon will employ five people following this expansion.



"A loan from the WDC's Business Loan Fund enabled Class Grass expand into the US market with its range of children's toys"

Padraic Cuddy, Director, Class Grass

Micro-Loan Fund: Creative Industries

The WDC has mainstreamed the Micro-Loan Fund: Creative Industries. 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.

WRAP Fund

The Western Region Audiovisual Producers Fund (WRAP) is a €2,000,000 regional fund to attract and support content production in the West of Ireland. The €2,000,000 capital budget comes from the revolving funds generated by the WDC Investment Fund.

The WRAP fund is an initiative of the Galway Film Centre (GFC) and Western Development Commission (WDC) in association with the local authorities of Clare, Donegal, Galway City, Galway County, Mayo, Roscommon, Sligo and Udarás na Gaeltachta.

The Fund was launched in October 2017 by Minister Sean Kyne, T.D. and commenced operations in April 2018 on the appointment of the WRAP Development Manager.

WRAP is open to:

- Feature Film
- Television Drama
- Animation
- Games

WRAP aims to support 3-5 Productions annually with investment of up to €200,000 maximum per project. To be eligible, projects must have secured market finance and undertake a significant portion of their production within the WRAP Region encompassing Clare, Donegal, Galway, Mayo, Sligo and Roscommon. A minimum 3:1 spend ratio is sought on all Investments.

WRAP will also provide Development Funding of up to €15,000 and is open to regionally based producers/production companies seeking support to undertake the necessary development work for projects including:

WRAP has made five offers of production support in 2018 totalling €530,000 to three feature films, one documentary and one animation. The first call for



"The WRAP Fund is a game-changing initiative for the region in terms of the opportunities it provides to talent across Film, TV, Animation and Games. It also represents a unique collaboration between the eight local authorities, Galway Film Centre and the WDC each with the foresight to support the Audio-visual Sector at a time of unprecedented opportunity for the region."

Alan Duggan, Manager of Galway Film Centre

development funding was made in October 2018 with five projects approved for funding totalling €70,000.

The potential combined regional expenditure from these productions is €4.28 million generating an expected spend ratio of 8:1. Productions are required to employ local talent across the cast and crew and provide opportunities for training and up-skilling where possible. Productions are required to prioritise the use of regional vendors and goods/services providers.

Community Loan Fund

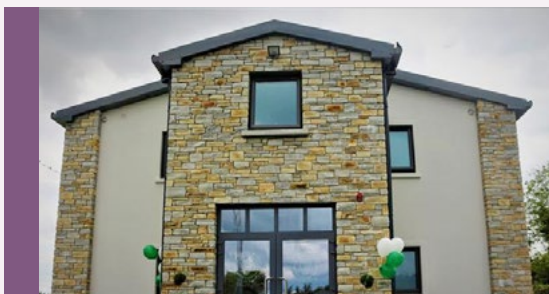
Term Loan

Many community groups and social enterprises in the Western Region have worthwhile ideas about how they can improve the socio-economic life of their community. With this in mind, the WDC's Community Loan Fund has been designed specifically to offer such groups access to capital in order to help make their vision become a reality. The WDC's Community Loan Fund endeavours to be as flexible as possible with applicants. It offers a low fixed interest rate of 3% for the term of the loan with no arrangement fee. The WDC does not look for personal guarantees. Loan amounts ranging from €10,000 to €100,000 are considered.

All kinds of community social enterprise projects can be supported. From job creation initiatives including the provision of enterprise space, to health and wellbeing initiatives which improve the physical environment by providing social and recreational amenities or social care services.

"The availability of the bridging facility from the WDC meant we could progress the re-development of our club facilities. The 1% low interest rate and no personal guarantees are of huge help to voluntary groups like ourselves."

Sean Scott, Chairperson, Eastern Harps GAA Club



Bridging Finance Facility

Many community groups and social enterprises are successful in accessing grant-aid to make their vision for their community a reality. However the terms of most grants are where recipients are required to spend first and then claim the grant. This causes a cash flow issue for the community group or social enterprise. The WDC addresses this issue by providing bridging finance against approved grant-aid letters of offer under its Community Loan Fund. The WDC hopes that this facility will help ensure that all projects approved for grant-aid are in a position to draw-down that grant for the betterment of their community and the wider region.

CASE STUDY

Eastern Harps GAA Club

Eastern Harps is a GAA club, based in rural County Sligo covering the communities of Keash and Gurteen.

It is a community-based volunteer organisation promoting Gaelic Games, culture and lifelong participation in sport and the community.

The club is dedicated to ensuring that the activities promote and enrich the lives of the members, families and the entire community. They are committed to active lifelong participation for all, and to providing the best facilities possible. The club reaches out to all and includes all members of the community. They will ensure each member feels they are in a safe environment where they are treated with dignity and respect. The club is currently building a two storey community facility for its members at a cost of €287k and has received Leader approval for €200k. The WDC provided a bridging finance to enable the Club to commence the project and drawdown the grant.



Regional Accelerators

The WDC was actively involved with three Accelerators in the region in 2018:

- BioExcel focusing on Medtech
- NDRC@Portershed focusing on Digital
- YieldLab focusing on AgTech

It is hoped that these programmes will support very early-stage start-ups to accelerate their development and increase the numbers of successful companies in the technology space, leveraging off the region's reputation and track record in the MedTech, Digital and AgTech sectors.

BioExcel

BioExcel is a partnership programme funded by Enterprise Ireland, Western Development Commission, Galway University Foundation, Bank of Ireland Seed and Early Stage Equity Fund and NUI Galway.



Based on NUI Galway campus, BioExcel offers €95,000 in pre-seed funding to successful applicants along with six-months of intensive training, mentoring, lab space and supported interactions with potential investors. The programme allows participants to build and commercially validate their technologies by working with existing entrepreneurial networks, mentors and management team. In 2018 the first cohort of six companies completed the programme and have commenced commercialisation of their ventures.

NDRC@Portershed

Supported by the WDC the NDRC@Portershed Accelerator targets digital start-ups. The Accelerator Programme is based out of the Portershed in Galway's Innovation District but is open to start-ups from the region, nationally and internationally. In 2018 the first cohort of seven companies completed the programme and a second cohort with eight participants commenced and completed the programme.



In addition to €50,000 in pre-seed investment, participants are provided with intensive support and expert mentoring over a three-month timeframe helping them to understand what value their company can offer customers, working on their strategy for growth and getting them ready to meet the demands of both investors and the marketplace.

The Yield Lab

The Yield Lab Europe Accelerator based in Galway is the European arm of The Yield Lab accelerator in St Louis, USA. It invests €100,000 into early stage agrifood technology companies that revolutionise agriculture and food systems to sustainably feed the world. In addition to providing capital, The Yield Lab Europe provides access to individualized mentoring from industry experts, access to the premiere agrifood tech accelerator in Ireland, and access to the Yield Lab global network. The Yield Lab Europe evaluates companies from all around the world and welcomed its second cohort of four companies to Galway in 2018.



As well as its European presence, the Yield Lab Ireland has a global affinity network available to help each portfolio company in their pursuit of growth. Its strong ties with St. Louis provide a solid link into the US and North American markets.

Return on Investment

Socio-economic impact

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 out¹ 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 2,500 people employed in portfolio companies/projects. At least as many again downstream jobs based on a multiplier effect of one. The annual spend on salaries and wages was €63 million, a very significant stimulus for the local economy and €18 million of this was paid back to the exchequer in payroll taxes.

70% of these companies' turnover is exported supporting the export led recovery. Another very significant indicator of economic impact and innovation is the €24m spend on Research & Development. WIF supported enterprises have secured over a quarter of a billion in investment.

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.

Financial Impact

The WDC has been successful in developing its model of a sustainable Evergreen Fund and has become self-sufficient from an investment capital funding perspective. As an Evergreen Fund, all monies recouped are reinvested in enterprises in the Western Region. In 2018 the WDC had an exceptional year with returns from investments totalling €29.9m from the Western Investment Fund.

CASE STUDY

Aerogen Secondary Sale Transaction



Aerogen, the world leader in acute care aerosol drug delivery, concluded a secondary share transaction in 2018. This transaction saw Temasek, a global investment company headquartered in Singapore acquire a minority stake in Aerogen.

