

WESTERN
DEVELOPMENT
COMMISSION

Annual Report 2019



Supporting communities to grow,
investing in businesses to scale and planning
for the future of the western region.

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Chairperson's Foreword

The WDC have provided regional leadership in 2019 in the coordination of the AEC, the initiation of a Remote Working Taskforce and the development of DigiWest Hubs.

The Western Development Commission (WDC) entered a new phase of development in 2019 with the launch its five year strategic plan "Work Smarter, Live Better". The strategic themes of **Regional Promotion, Regional Leadership** and **Sustainable Enterprise** are guiding our decisions on key regional projects in a coherent way to continue to impact both social and economic development. The CEO has provided the leadership for the implementation of this plan in resource allocation, organisational structure and introduction of new systems. This has been a year of growth and positive change for the WDC. The Board of the WDC has maintained a strong focus on oversight and governance with the completion of a governance review in 2019.

The WDC have provided regional leadership in 2019 in the coordination of the AEC, the initiation of a Remote Working Taskforce and the development of DigiWest Hubs. The exceptional investment return of the Western Investment Fund (WIF) has once again been a key strength and has enabled a strategic approach to regional growth sectors. The WDC also have a key role to play in the region in the Social Enterprise and Community sector. This is aligned to the national strategy on Social Enterprise. The WDC *Insights* reports have continued to provide valuable inputs for the organisation and the region. The work-in-progress on the impact of "Transitioning to a low carbon economy" on rural areas is important for the future development of the region.

Chairperson's Foreword

Our stakeholder analysis in the strategic planning process highlighted the need to create awareness of the work of the WDC and the opportunities the region provides. A number of new campaigns and events were delivered in the implementation of these objectives and in collaboration with other agencies.

Change can bring both challenges and opportunities and I would like to acknowledge the hard work and commitment of all of the staff in the first year of delivery of this strategic plan. 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.



Dr Deirdre Garvey

Chairperson

Western Development Commission

Chief Executive's Report

The WDC embraced significant change throughout 2019. Our new office locations in Sligo and Galway, and our commitment to remote working will allow us to continue to be engaged and informed and best placed to respond to regional needs.

The 'Work Smarter, Live Better' strategy, published by the Western Development Commission during 2019, sets out the roadmap for the organisation for the coming five years. The strategy is built on three pillars, Regional Promotion, Regional Leadership and Sustainable Enterprise, reflecting the organisation's strategic goals in the short, medium and long term. This annual report outlines the progress made during 2019 and the key areas of focus for the year ahead.

There was significant growth in the WDC investment fund in 2019. The value of the fund now stands at €72.6m, with an available balance of €45m for investment and lending. During the year, €6.9m in investment and lending was approved across 44 businesses and projects. 38 policy reports were published, including a Labour catchment analysis of 26 towns in our region, the first time such granular analysis has been conducted. The WDC led, or was a partner in national projects to the value of €3.5m in 2019, and a national partner in 6 EU projects. A key focus was the Atlantic Economic Corridor, as set out in Project Ireland 2040. The WDC is co-ordinating agency for this Government initiative, which aims to build a region of scale over the next 20 years.

The WDC embraced significant change throughout 2019. Our new office locations in Sligo and Galway, and our commitment to remote working will allow us to continue to be engaged and informed

Chief Executive's Report

and best placed to respond to regional needs. I want to thank my colleagues in the WDC who have embraced these changes, and to welcome new colleagues who joined the organisation over the last year.

A key focus during the year was reviewing and improving internal structures to deliver the strategy. The review of information systems, in particular, has led to a planned renewal programme for 2020. This will allow the WDC to work more effectively across multiple locations and to better measure and assess the regional impact of our work.

2019 was a very busy, but very productive, year. My WDC colleagues have led this progress, driven by their absolute commitment to the region and its development. The Board of the WDC have been unstinting in their support, ably led by Dr Deirdre Garvey as Chair, and for that I am very grateful.

The WDC does not act alone, and the support of regional and national stakeholders, both public and private, and the on-going support of the Department of Rural and Community Development, in particular, is greatly appreciated. I look forward to continuing to work with all towards balanced, sustainable regional development.



Tomás Ó Síocháin

Chief Executive Officer

Western Development Commission



Our Mission

To foster and promote
economic and social
development in the region.