The WDC along with other shareholders including John Power the company's founder, divested a portion of their shareholding as part of the transaction. WDC continues to be a shareholder in Aerogen. Aerogen, has made significant progress since the WDC assisted with the Management Buy-out of the company from Nektar in 2007.

It directly employs 200 staff with another 200 indirectly employed with sub-contractors. With Aerogen's technology already in use in over 75 counties, Temasek's global reach will accelerate the company's ambition to be the standard of care for acute care aerosol drug delivery and in the launch of the drug device solutions in development by its subsidiary Aerogen Pharma.

CASE STUDY

AltoCloud



Galway-based Altocloud was acquired by Genesys in 2018 with the US firm planning to establish a significant presence in Ireland as a result of the acquisition. Genesys intends to transform the Galway location into a centre of excellence for artificial intelligence and to grow to 200 staff from a base of 20 staff at the time of the acquisition.

Altocloud developed software-as-a-service that combines machine learning with real-time communications, to strengthen its artificial intelligence and machine learning capability.

WDC was a seed investor in the company in 2015.

¹ Survey of portfolio companies carried out in 2016

Award Winning Portfolio

Three companies from the WDC Investment Fund's portfolio companies were awarded €6.7 million in funding from the first round of the Government's Disruptive Technologies Innovation Fund (DTIF) in 2018.

- **Neurent Medical Ltd** has secured €2.9 million from the DTIF. The company is creating a new therapy for patients suffering from rhinitis, a condition that causes inflammation of the nose. It will give the patient immediate and long-lasting relief from their symptoms and remove the need to take daily medication to manage their condition.



- **Signum Surgical Ltd** is developing novel minimally invasive technologies to treat colorectal diseases and have been awarded €1.9 million.



- **Hooke Bio Ltd** is developing a disruptive technology platform that will allow pharma companies and clinicians to develop more accurate and responsive disease models for drug testing got €1.9 million under the DTIF.



Two other companies have received awards in the 2018 InterTradelreland Seedcorn Competition.

- **Loci Orthopaedics Ltd** was successful in winning the overall prize in the InterTradelreland Seedcorn Awards.

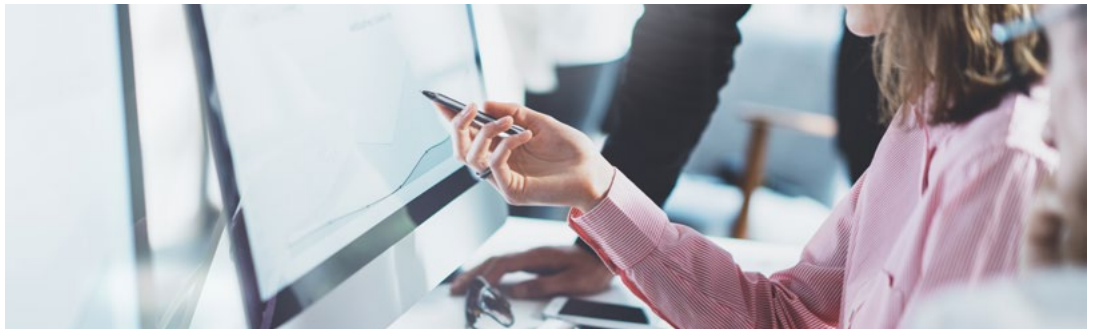
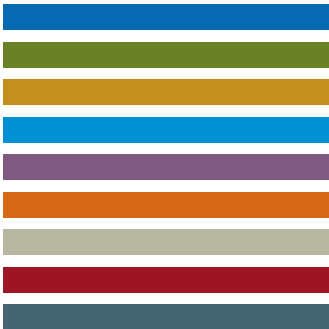


- **HidraMed Solutions Ltd** supported through the Bioexel Accelerator Programme, won the Best New Start-up category award.



Dr Brendan Boland of Loci Orthopaedics, 2018 InterTradelreland Overall Seedcorn winner with Suzanne Moloney of Hidramed Solutions Ltd., Overall New Start winner – both are companies in the West of Ireland supported by the WDC Investment Fund.

SECTION 5



CORPORATE SERVICES

CORPORATE SERVICES

To operate the WDC as a competent, effective and learning organisation.



The overall objective of the Corporate Services Department is to provide efficient and effective support to allow the Organisation to deliver on broader strategic business goals responding and adapting to changing internal and external challenges. The Department is responsible for the management of the six functions, Human Resources, Management Supports (including Customer Service and FOI), Communications, Finance, ICT and Business Services.

There are a number of objectives including to:

- Provide strategic financial advice, insight, and analysis to the Chief Executive Officer (CEO), Senior Management Team, Board of Directors, and the Audit and Risk Committee. This includes budgets, monthly and annual financial statements and reports, including appropriate analysis and recommendations.
- Lead and manage the HR Function, workforce planning and learning and development
- Ensure that the Organisation has sufficient capability and capacity to deliver on its overall vision and goals
- Support staff through wellbeing initiatives and flexible working options, to ensure a healthy work life balance for all
- To manage and deliver effective and efficient Information, Communication & Technological services and supports necessary to enable other departments to deliver on their core objective
- Continue to seek efficiencies and improved customer service including through continuous focus on digital opportunities
- Demonstrate excellence in corporate governance which will provide openness and transparency and ensure value for money
- Ensure compliance with a range of statutory obligations such as FOI, Official Languages, Protected Disclosures
- Support the CEO and colleagues in promoting the work of the organisation externally and ensuring strong internal communications
- Direct and implement the organisations policies on GDPR, travel and subsistence, procurement and health and safety

- Ensures the organisations risk management policies and strategies are in compliance with the Code of Practice for the Governance of State Bodies (2016) and
- Provide support to the Board and established committees

By implementing these objectives Corporate Services seeks to achieve a responsive, professional and flexible team as well as effective systems that strategically support our business. It seeks to provide a sound corporate governance culture with value for money and management of the organisations funds.

Key highlights from the Corporate Services Department work programme for 2018 include:

IT Services

Training Needs Analysis conducted in 2018 identified gaps that existed in basic IT skills. It found evidence of varying levels of IT skills among staff and enabled the organisation to organise specified training in those areas.

Finance

There were several deliverables as well as continual objectives achieved by the Corporate Services team. These include the introduction of a more robust Risk Register, improvements in the method of financial reporting and greater in-depth information taken from the financial systems. This improved reporting and also allowed for better transparency.

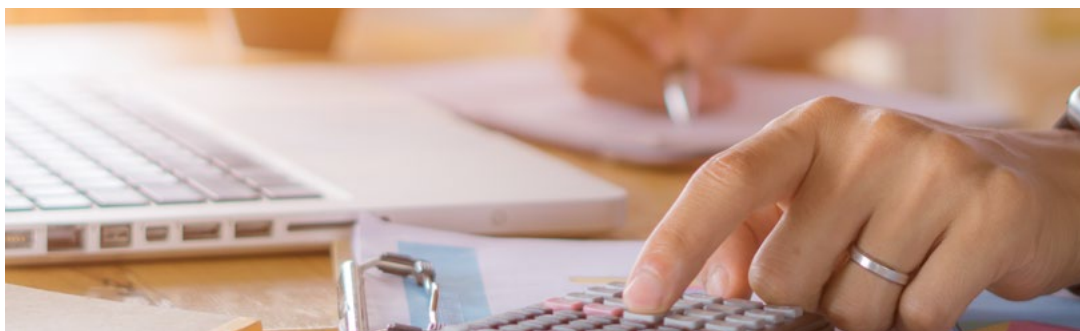
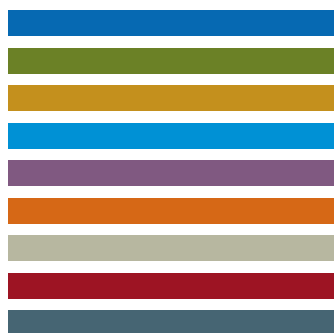
Communications

Communication is one of the key enablers in helping the Corporate Services Department achieve its goals. Corporate Services undertook to improve its interaction with stakeholders by updating the navigation tool on the website, creating an events page, posting regular news items and updating content to ensure up to date information is always available.