Our Mission

The Western Development Commission Act of 1998 sets out a clear and wide-ranging mandate for the organisation. This mandate extends to supporting business, social enterprises and projects with the aim of encouraging economic and social development in the Western Region.

It provides for the WDC to co-operate with, and coordinate, national, regional and local state bodies and to promote infrastructural and other initiatives that will support business and social enterprise in the region.

The Act provides for the WDC to consult with the Minister for Rural and Community Development and other Ministers of the Government on any matter relating to its mandate insofar as they relate to the Western Region.

The Act also provides for the WDC to operate an investment fund to enable it to further the economic and social development of the region.

Our Vision

To develop a globally competitive region
of vibrant connected communities that
work smarter and live better



‘Live Better, Work Smarter’ Strategy 2019–2024

Work Smarter

Connectivity and sustainability are key drivers, supporting and creating sustainable business that supports communities across the Western Region, in a way that protects our unique environment. Working collaboratively with others, we will support and create opportunities that balance the needs of our region, its people, and future, building on existing and emerging sectoral and indigenous strengths.

Our Vision

Is to work collaboratively to promote our region at a global level and to identify, analyse and seek to mitigate and overcome the challenges at a regional level.

Live Better

We will promote the Western Region as a globally competitive region with an exceptional work-life balance. We will work to mitigate regional disparity, both within the region and with other regions, and lead in offering a balance of smarter working opportunities and equality of opportunity and access to state supports for all citizens across the region.

We Recognise That

Despite significant, and on-going, social environmental and technological change, the Western Region of Ireland offers a work-life balance and personal and professional opportunities to progress that are among the best in the world.

Structure of the WDC

The Western Development Commission (WDC) is a statutory body that was established by statute in 1998 to promote both social and economic development in the Western Region (defined as the counties of Donegal, Leitrim, Sligo, Mayo, Roscommon, Galway and Clare).

It has a statutory obligation to advise the Government on issues that impact on the Western Region and to promote Government policy that is directed at improving social and economic standards in the region. It manages the WDC Investment Fund to provide loans and equity to business and local communities in the Western Region.

The Commission has eleven members appointed by the Minister for Rural and Community Development. The WDC has offices in Ballaghaderreen, Co. Roscommon, Bridge St. in Sligo and Newcastle in Galway city. The organisation has a full time equivalent of 24.6 staff (inc Secondment). The Western Development Commission is a trusted organisation with expertise in policy analysis, regional development and fund management.



Structure of the WDC

2019 Board

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

Ref	Board Member	Role	Date of Appointment	Current terms end
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	Micheál Frain	Ordinary Member	August 2017	August 2020
5	Henry McGarvey	Ordinary Member	August 2017	August 2020
6	Yvonne Shields	Ordinary Member	August 2017	August 2020
7	Auveen O'Neill	Ordinary Member	August 2017	August 2020
8	Professor Mary Corcoran	Ordinary Member	August 2017	August 2020
9	Christy Loftus	Ordinary Member	August 2017	August 2020
10	John Kelleher	Ordinary Member	August 2017	August 2020
11	Edmund Jennings	Ordinary Member	August 2018	August 2021



The Region



Situated along the leading edge of Europe, Ireland's Western Region is an area of unparalleled physical beauty. It is a region of contrasts, home to a global med-tech hub, an acknowledged industrial expertise in sensors and mobility and a burgeoning creative economy. The WDC has played a significant role in the economic growth of the region, investing €56.6m in 187 SMEs, micro and social enterprises, directly creating 2,500 jobs and generating an annual spend of €24m on R&D.

In 2019 there were 54,410 enterprises registered in the Western Region. The Western Region is home to 17.4% of total enterprises in Ireland. The majority are micro-enterprises 92.7% in the Western Region compared with 91.6% in the rest of the state. Roscommon (94.6%) and Leitrim (94.4%) have the highest shares of micro-enterprises in the state.

The Western Region, Donegal, Sligo, Leitrim, Mayo, Roscommon, Galway and Clare is a largely rural region which takes in some of the most remote parts of the state. Using the CSO definition 64.7% in of the population live outside of towns of 1,500 or more. Using the definition in Ireland 2040 [the National Planning Framework] 80% of people in Western Region live outside of towns of 10,000.

Strategic Pillar 1

Regional Promotion

We will promote the Western Region, engaging people in the work that we do.