Corporate Governance

The Corporate Services team strives to ensuring compliance with a number of governance obligations and improving corporate policies, procedures and outcomes. The team developed and implemented a Corporate Procurement Plan, Risk Management Policy, Credit Card Policy, Protected Disclosure Policy, Gifts and Hospitality Policy and GDPR Policy in line with good Corporate Governance and to comply with relevant legislation.





FINANCIAL STATEMENT
For the year ended 31st December 2018



TABLE OF CONTENTS

Western Development Commission Information	43
Governance Statement and Board Member's Report	44
Report of the Comptroller and Auditor General	53
Statement on Internal Control	54
Statement of Income and Expenditure and Retained Reserves	56
Statement of Comprehensive Income	57
Statement of Financial Position	58
Statement of Cash Flows	59
Notes to the Financial Statements	60

WESTERN DEVELOPMENT COMMISSION INFORMATION

Chairperson

Dr. Deirdre Garvey

Members

Mr. Noel Brett *

Mr. Ian Barrett

Prof. Mary Corcoran

Mr. Gerry Finn

Mr. Micheal Frain

Mr. John Kelleher

Mr. Christy Loftus

Mr. Henry McGarvey

Ms. Auveen O'Neill

Ms. Yvonne Shields

Mr Edmund Jennings **

Bankers

Bank of Ireland, Ballaghaderreen, Co. Roscommon

Allied Irish Bank, Tuam Road, Galway

KBC Bank, Sandwith Street, Dublin 2

Auditors

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

* Noel Brett resigned from the Commission in August 2018

** Edmund Jennings was appointed to the Commission on 22nd August 2018

GOVERNANCE STATEMENT AND BOARD MEMBER'S REPORT 2018

Governance

The Board (hereto referred to as the Commission members) of the Western Development Commission (WDC) was established under the Western Development Commission Act, 1998 as set out in Section 9 of this Act. Commission members are accountable to the Minister for Rural and Community Development and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the WDC are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by Commission members, and must ensure that all Commission members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Commission members and management of the WDC.

Commission Responsibilities

The Commission members are collectively responsible for overseeing the Western Development Commission and ensuring its sustainability. Decisions are made after appropriate information has been made available to Commission members and with due consideration of the risks identified through the risk management process. There is a reserved schedule of matters for its decision, including:

- declaration of Interests
- reports from committees
- financial reports/management reports
- performance reports and
- reserved matters

The Chair and Commission members are strongly guided by the principles of the 2016 Code of Practice for the Governance of State Bodies.

Section 22(1) of the Western Development Commission Act 1998 requires the Commission members to keep, in such form as may be approved by the Minister for Rural and Community

Development with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Commission members of the WDC are required to:

- Select suitable accounting policies and apply them consistently
- Ensure that any judgements and estimates that are reasonable and prudent
- State whether applicable accounting standard have been followed, subject to any material departures disclosed and explained in the financial statements
- Ensure that the financial statements present a true and fair value view of the WDC's financial performance and financial position at the year end and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation.

The Commission members are responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 22(1) of the Western Development Commission Act 1998. The maintenance and integrity of the corporate and financial information on the WDC's website is the responsibility of the Commission.

The Commission members are responsible for approving the annual report and budget. An evaluation of the performance of the WDC by reference to the annual report and budget is carried out on a monthly and quarterly basis at Commission meetings.

The Commission members are also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Commission considers that the financial statements of the WDC give a true and fair view of the financial performance and the financial position of the WDC at 31st December 2018.

GOVERNANCE STATEMENT AND BOARD MEMBER'S REPORT 2018

Commission Structure

The Commission is satisfied that its members are free from any business or other relationships that could materially affect, or could appear to affect, the exercise of their independent judgment.

All Commission members disclose any interest and absent themselves from discussions and decisions where they are conflicted or gave a direct or indirect interest as required by the Code of Practice.

Commission membership and terms of office are detailed in Table 1 below:

Ref	Name	Role	Date Appointed	Current Term Ends
1	Dr Deirdre Garvey	Chairperson	August 2017	August 2020
2	Gerry Finn	Ordinary Member	August 2017	August 2020
3	Ian Barrett	Ordinary Member	August 2017	August 2020
4	Noel Brett *	Ordinary Member	August 2017	August 2018*
5	Micheal Frain	Ordinary Member	August 2017	August 2020
6	Henry McGarvey	Ordinary Member	August 2017	August 2020
7	Yvonne Shields	Ordinary Member	August 2017	August 2020
8	Auveen O'Neill	Ordinary Member	August 2017	August 2020
9	Professor Mary Corcoran	Ordinary Member	August 2017	August 2020
10	Christy Loftus	Ordinary Member	August 2017	August 2020
11	John Kelleher	Ordinary Member	August 2017	August 2020
12	Edmund Jennings	Ordinary Member	August 2018	August 2021

*Resigned

The Board will conduct an external Board Effectiveness and Evaluation Review on an annual basis commencing September 2018. There will be an external review every three years under the code of Practice for the Governance of State Bodies 2016.

The Commission members have established four committees, as follows;

1. Audit and Risk Committee

The Audit and Risk Committee (ARC) supports the Commission members in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Commission members assurance needs and reviewing the reliability and integrity of these assurances.

The ARC formally reports to the Commission members, providing such information or advice as deemed appropriate through the ARC's Chair's regular reports to the Commission members about committee activities, issues and related recommendations. The ARC provides the Commission members with an Annual Report, timed to support finalisation of the annual report and financial statements, summarising its conclusions from the work it has done during the year.

The Members of the ARC Committee at 31st December 2018 were:

- Bernard O'Hara (Chairman & External)
- Kevin Moore (External)
- Ian Barrett (Commission Member)
- Gerry Finn (Commission Member).

GOVERNANCE STATEMENT AND BOARD MEMBER'S REPORT 2018

2. Fund Advisory Panel (FAP)

The Role of the FAP is to evaluate application to the Western Investment Fund (WIF) and to recommend commercial profit driven investment decisions to the Commission members. The FAP helps to promote the WIF and assist in the generation of quality dealflow and assist in the effective working of the WIF.

The Members of the FAP at 31st December 2018 were:

- Dr Deirdre Garvey (Chair & Commission Member)
- John Allen (External)
- John Dillon (External)
- Joann Hosey (External)
- Micheal Frain (Commission Member)
- Auveen O'Neill (Commission Member)
- Felim McNeela (External)

Schedule of Commission Members Attendance, Fees* and Expenses

A schedule of attendance at the Commission and Committee Meetings for 2018 is set below including the fees and expenses received by each member.

3. Strategic Planning Subcommittee

The Strategic Planning Subcommittee was formed for a specified period to oversee the process of development of the WDC Strategic Plan 2019-2024.

The Members of the Strategic Planning Subcommittee were:

- Dr Deirdre Garvey (Chair & Commission Member),
- Noel Brett (Commission Member)
- Yvonne Shields (Commission Member)
- Gerry Finn (Commission Member)
- Tomás O'Síocháin (CEO)

4. CEO Recruitment Subcommittee

The CEO Recruitment Committee was established for a specified period between October 2017 and August 2018 to oversee the process of recruiting a CEO for the WDC.

The Members of the CEO Recruitment Committee were:

- Dr Deirdre Garvey (Chair & Commission Member)
- Gerry Finn (Commission Member)
- Henry McGarvey (Commission Member)

Member	Commission Meeting	ARC Meeting	FAP Meeting	Strategic Planning Meeting	CEO Recruitment Meeting
Commission Members					
Dr Deirdre Garvey	10 of 10		6 of 6	7 of 7	4 of 4
Gerry Finn	7 of 10	5 of 5		6 of 7	4 of 4
Ian Barrett	10 of 10	5 of 5			
Noel Brett*	6 of 6			3 of 3	
Micheal Frain	7 of 10		4 of 6		
Henry McGarvey	9 of 10				4 of 4
Yvonne Shields	8 of 10			6 of 7	
Auveen O'Neill	9 of 10		5 of 6		
Professor Mary Corcoran**	6 of 10				
Christy Loftus	7 of 10				
John Kelleher	8 of 10				
Edmund Jennings***	4 of 4				
External Members					
Bernard O'Hara		5 of 5			
Kevin Moore		5 of 5			
John Dillon			6 of 6		
John Allen			6 of 6		
Joann Hosey			5 of 6		
Felim McNeela			4 of 6		

* Noel Brett resigned in August 2018

** Professor Mary Corcoran was on sabbatical leave from September to December 2018

*** Edmund Jennings was appointed as a Commission member on 22nd August 2018

GOVERNANCE STATEMENT AND BOARD MEMBER'S REPORT 2018

Ref	Name	Role	Date Appointed
1	Dr Deirdre Garvey	Nil	€2,401
2	Gerry Finn	€5,985	€1,292
3	Ian Barrett	€5,985	€2,062
4	Noel Brett	€3,817	€238
5	Micheal Frain	€5,985	€248
6	Henry McGarvey	Nil	€2,921
7	Yvonne Shields	Nil	€2,280
8	Auveen O'Neill	€5,985	€681
9	Professor Mary Corcoran	Nil	€993
10	Christy Loftus	€5,985	€587
11	John Kelleher	Nil	€448
12	Edmund Jennings	€2,168	€565
Total		€35,910	€14,716

Key Personnel Changes

- CEO (a) Ian Brannigan ceased to be employed as CEO on 31st August 2018
- Tomás O'Síocháin commenced employment as CEO on 24th September 2018
- Commission member Noel Brett resigned in August 2018
- Commission member Edmund Jennings was appointed 22nd August 2018
- The Commission appointed FAP member Felim McNeela on the 20th March 2018

Disclosures required by the Code of Practice for the Governance of State Bodies (2016)

The Commission members are responsible for ensuring that the WDC has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown

Employees short-term benefits in excess of €60,000 are categorised in the following bands:

Salary Band (€) 2018	Staff Number	Salary Band (€) 2017	Staff Number
60,000 – 69,000	2	60,000 – 69,000	1
70,000 – 79,000	0	70,000 – 79,000	0
80,000 – 89,000	3	80,000 – 89,000	2
90,000 – 99,000	1 *	90,000 – 99,000	0

* From January to August 2018

Note: For the purpose of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary and other payments made on behalf of the employee, but exclude employer's PRSI.

GOVERNANCE STATEMENT AND BOARD MEMBER'S REPORT 2018

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2018 €	2017 €
Legal Advice	15,123	6,940
Financial/Actuarial Advice	1,624	427
Public Relations/Marketing	27,842	37,326
Human Resource	20,068	34,345
Total	75, 619	79,038

Legal Costs and Settlement

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the WDC, which is disclosed in Consultancy Costs above.

	2018 €	2017 €
Legal Fees – Legal Proceedings	0	0
Conciliation and Arbitration payments	0	0
Settlement	0	0
Total	0	0

Travel and Subsistence Expenditure

Travel and Subsistence expenditure is categorised as follows:

	2018 €	2017 €
Domestic		
- Commission Members	14,715	7,479
- Employees	89,060	65,010
International		
- Commission Members	0	0
- Employees	24,636	4,542
Total	128,411	77,031

Hospitality Expenditure

The income and Expenditure Account includes the following hospitality expenditure:

	2018 €	2017 €
Staff Hospitality	503	0
Client Hospitality	0	0
Total	503	0

GOVERNANCE STATEMENT AND BOARD MEMBER'S REPORT 2018

As part of the Commission members continuing oversight of the control environment in the WDC, the Commission receives regulatory assurances from the Senior Management Team in relation to legal and regulatory environment as it applies to public bodies including the following:

Off-Balance Sheet Transactions

There have been no off-balance sheet transactions between the balance sheet date and the date on which the financial statements were approved.

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 www.wdc.ie.

Communication

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. No customer complaints were reported or recorded in 2018.

Freedom of Information Acts, 2014

The Freedom of Information (FOI) Act 2014 provides that every person has, subject to certain exemptions specified in the Act, the right to:

- Access official records held by Government Departments and all public bodies that conform to the provisions of Section 6 of the Act;
- Have personal information held on them corrected or updated where such information is incomplete, incorrect or misleading; and
- Be given reasons for decisions taken by public bodies that affect them.

There were five FOI requests in 2018. All of which were dealt with in the timeframe.

Safety, Health and Welfare at Work Act, 2005

In accordance with the Safety, Health and Welfare at Work Act, 2005, the WDC has put in place procedures to comply with the provisions of the act and has prepared a safety statement that encompasses all of the aspects affecting staff and visitor welfare.

Prompt Payment of Accounts

Payment of invoices by the WDC is governed by the Prompt Payment of Accounts Act, 1997, as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2012. The regulations, which apply equally to the public and private sectors, provide an automatic entitlement to interest and compensation if payment for commercial transactions is late (after 30 days from the date of receipt). It is the policy of the WDC to ensure that all invoices are paid promptly and every effort, consistent with proper financial procedures, is being made to ensure that all suppliers are paid within this timeframe.

Prompt Payment to Suppliers

The WDC is committed to meeting its obligations under the 15-day Prompt Payment Rule, which came into effect on 1 July, 2011. This provision ensures that payments to suppliers in respect of all valid invoices received will be made within 15 calendar days. The WDC reports quarterly on the implementation of the 15 day Prompt Payment Rule.

The Prompt Payment results for 2018 can be viewed on the following link: <https://www.wdc.ie/about-us/prompt-payments/>

Ethics in Public Office Act, 1995

The WDC was brought within the scope of the Ethics in Public Office (Prescribed Public Bodies, Designated Directorships of Public Bodies and Designated Positions in Public Bodies) Regulations 2004 (S.I. No 699 of 2004) with effect from 1 January, 2005. WDC Commission members furnish statements of interests each year to the secretary, and copies have been provided to the Commission Secretary, Standards in Public Office Commission.

GOVERNANCE STATEMENT AND BOARD MEMBER'S REPORT 2018

General Data Protection Regulation (GDPR), 2018

The WDC is committed to ensuring the security and protection of the personal information that it processes, and to provide a compliant and consistent approach to data protection. There has always been a robust and effective data protection program in place which complies with existing law and abides by the data protection principles. However, the WDC recognises the obligations in updating and expanding this program to meet the demands of the new GDPR regime since 25th May 2018. In response to this the WDC have developed a GDPR Policy & Guidelines that seek to assist employees of the WDC in supporting the organisation's Data Protection Policy which outlines its commitment to protect the privacy rights of individuals in accordance with the legislation. These guidelines set out the areas of work in which data protection issues arise and outline best practice in dealing with these issues.

The WDC had no queries under GDPR in 2018.

Protected Disclosures Act, 2014

The WDC has a Protected Disclosure Policy in place which clearly outlines the procedures in place for the making of protected disclosures in accordance with the Protected Disclosures Act 2014.

There were no protected disclosures made to the WDC in 2018.

Employment Equality Acts, 1998 and 2004

The WDC is committed to a policy of equal opportunity and adopts a positive approach to equality in the organisation. The WDC operates a number of schemes that provide staff with options in relation to meeting their career and personal needs, such as job sharing, study leave, parental leave, and educational programmes.

Official Languages Act, 2003

The WDC comes under the remit of the Official Languages Act, 2003, which was signed into law on 14 July, 2003 to provide a statutory framework for the delivery of services through the Irish language. In accordance with Section 10 of the act, the Annual Report and Financial Statement are published in Irish and English.

Code of Conduct

- Codes of business conduct for all WDC Commission members have been signed and received by all relevant parties and complied with.
- Under the Standards in Public Office Act 2001, all relevant Commission Members/Employees of the WDC have disclosed Statements of Interest for the previous year.
- In accordance with the Code of Practice for the governance of State Bodies (2016) all Commission members completed a Commission Self-Assessment Questionnaire. It was completed by all eleven current Commission members and one former Commission member who re-signed during 2018. A report on the Commission Self-Assessment was completed in December 2018 and an action plan for improvement was agreed.