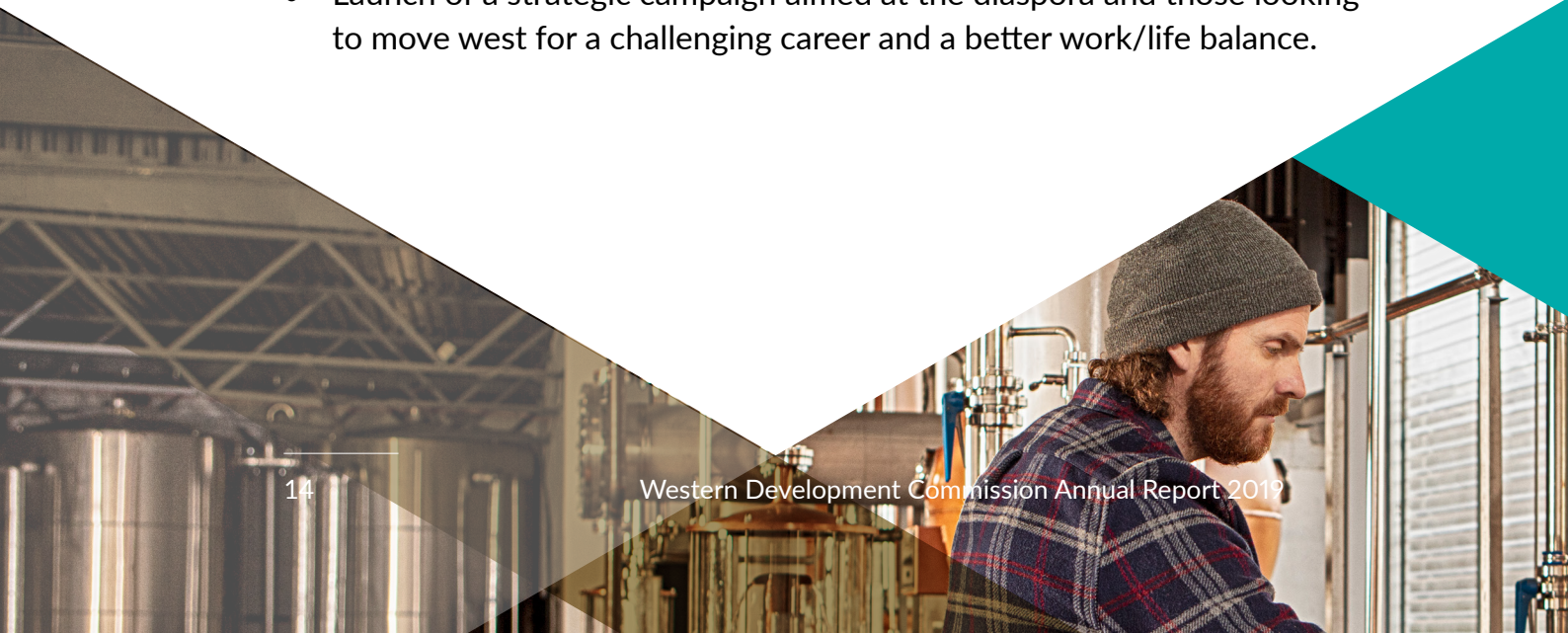
Progress in 2019

- Telling the story of the region through social media and online campaigns.
- Building the communications network and brand of the Atlantic Economic Corridor
- Building relationships with key media across the region.
- Supporting key events in emerging sectors.

Working with others, we will inform and support those living, working or drawn to the renowned quality of life and beautiful region in which we live

Focus for 2020 and beyond

- Launch of the talent tool – to capture the skills and workers ready to move west. Q3
- Launch of our new image bank – enterprise in action across 10 counties. Q3
- Launch of our new WDC website. Q3
- A flagship event in Q4.
- Launch of a strategic campaign aimed at the diaspora and those looking to move west for a challenging career and a better work/life balance.



Strategic Pillar 2

Regional Leadership

We will take a lead role in informing, and where appropriate, delivering national and regional policies and programmes

Progress in 2019

The WDC is the co-ordinating agency for the Atlantic Economic Corridor Project, a key initiative of Ireland 2040, which seeks to grow the region from Donegal to Kerry significantly in the coming 20 years, to seek a more balanced regional development, economic growth to support the projected growth in population and public spaces and infrastructure that complement the quality of life on offer along the Atlantic Coast.