Government Pay Guidelines

- The WDC adheres to Government Pay Guidelines and to the Department of Rural and Community Development arrangements in relation to the remuneration of the Chief Executive and employees.
- Payment of Commission members and Chairperson fees and expenses are adhered to in relation to arrangements set out by the Government guidelines and our parent department.
- Details of the above remuneration and fees/expenses are outlined in the Annual Report and Financial Statements.

GOVERNANCE STATEMENT AND BOARD MEMBER'S REPORT 2018

Public Spending Code

The WDC are consistent in their approach to the requirements of the Public Spending Code. The key drivers that underpin the approach are detailed in the Procurement Plan:

- To contribute to the delivery of the planned efficiency savings targeted in the coming Financial Years;
- To support the National Procurement Policy Unit initiatives;
- To ensure value for money is being achieved;
- To enable the strategic objectives of the WDC to be met;
- To exercise control and stewardship in the use of public funds.

Tax Compliance

I can confirm that the WDC has complied in full with the appropriate tax laws and with its tax obligations in 2018 and there has been no issue reported.

Travel and Subsistence

The WDC Travel and Subsistence Policy and procedures are up to date and reflect the current rates as updated on 1st April 2017 for Travel and 1st October 2018 for Subsistence. Furthermore, all staff are aware of their responsibilities under the policy. The WDC is cognisant of the need to achieve economy and efficiency in relation to expenditure on travel and as per the Code of Practice for the Governance of State Bodies (2016), the total costs incurred in relation to travel and subsistence for the organisation are analysed between national and international travel.

Compliance with other Legislation

The WDC complies with corporate governance and other obligations including:

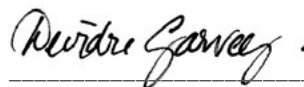
- Standards in Public Office Act 2001
- Disability Act 2005
- Regulation of Lobbying Act 2015

Statement of Compliance

The WDC has complied with the requirements of the *Code of Practice for Governance of State Bodies 2016* as published by the Department of Public Expenditure and Reform. The Commission members oversaw a review of the WDC's performance against the Code of Practice for Governance of State Bodies 2016. The Commission members can confirm that the WDC entered into proceedings with the Workplace Relations Commission regarding Section 14 of the Protection of Employees (Fixed-Term Work) Act, 2013 in relation to the transmutation of a Fixed Term Specific Duration contract to a Contract of Indefinite Duration (CID). The Statement of Compliance issue identified is addressed in more detail in the Statement of Internal Controls.

The Commission is satisfied with the level of compliance in relation to the Code of Practice for Governance of State Bodies 2016 as at year end 31st December 2018.

On behalf of the Commission



Dr Deirdre Garvey

Chairperson

Date: 18/12/2019

REPORT OF THE COMPTROLLER & AUDITOR GENERAL



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Western Development Commission

Opinion on the financial statements

I have audited the financial statements of the Western Development Commission for the year ended 31 December 2018 as required under the provisions of section 22 of 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, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Western Development Commission at 31 December 2018 and of its income and expenditure for 2018 in accordance with Financial Reporting Standard (FRS) 102 - *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Western Development Commission and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Western Development Commission has presented certain other information together with the financial statements. This comprises the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

Realised gains on equity investments

I draw attention to note 7 to the financial statements which discloses that significant gains of €28.3 million arose from the disposal by the Commission of equity investments in the year. In accordance with section 20 of the Western Development Commission Act 1998 the proceeds from the disposal are available to the Commission for future investment.

Seamus McCarthy
Comptroller and Auditor General
24 December 2019

REPORT OF THE COMPTROLLER & AUDITOR GENERAL

Appendix to the report

Responsibilities of Commission members

As detailed in the governance statement and Commission members' report, the Commission members are responsible for

- the preparation of financial statements in the form prescribed under section 22 of the Western Development Commission Act 1998
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 22 of the Western Development Commission Act 1998 to audit the financial statements of the Western Development Commission and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Western Development Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Western Development Commission to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

STATEMENT ON INTERNAL CONTROL 2018

Scope of Responsibility

On behalf of the Western Development Commission (WDC), I acknowledge the Commission's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore 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 detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the WDC for the year ended 31st December 2018 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The WDC has an Audit and Risk Committee (ARC) comprising two Commission members and two external members, with financial and audit expertise, one of whom is the Chair. The ARC met five times in 2018.

The WDC has also established an internal audit function, which is adequately resourced and conducts a programme of work agreed with the ARC.

The ARC has developed a risk management policy which sets out the risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The Commission of the WDC at its December 2017 meeting adopted this policy. The Policy has been issued to all staff that are expected to work within the WDC risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risk and controls within their own work area.

Risk and Control Framework

The WDC has a risk management process which enables the identification and assessment of risks that could impact business performance and objectives and ensures that appropriate mitigation plans are formulated to minimise the residual risk.

A Risk Register is in place which identifies the key risks facing the WDC and these have been identified, evaluated and graded according to their significance. The risk register is a standing order on both the Commission and ARC agenda and is reviewed at each meeting. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. The WDC can confirm that a control environment containing the following elements is in place:

- Procedures for all key business processes have been documented
- Financial responsibilities have been assigned at management level with corresponding accountability
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- There are systems aimed at enduring the security of the information and communication technology systems,
- There are systems in place to safeguard the assets, and
- Control procedures over funding to outside agencies ensure adequate control over approval of funds and monitoring and review of grantees to ensure funds have been applied for the purpose intended.

STATEMENT ON INTERNAL CONTROL 2018

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Commission, where relevant, in a timely way. The WDC can confirm that the following ongoing monitoring systems are in place;

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

The Commission believe that they have complied with the requirements of current procurement rules and guidelines as set by the Office of Government Procurement. Furthermore, the Commission are satisfied that the WDC has developed and implemented Procurement Policies, Procedures and all staff has been given the appropriate training. The WDC have also implemented a Corporate Procurement Plan which sets out the procurement objectives for the organisation.

Review of Effectiveness

The Commission confirms that the WDC has procedures to monitor the effectiveness of its risk management and control procedures. The WDC's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the ARC which oversees their work and the senior management within the WDC responsible for the development and maintenance of the internal financial control framework.

The WDC can confirm that the Commission conducted an annual review of the effectiveness of the internal controls for 2018.

Internal Control Issues

The Commission confirms that the WDC strives to maintain high standards of compliance with relevant employment Acts. In 2018 the WDC entered into proceedings with the Workplace Relations Commission (WRC) regarding Section 14 of the Protection of Employees (Fixed-Term Work) Act, 2013 in relation to the transmutation of a Fixed Term Specific Duration contract to a Contract of Indefinite Duration (CID). An employee commenced employment with the WDC in 2014 and was employed on a number of fixed term contracts. Due the successive contracts and continuous employment beyond a period of 4 years the employee was entitled to a contract of indefinite duration. In January 2019, the WRC Adjudication Officer upheld the claim that the contract was, through the operation of law, a contract of indefinite duration. In order to comply with the findings a sanction was obtained from the Department of Rural and Community Development and a CID awarded.

The Commission members sought an external review of HR procedures and existing fixed term contracts. The review led to the regularisation of the contracts of two staff, within headcount, on long term contracts, the development of a Fixed Term Policy and an updated HR policy. The Commission members are satisfied, on that basis, that the WDC is in compliance with the relevant Employment Acts.