The €1m AEC Enterprise Hubs Project seeks to create a network of hubs from Donegal to Kerry. This project is a national pilot, which will classify the facilities offered by enterprise hubs, co-working spaces, and other facilities that cater for entrepreneurs, employers and employees. To date, more than 100 hubs have been identified. The AEC is one of three significant projects led by the WDC. The cumulative value of this and other Regional Leadership projects; including Digiwest and an Educational Learning Hub in Tullycross is €3.56m in total.



Regional Leadership

Creative Economy

In 2019 the WDC's support and leadership of this sector encompassed the following:

WDC appointed lead with Údarás na Gaeltachta and Local Economic Offices) on Department of business, Enterprise and Innovation, West Regional Enterprise Plan which has as a strategic objective the growth of the Creative Economy in the region.

The West Regional Audio-visual Producer's (WRAP) Fund has funded 6 productions to date which has generated €9.6m in direct expenditure across the region, generating an 11:1 return on the investment made.



Regional Leadership

Profile of Economic Sectors in the Western Region

The Policy Analysis team published 10 reports on Regional Sectoral Profiles' analysing specific economic sectors in the Western Region and identifying key policy issues.

Each report examines employment over time and by gender, as well as self-employment, in each sector in the Western Region, western counties and towns. It also analyses enterprise numbers in the Western Region and counties. Based on this analysis, key policy issues are identified. Two publications on each sector are available; a summary report and a full report.

- 53 Policy blog posts, 38 reports, 11 WDC Insights, 11 Submissions and 3 Conference inputs

Labour catchment analysis of 26 towns in our region.

These 26 smaller catchments provide insights into the travel to work patterns and labour catchments of workers living in smaller centres. This is the first time such detailed labour market analyses has been undertaken for the smaller centres across the Western Region. These data and findings can inform local and regional economic development and help support appropriate policies to ensure optimal local and 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 and SME support.

In total almost €13.5 M in active EU funding was undertaken by the WDC and its regional partners in 2019.



ReDirect

Developing regional businesses in emerging Biomass markets

RE-DIRECT is a North West Europe Interreg project led 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. This is a €5m project.



Regional Leadership

EU Projects

Bizmentors

Enabling Regional SME Growth Through Open Assessment Mentoring Access

The WDC were successfully awarded EU funding to develop and pilot an SME support project with partners from Finland, Iceland, Ireland and Northern Ireland. BizMentors International (BM) is a three-year (2018-2021), transnational project co-funded by the EU Interreg Northern Periphery and Arctic Programme (NPA) with a total budget in the region of €1.3m.

Blue Circular Economy (BCE)

Working to grow businesses to address plastic marine waste

The WDC is working on the EU funded BCE initiative with international partners to build on the success of the Circular Ocean project, which focuses on marine litter as a transnational problem. BCE adopts the trans boundary co – operative approach that aims at finding/establishing, innovating and promoting the relevant SMEs within the region that can potentially form part of an emerging sector which can form plastics from Fishing Net Recycling Components in a sustainable manner.

Spot-lit

An exciting approach to growing the literary tourism sector.

Spot-Lit. is an NPA funded project (Budget: €1.9m) which aims to grow the literary tourism sector in the NPA region, by enhancing capacity in the literary tourism sector and supporting small and medium-sized organisations and businesses to grow, collaborate and better engage audiences together. The WDC are lead partners on the Communication and SME Support Packages.

In 2019, as part of the Spotlit Programme, the WDC designed and developed a comprehensive Literary Tourism Industry Support Programme that will engage with and support businesses to develop their LT Business.

A series of three initial workshops were held across the region that engaged with over fifty businesses to assist them in the development of their local literary tourism business potential. Following on from the initial workshops, five businesses were selected through a competitive process to take part in the year-long business support programme. Supports will include soft supports, mentoring advice, product/service development sessions, PR Support and an Innovation fund of up to €10k per business.

Extra SME Supporting the conditions for growth in the Blue economy

Through its work in the EXTRA-SMES EU project the WDC is targeting growth within the marine economy , via improving the implementation of policy instruments in the participating regions, by promoting simpler and improved administrative processes and procedures. This is expected to enable SMEs to expand in regional, national and international markets for the promotion of their products, and at the same time engage in innovation processes, which will act as drivers for the creation of jobs.