Signed on behalf of the Board:



Dr. Deirdre Garvey

Chairperson

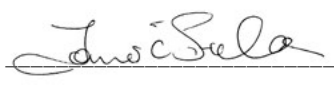
Date: 18/12/2019

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED RESERVES FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2018	2018	2018	2017
		€	€	€	€	€
	Note	Western Development Commission	Western Investment Fund	EU Grants Funding	Total	Total
Income						
Oireachtas Grant	2	1,394,175	0	0	1,394,175	1,374,820
EU Grants	3	0	0	766,502	766,502	826,658
Other income	4	54,214	0	0	54,214	11,413
Transfer to EU Grants Funding		0	0	0	0	0
Investment income	5	0	131,276	0	131,276	195,682
Net Deferred Funding for Pensions	15	344,000	0	0	344,000	260,000
Total Income		1,792,389	131,276	766,502	2,690,167	2,668,573
Expenditure						
Operating Costs	6A/B	(1,770,780)	0	(799,128)	(2,569,908)	(2,656,906)
Operating surplus/(Deficit) for the year		21,609	131,276	(32,626)	120,259	11,667
Increase/(Decrease) in value of financial assets	7	0	35,342,794	0	35,342,794	(753,847)
Surplus for the year before appropriations		21,609	35,474,070	(32,626)	35,463,053	(742,180)
Transfer from (to) capital account		5,253	0	0	5,253	583
Surplus for the year after appropriations		26,862	35,474,070	(32,626)	35,468,306	(741,597)
Reserves at 1 January		694,289	37,254,647	84,040	38,032,976	38,774,573
Reserves at 31 December		721,151	72,728,717	51,414	73,501,282	38,032,976

The statement of cash flows and the notes 1 to 18 form part of these financial statements.

Dr. Deirdre Garvey: 
Chairperson

Tomás Ó Síocháin 
CEO

Date: 18/12/19

Date: 18/12/19

STATEMENT OF COMPREHENSIVE INCOME

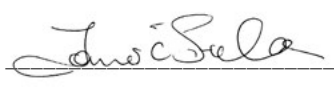
FOR THE YEAR ENDED 31ST DECEMBER 2018

	2018 €	2017 €
Surplus/(Deficit) for the year	<u>35,468,306</u>	<u>(741,597)</u>
Experience gains/(losses) arising on the scheme liabilities	294,000	(835,000)
Losses arising due to changes in assumptions	0	0
Actuarial gains/(losses) on pension liabilities	<u>294,000</u>	<u>(835,000)</u>
Adjustment to deferred pension funding	(294,000)	835,000
Total recognised gains/(losses) for the year	<u>35,468,306</u>	<u>(741,597)</u>

The statement of cash flows and the notes 1 to 18 form part of these financial statements.

Dr. Deirdre Garvey: 
Chairperson

Date: 18/12/19

Tomás Ó Síocháin 
CEO

Date: 18/12/19

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2018

	Notes	2018 €	2017 €
Fixed Assets			
Property, Plant and Equipment	9	12,177	17,430
Financial Assets	10	72,728,717	37,254,647
		<hr/> 72,740,894	<hr/> 37,272,077
Current Assets			
Cash and Cash Equivalents		652,946	634,811
Receivables	11	<hr/> 304,637	<hr/> 296,838
		957,583	931,649
Current Liabilities			
Payables	12	<hr/> (185,018)	<hr/> (153,320)
Net Current Assets		772,565	778,329
Total Assets Less Current Liabilities before pensions		<hr/> 73,513,459	<hr/> 38,050,406
Deferred Pension funding		5,170,000	5,120,000
Pension liabilities		(5,170,000)	(5,120,000)
Total Assets Less Current Liabilities		<hr/> 73,513,459	<hr/> 38,050,406
Representing			
Investment Fund	10	72,728,717	37,254,647
EU Grants/NPP		51,414	84,040
Retained Revenue Reserves		721,151	694,289
Capital Account	13	12,177	17,430
		<hr/> 73,513,459	<hr/> 38,050,406

The statement of cash flows and the notes 1 to 18 form part of these financial statements.

Dr. Deirdre Garvey: 
Chairperson

Date: 18/12/19

Tomás Ó Siocháin: 
CEO

Date: 18/12/19

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2018

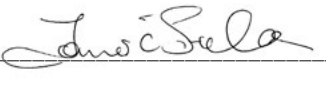
Reconciliation of Surplus/(Deficit) to Cashflow from Operating Activities

	2018	2018	2018	2018	2017
	€	€	€	€	€
	<i>Western Development Commission</i>	<i>Western Investment Fund</i>	<i>EU Grants Funding</i>	<i>Total</i>	<i>Total</i>
Excess income over expenditure	26,862	131,276	(32,626)	125,512	12,250
Depreciation and impairment of fixed assets	14,021	0	0	14,021	16,830
Transfer to capital account	(5,253)	0	0	(5,253)	(583)
Transfer to/(from) NPP	0	0	0	0	0
Bank interest	0	8,313	0	8,313	2,745
Dividends	0	0	0	0	0
(Increase)/Decrease in Receivables	(7,799)	0	0	(7,799)	(8,066)
Increase/(Decrease) in Payables	31,698	0	0	31,698	14,706
Cash (Inflow)/Outflow from Operating Activities	59,529	139,589	(32,626)	166,492	37,882
Net Cash Flows from Investing Activities					
Payments to acquire PPE	(8,768)	0	0	(8,768)	(16,247)
Payments to acquire equity	0	(3,403,988)	0	(3,403,988)	(397,086)
Payments to acquire debt instruments	0	(339,000)	0	(339,000)	(142,000)
Receipts from debt instruments	0	757,669	0	757,669	1,491,646
Receipts from equity	0	29,071,764	0	29,071,764	14,969,219
Net Cash Inflow from Investing Activities	(8,768)	26,086,445	0	26,077,677	15,905,532
Net Cash Flows from Financing Activities					
Bank interest received	0	(8,313)	0	(8,313)	(2,745)
Dividends received	0	0	0	0	0
Transfer to EU Grants Funding	0	0	0	0	0
Net Cash Inflow from Financing Activities	0	(8,313)	0	(8,313)	(2,745)
Net Increase/(Decrease) in Cash and Cash Equivalents	50,761	26,217,721	(32,626)	26,235,856	15,940,669
Cash and Cash Equivalents at 1 January	377,009	21,686,563	257,802	22,321,374	6,380,705
Cash and Cash Equivalents at 31 December	427,770	47,904,284	225,176	48,557,230	22,321,374

Cash and Cash equivalents at year end are split between Cash held for reinvestment and ordinary bank balances.

The statement of cash flows and the notes 1 to 18 form part of these financial statements.

Dr. Deirdre Garvey: 
Chairperson

Tomás Ó Síocháin: 
CEO

Date: 18/12/19

Date: 18/12/19

NOTES TO THE FINANCIAL STATEMENTS

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, Ballaghaderreen, 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 2018 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.

The WDC does not recognise the value of the equity investments, as it does not exercise control over the entities.

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

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.

In the case of a sale of equity investments, any amounts held in escrow are not recognised in the SOFP but instead they are recognised when received.

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

Concessionary Loans

In accordance with Section 34 of FRS 102, the Western Development Commission grants public benefit entity concessionary loans i.e. loans which are granted for the purpose of furthering the objectives of the WDC, are not repayable on demand and are granted at below the prevailing market rate of interest. Loans are initially recognised in the Statement of Financial Position at the amount paid, subsequently the carrying amount in the financial statements shall be adjusted to reflect any accrued interest payable or receivable. Repayable loans are reviewed annually for indications of impairment and any impairment losses are recognised in the Statement of Income and Expenditure and Retained Revenue 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.

Cash Balances

In addition to equity investments, loans and fee income, the Western Development fund also comprises of a cash balance to fund future investments.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when WDC transfers to another party substantially all the risks and rewards of ownership of the financial asset, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

In the case of loans, loans are derecognised, when the right to receive cash flows from the loans has expired, usually when all amounts outstanding have been repaid by the entity. WDC does not transfer loans to third parties for recovery.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

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.

h) Northern Periphery Programme

The Northern Periphery Programme 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 2018 and continuing at the present time (This support has included creative economy project such as Creative momentum, Spot-Lit and Renewable projects such as Leco, RE-DIRECT and GREBE).

In general, partners located in EU Member States may apply a grant rate of up to 65% and partners located in the Non-EU partner countries may apply a grant rate of up to 50-65%, depending on the country. In exceptional circumstances, the Monitoring Committee may approve a higher grant rate. The WDC participate in the programme by making a contribution of approx. 35% of the costs associated with each project by using an in-kind contribution of WDC Core Staff Wages & Salaries and absorption of the office costs associated over the lifecycle of the projects. The WDC has participated in these projects as both a lead partner and a project partner. As lead partner claims are made directly by the WDC on behalf of the wider project partnership directly to the secretariat of the NPP Interreg body. Prior to any claim being made 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)

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

	2018	2018	2017	2017
Notes	€	€	€	€
Department of Environment, Community and Local Government (Vote 33 Subhead E.5)	1,439,637		1,411,812	
Employee Pension Contributions	(45,462)		(36,992)	
Operating Grant*		1,394,175		1,374,820

* 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 2018. The Department notified the Western Development Commission on the 6th January 2018.

3. EU Income

	2018	2018	2017	2017
Notes	€	€	€	€
EU income		766,502		826,658

The Northern Periphery Programme is an EU regional development fund programme under the Interreg strand. In general, partners located in EU Member States may apply a grant rate of up to 65% and partners located in the Non-EU partner countries may apply a grant rate of up to 50-65%, depending on the country. In exceptional circumstances, the Monitoring Committee may approve a higher grant rate. The WDC participate in the programme by making a contribution of approx 35% of the costs associated with each project by using an in-kind contribution of WDC Core Staff Wages & Salaries and absorption of the office costs associated over the lifecycle of the projects.

4. Other Income

	2018	2018	2017	2017
Notes	€	€	€	€
Other Income		54,214		11,413
		54,214		11,413

5. Investment Income

	2018	2018	2017	2017
Notes	€	€	€	€
Loan interest received		107,564		187,565
Dividends on investment		0		0
Deposit interest received		(8,313)		(2,745)
Arrangement fees		32,025		10,862
		131,276		195,682

NOTES TO THE FINANCIAL STATEMENTS (Contd)

6a. Operating Costs

– The Western Development Commission

		2018	2017
	Notes	€	€
Salaries (including employers PRSI)		874,047	800,626
Travel and Subsistence - Staff		57,501	69,522
Pension Costs	15A	319,538	261,008
Training & Development		31,944	19,777
Public Relations (incorporating Look West campaign)		1,582	10,000
Professional Fees (incorporating Look West campaign)		112,397	168,493
Professional Fees -Western Investment Fund		22,205	66,731
Staff Recruitment		27,240	34,925
Board Members			
Travel and Subsistence		14,715	6,638
Fees		35,910	21,364
Meetings & Seminars		4,674	25,602
Board Sub-committee's / Advisory Panels			
Travel and Subsistence		3,400	842
Printing & Design		18,426	15,110
Office Expenses		40,462	32,854
Light and Heat		5,875	5,485
Repairs and Maintenance		9,188	9,884
Insurance		11,774	10,171
Audit Fee		13,000	12,000
Accountancy and Internal Audit		29,554	30,447
Advertising, Marketing & Subscriptions		99,150	154,427
(incorporating Look West campaign)			
Telecommunications		23,884	18,635
Depreciation	9	14,021	16,830
Sundry		293	1,496
		1,770,780	1,792,867

Direct Wages & Salaries for staff contracted to work fully on EU Grants/NPP are shown under expenditure for EU Grants/NPP.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

6b. Operating Costs – Northern Periphery Programme (NPP)

	2018	2017
	€	€
Salaries (including employers' PRSI)	203,861	126,702
Travelling and Subsistence - Staff	56,195	43,434
Professional Fees	146,435	87,198
Staff Recruitment	0	2,952
Meetings and Conferences	382	1,313
Printing	3,155	763
Promotion and Publications	1,485	14,098
Office expenses	4,863	10,563
Regional Approaches to Stimulating Local Renewable Energy Solutions, EU partner payments	382,752	577,016
	799,128	864,039

Direct Wages & Salaries for staff working fully on EU projects are charged to the financial statements under EU NPP Expenditure. The Western Development Commissions contribution to associated costs over the project lifecycle are absorbed in the Operating Costs of the Western Development Commission. Claims are scheduled on a six-monthly basis however, some claim dates may fall outside of the calendar year and claim processing and lead times by the NPP is observed to be twelve to eighteen months.

6c. Key Management personnel

Key management personnel in Western Development Commission consist of the CEO and members of the Commission. Total compensation paid to key management personnel, including Commission members' fees and expenses and total CEO remuneration, amounted to €141,195, (2017: €130,574).

6d. Staff Costs

	2018	2017
	€	€
Salaries (including employers' PRSI)	949,641	868,608
Temporary Support Staff (Professional Services)	0	29,360
	949,641	897,968

2018 18 Full time equivalent (FTE) = 16.9

2017 19 Full time equivalent (FTE) = 17.8

Employee's short-term benefits in excess of €60,000 are categorised in the following bands:

Salary Band (€) 2018	Staff Number	Salary Band (€) 2017	Staff Number
60,000 – 70,000	2	60,000 – 70,000	1
70,000 – 79,000	0	70,000 – 79,000	0
80,000 – 89,000	3	80,000 – 89,000	2
90,000 – 99,000	1 *	90,000 – 99,000	0

* From January to August 2018

Note: For the purpose of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary and other payments made on behalf of the employee, but exclude employer's PRSI.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

6e. CEO Salary

	2018 €	2018 €	2017 €	2017 €
	Fees	Travel & Subsistence	Fees	Travel & Subsistence
Mr Ian Brannigan (Acting CEO & Head of Regional Development) <i>16th January 2014 - 31st August 2018</i>	51,849	4,614	89,262	12,467
Mr Tomás Ó'Siocháin <i>24th September 2018</i>	20,279	3,477	0	0

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 CEOs. Tomás Ó'Siocháin and Ian Brannigan are normal members of the Western Development Commission superannuation scheme and their pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme.

6f. Pension Levy

In 2018, €39,767 was deducted from staff by way of pension levy (2017: €33,099) and was paid over to the Department of Rural and Community Development.

7. Change in value of financial assets

	2018 €	2017 €
(Increase)/Decrease in provision against loans	(64,775)	(169,243)
(Increase)/Decrease in provision against equity	1,115,228	219,338
Provision reclassified as written off investments	(1,105,000)	(1,048,006)
Increase in Fair Value of Equity Investments	35,397,341	244,063
Increase/(Decrease) in value of financial assets	35,342,794	(753,848)

Included in the increase in fair value of equity investments above are gains of €28,273m which were realised in the year from disposals of equity investments. The gains will be retained and reinvested in accordance with the Western Development Commission Act 1998.

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.

9. Fixed Assets

	2018 €	2017 €
Cost/Valuation At 1 January	201,255	185,008
Additions in Year	8,768	16,247
Disposals	0	0
Balance at 31 December	210,023	201,255
Accumulated Depreciation	183,825	166,995
Charge for period	14,021	16,830
Disposals	0	0
Balance at 31 December	197,846	183,825
Net Book Value at 31 December	12,177	17,430

Fixed Assets is comprised of Fixtures and Fittings NBV €914, (2017: €1,216) and Computer Equipment NBV €11,262, (2017: €16,213).

NOTES TO THE FINANCIAL STATEMENTS (Contd)

10. Financial Assets

		2018	2017
		€	€
Equity Investments at fair value	10a	13,960,953	6,376,286
Equity Investments at cost	10a	7,963,306	5,808,180
Loans	10b	2,900,173	3,383,617
Fee income	10c	352,923	320,898
Cash balance available for reinvestment	10d	47,551,362	21,365,666
		<u>72,728,717</u>	<u>37,254,647</u>

10a. Unquoted Equity Investments

	2018	2017
	€	€
Cost		
Opening Value at 1 January	6,662,302	11,019,584
Additions	3,403,988	397,086
Cost of Disposals	(726,736)	(3,706,362)
Write offs	(1,105,000)	(1,048,006)
Cost at 31 December	<u>8,234,554</u>	<u>6,662,302</u>
Revaluation		
Opening Balance at 1 January	9,431,882	20,450,676
Reversal on Sale	(28,345,028)	(11,262,857)
Movement in Revaluations	35,397,341	244,063
Balance at 31 December	<u>16,484,195</u>	<u>9,431,882</u>
Provision for diminution		
Opening Balance at 1 January	(3,909,718)	(4,129,056)
Reversal on Sale	894,306	450,234
Movement in Provision	220,922	(230,896)
	<u>(2,794,490)</u>	<u>(3,909,718)</u>
Valuation at 31 December	<u>21,924,259</u>	<u>12,184,466</u>