In 2019 the WDC convened sixty stakeholders in a two day event in Sligo to discuss and share views on how best to approach growth through simplified approaches to Aquaculture. This resulted in a summary document which was disseminated to national and international partners. In 2020 the WDC will continue to have further dialogue to progress this area of work.

LECo

Local Energy Communities in our region

LECo is a three year, €1.95m project funded through the NPA programme, that aims to bring together the combined experience, knowledge and expertise of the project partners and provide conditions for the creation of energy self-sufficient Local Energy Communities. The goal is to combine new innovative technologies with locally available natural resources, and to raise awareness of energy efficiency and possibilities to use the renewable energy.

The approach is based on the model of local cycle economy. In the project, Local Energy Communities will be formed, which will create synergetic effects to the local economy and social coherence.

Key Successes in 2019

- Online training platform complete:
www.localenergycommunities.net.
- Community owned energy conference in Athenry complete: The event was well attended with 150 people and 30 people also watched online as the event was live streamed.
- EnergyPLAN training completed.
- Three community energy feasibility studies were completed for the communities in Mohill, Lisdoonvarna and Tourmakeady.

Strategic Pillar 2

Regional Leadership

We will work collaboratively with key stakeholders to build a globally competitive region

Focus for 2019 and beyond

- Network of 114 enterprise hubs and a common booking engine.
- Remote Working Task Force. In 2019, the Government published a report entitled Remote Work in Ireland, as part of the Future Jobs initiative. The WDC provided significant input into this report and propose building on this report by convening a Remote Work Taskforce. This Group will examine issues, challenges and opportunities in the spread of remote working in Ireland, particularly in the context of balanced regional growth. It is proposed that a expert group examine remote working.
- 4 Digiwest Hubs. In 2019 the WDC were successful in its application for RRDF funding to deliver 4 rural digital working hubs 'Digiwest'. These hubs are located at The BASE Enterprise Centre, Stranorlar, Co Donegal, 'An Chroi' South Sligo Enterprise Centre, Tubbercurry, County Sligo, Tulsk, County Roscommon, Swinford Courthouse, County Mayo.
- Transition to a Low Carbon Economy: Scoping Study of Rural Areas. This is an initial scoping of the issues affecting rural dwellers in the Western Region in the move to a low carbon society. The focus is on the three aspects of energy use which have significant climate implications:
 - Heat and energy efficiency in the built environment
 - Transport
 - Electricity (both supply and demand).

Regional Leadership

The study examines issues relating to each of these for rural dwellers, looking at the baseline data, the changes which need to be made and the opportunities which may be embraced.

A 10 year plan for the Creative Economy

The WDC has championed the growth and development of the creative industries sector in the region for over a decade. In that time the value of the sector has increased by over €200m. The focus in 2020 is to collate all existing research on the Creative Economy and to begin the work to develop a 10 year plan for the coming decade to 2030.



Strategic Pillar 3

Sustainable Enterprise

Western Investment Fund: We will address funding gaps in the Western Region by providing risk capital to new and expanding SMEs through our Business Investment Fund

Progress in 2019

- Portfolio value of almost €73 million in the Western Investment Fund built on original exchequer of €32 million through the WDC's Evergreen investment strategy
- €6.9 million in investment and lending approved across 44 businesses/projects
- €3.4 million approved for SMEs and Micro-Enterprises
- €0.5 million of investments approved under the WRAP Fund
- €3.0 million approved for Community and Social Enterprises
- Cash reserves of €45 million available for investment



Sustainable Enterprise

Social Enterprise: We will support the implementation of the National Policy on Social Enterprise and continue to lend and invest in social enterprise in the Western Region

Emerging Sectors: We will analyse, identify and support emerging sectors that will build sustainable competitive advantage for the region in the long term

Focus for 2020 and beyond

- Continued support of SMEs, Micro and Community/Social Enterprises in the Western Region through the provision of risk capital from the Western Investment Fund
- Developing a regional pipeline for on-going investment and lending
- A 20-year plan for growth and investment in key sectors
- The development of the Smart Atlantic Way
- Continue to build a portfolio of Social Enterprise lending



Key Enablers to Deliver Our Strategy: Corporate Services

Resources: We will align our organisational resources and capacity to best deliver our strategic themes.

Governance: We will align our activities, engagement and outreach to act as one organisation to achieve more, with greater impact.