10b. Loans

	2018	2017
	€	€
Cost		
Opening Value at 1 January	4,481,516	5,831,162
Additions	339,000	142,000
Loan Repayments	(757,669)	(1,491,646)
Write offs	0	0
Cost at 31 December	<u>4,062,847</u>	<u>4,481,516</u>
Provision for Diminution in Value/ Revaluations		
Opening Balance at 1 January	(1,097,899)	(928,656)
Movement in Provision/ Revaluations	(64,775)	(169,243)
Balance at 31 December	<u>(1,162,674)</u>	<u>(1,097,899)</u>
Valuation at 31 December	<u>2,900,173</u>	<u>3,383,617</u>
Receivable within 12 months	579,480	789,519
Receivable after 12 months	3,483,367	3,691,997

10c. Fee Income

	2018	2017
	€	€
Fee income at 1 January	320,898	310,034
Fee income in the period	32,025	10,864
Utilised in the period		
Balance 31 December	<u>352,923</u>	<u>320,898</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd)

10d. Cash balances available for reinvestment

	2018	2017
	€	€
Cash balances at 1 January	21,365,666	5,259,067
Equity disposals/loan repayments in the period	29,829,433	16,460,865
Amounts reinvested in equity/loans in period	(3,643,737)	(354,266)
Cash balances at 31 December	47,551,362	21,365,666
Amounts reinvested in equity/loans in period		
Loan interest	107,564	187,565
Dividends	0	0
Deposit int rec/(charged)	(8,313)	(2,745)
Investment - equity additions	(3,403,988)	(397,086)
Investment - loan additions	(339,000)	(142,000)
	(3,643,737)	(354,266)

Funds in the amount of \$104,025/€90,598 and €50,378 (2017: USD\$1,739,492/(€1,450,786) and €50,378) re disposal of investments were held by third parties in escrow on WDC's behalf at the reporting date. In accordance with WDC's accounting policy, these fund will be recognised when WDC receives the funds.

11. Receivables

	2018	2017
	€	€
Debtors	0	8,000
Prepayments	30,426	18,328
EU Grants/NPP Grants Receivable	274,211	270,510
	304,637	296,838

12. Payables

	2018	2017
	€	€
Creditors & Accruals	185,018	153,320
	185,018	153,320

13. Capital Account

	2018	2018	2017	2017
	€	€	€	€
Balance at 1 January		17,430		18,013
Transfer to Income and Expenditure Account:				
- Funds allocated to acquire Fixed Assets	8,768		16,247	
- Amount released on disposal	0		0	
- Amount amortised in line with asset depreciation	(14,021)		(16,830)	
		(5,253)		(583)
		12,177		17,430

NOTES TO THE FINANCIAL STATEMENTS (Contd)

14. Future Commitments - WIF

	2018	2018	2017	2017
	Equities	Loans	Equities	Loans
	€	€	€	€
Opening Commitments	4,201,819	125,000	3,728,405	100,000
Approvals	3,544,500	699,555	3,170,500	167,000
De-commitments	0	0	(2,300,000)	0
Disbursals	(3,403,988)	(339,000)	(397,086)	(142,000)
Closing Commitments	<u>4,342,331</u>	<u>485,555</u>	<u>4,201,819</u>	<u>125,000</u>

15. Retirement Benefit Costs

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

	2018	2017
	€	€
Current service costs	270,000	220,000
Interest on retirement benefit scheme liabilities	95,000	78,000
Employee contributions	(45,462)	(36,992)
	<u>319,538</u>	<u>261,008</u>

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

	2018	2017
	€	€
Net retirement benefit obligation at 1 January	(5,120,000)	(4,025,000)
Current service costs	(270,000)	(220,000)
Interest costs	(95,000)	(78,000)
Actuarial gain/(loss)	294,000	(835,000)
Pensions paid in the year	21,000	38,000
Net retirement benefit obligation at 31 December	<u>(5,170,000)</u>	<u>(5,120,000)</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:

	2018	2017
	€	€
Funding recoverable in respect of current year retirement benefit costs	365,000	298,000
State grant applied to pay retirement benefits	(21,000)	(38,000)
	<u>344,000</u>	<u>260,000</u>

The deferred funding asset for retirement benefits at 31st December 2018 amounts to €5.170M (2017: €5.120M).

NOTES TO THE FINANCIAL STATEMENTS (Contd)

d) History of defined benefit obligations

	2018	2017	2016	2015
	€	€	€	€
Defined benefit obligations	5,170,000	5,120,000	4,025,000	3,577,000
Experience losses(gains) on defined benefit scheme liabilities	294,000	(835,000)	(138,000)	(100,000)
Percentage of plan liabilities	-5.7%	-16.3%	3.4%	2.8%

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 2018.

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:

	2018	2017
	€	€
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%	1.85%
Inflation rate	1.75%	1.75%

Average future life expectancy

	2018	2017
	€	€
Male aged 65	21.4 years	21.2 years
Female aged 65	23.8 years	23.7 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 2018.

There was no related party transactions in the years 2018 or 2017.

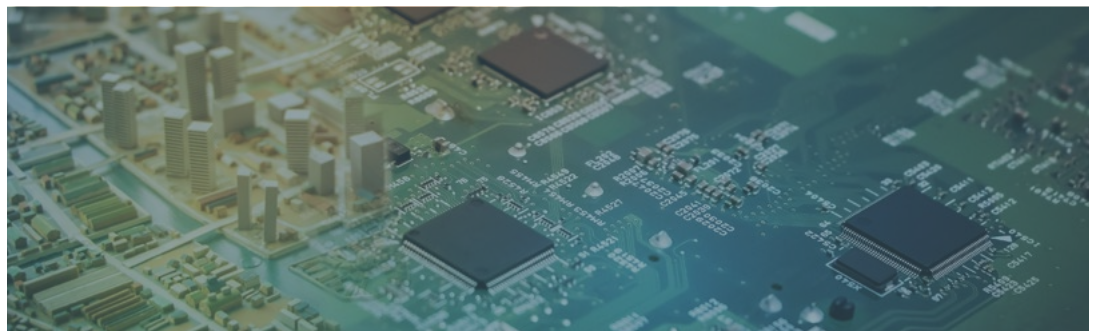
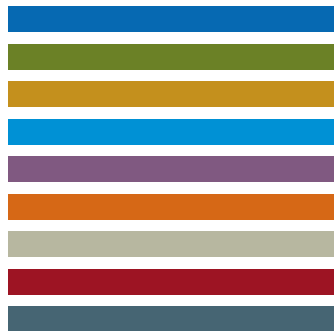
NOTES TO THE FINANCIAL STATEMENTS (Contd)

17. Events after the Reporting Date

No events after the year end to report.

18. Approval of financial statements

The Commission approved these Financial Statements for issue on 19/12/2018.



GLOSSARY



GLOSSARY

AEC	Atlantic Economic Corridor
AECO	Atlantic Economic Corridor Officer
ARC	Audit and Risk Committee
BCE	Blue Circular Economy
BLITZ	Business of Literature Zones
CER	Commission for Energy Regulation
CSO	Central Statistics Office
DACS	Digital Array Control System
ERDF	European Regional Development Fund
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
GVA	Gross Value Added
GDP	Gross Domestic Product
IDA	Industrial Development Authority
IWFM	Irish Wood and Manufacturing Network
LECo	Local Energy Communities
LW	LookWest.ie
NPAP	Northern Periphery and Arctic Programme
NPF	National Planning Framework
NWRA	Northern & Western Regional Assembly
PAICCS	Proair Indoor Climate Control System
RESS	Renewable Electricity Support Scheme
RSES	Regional Spatial and Economic Strategies
RSF	Regional Skills Forum
SAW	Smart Atlantic Way
SMEs	Small and Medium sized Enterprises
SRDO	Strategic Regional Development Office
WDC	Western Development Commission
WIF	Western Investment Fund
WRAP	Western Regional Audio-visual Producers Fund
WRSF	Western Regional Skills Forum





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

Tel: +353 (0) 94 9861441
Fax: +353 (0) 94 9861443
Email: info@wdc.ie
Website: www.wdc.ie