Progress in 2019:

- Excellence in corporate governance providing openness and transparency
- Ensure regulatory compliance and value for money
- Review of systems architecture
- Review of governance
- Updated Employee Handbook to collate all policies

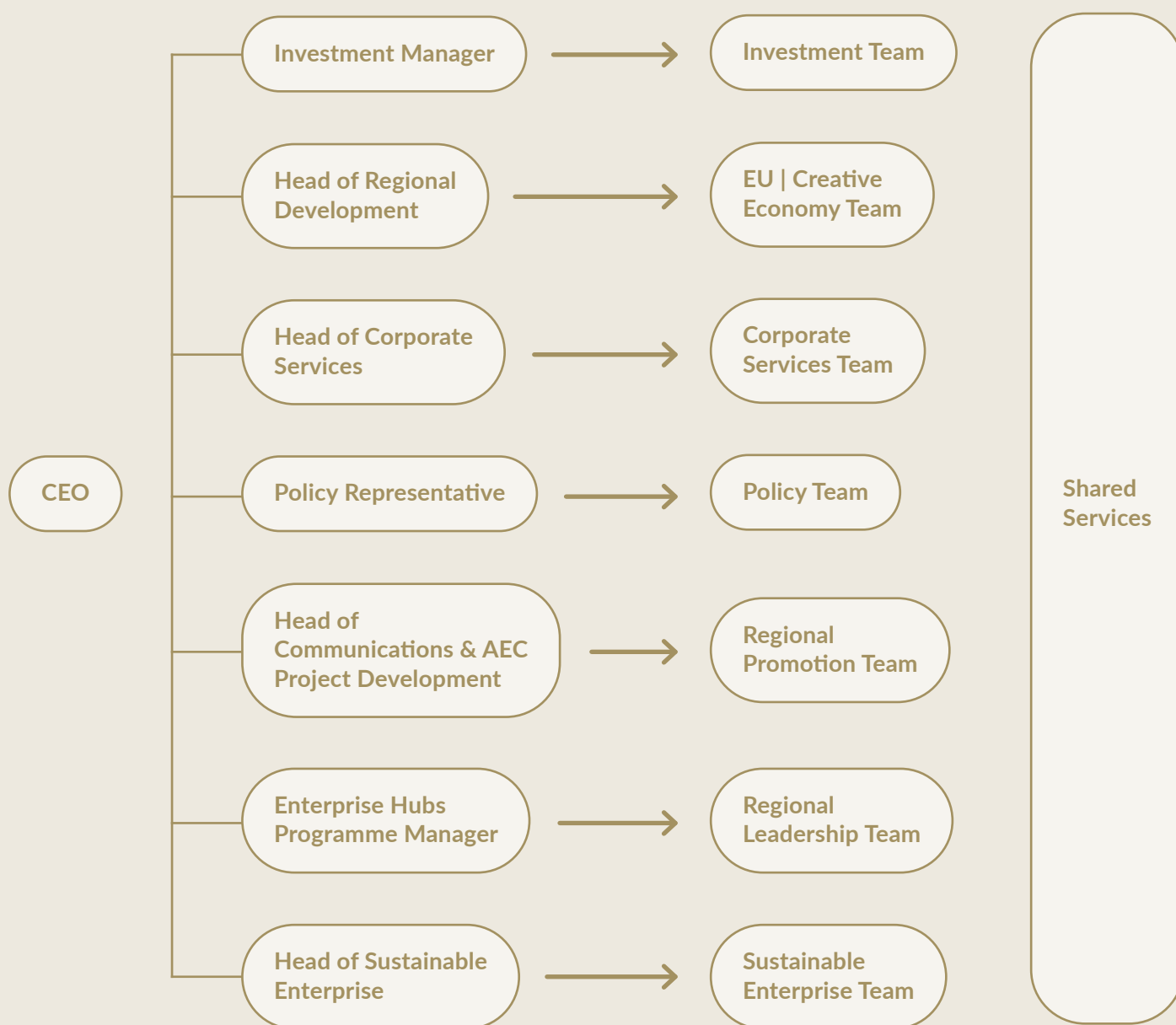
Focus for 2020 and beyond:

- Systems implementation and alignment
- A new Remote Working Policy and cohesive work across multiple locations
- Completed Review of Governance
- Appointment of a new Board 2020-2023
- Implementation of a Project Management Framework

We will increase our visibility and profile to ensure that we represent, and engage with, stakeholders in all parts of our region

Key Enablers to Deliver Our Strategy: Corporate Services

Organisational Structure



Corporate Services

POF						
Investment Manager	Head of Regional Development	Head of Corporate Services	Policy Representatives	Head of Communications and Project Development	Enterprise Hub Program Manager	Head of Sustainable Enterprise
Investment Team	EU/Creative Economy	Corporate Services	Policy Team	Regional Promotion	Sustainable Enterprise	
Full Time Equivalent = 24.6						
Shared Services						

Corporate Governance

In line with the WDC's core values, the organisation strives to act with honesty, integrity and impartiality in serving the public, or use of state resources and working for the public good.

In 2019 an Oversight Agreement was agreed between the WDC and the Department of Rural and Community Development. The document outlined an agreed level of service to be provided to the WDC. It also outlined requirements on the part of the WDC regarding the delivery of ongoing improvements inefficiency and effectiveness and the WDC's compliance with the relevant requirement of the Code of Practice for the Governance of State Bodies (2016).

In April 2019, the WDC launched the Work Smarter Live Better Strategy 2019 – 2024 which focuses around growing and developing the Western regions of Ireland by investing in business and communities, connecting digital working hubs, and promoting the Western Regions unmatched quality of life.

Commission members and developments

The commission has 11 Board members and all members completed a self-evaluation survey in relation to 2019 and a number of actions were identified and will be addressed as part of the commission's work in 2020.

Organisational and financial resource review

The WDC continued to put in place the appropriate resources and structures required to implement the statutory remit and achieve its strategic objectives during 2019.

At the end of 2019, the WDC had 25 members of staff, 24.6 FTE (including one secondment).

Stakeholder service

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 Statements is available on <https://westerndevelopment.ie/about/governance/customer-services/>

The WDC published its Customer Action Plan and Customer Charter in 2019 and there were no customer complaints in 2019.

Parliamentary Questions

The WDC received 12 Parliamentary Questions during 2019 including queries relating to the WDC's expenditure, project funding and status of operations.

Procurement

The WDC has developed and implemented Procurement Policies and Procedures and all staff have been given the appropriate training. The WDC has also implemented a Corporate Procurement Plan which sets out the procurement objectives for the organisation. A number of procurements competitions were successfully completed by the organisation in 2019. Access to the Office of Government Procurement (OGP) framework provided additional support throughout the year. Public Procurement competitions completed in 2019 included the following:

Corporate Services

- Brand and Website Redesign for the Organisation
- Management and Development of the www.lookwest.ie online marketing programme
- Travel and Subsistence Management System
- Fund Management System
- Development of a Strategy for AEC Corridor and Enterprise Hubs Network Project
- A contract for the development of content and programme for a series of 3 workshops on Literacy Tourism for SME's
- Development of Content and Programme for a series of 3 Workshops on Literary Tourism for SME's and Development of a 16-month SME Support Programme & Toolkit

Facilities

Corporate Resources are responsible for maintaining a fit-for-purpose and safe premises and for facilitating arrangements for internal meetings, stakeholder meetings and other events.

In 2019 the WDC established a working space in Galway and Sligo to accommodate the growing number of staff. The WDC's Head Office remains in Ballaghaderreen, Co. Roscommon.

Risk Management

The risk and control function are overseen by the Audit and Risk Committee. The WDC has a robust Risk Management Framework and a Corporate Risk Register. The Risk Register 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 Board and ARC agenda and is reviewed at each meeting. The outcome of these assessments issued to plan and allocate resources to ensure risks are managed to an acceptable level.

Strategic Corporate Risks identified in 2019 included:

- Risk of failure of oversight due to the absence of a Board
- Business Continuity: Natural disasters – Flood, Fire or IT Failure
- The risk that external parties may target the WDC resources for personal gain

Plans and actions were put in place to mitigate the risks identified in 2019.

Financial Reporting

Financial narrative and reports showing details of expenditure against the budget were presented to, and considered by, the WDC Board at all of its meetings during 2019. 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 and
- To exercise control and stewardship in the use of public funds

The Financial Statements of the WDC for the year ended 31st December 2019 were prepared under FRS 102, the Financial Reporting Standard applicable to the UK and Ireland.

Audited Financial Statements for the year ended 31st December 2019

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Western Development Commission Information

Newly appointed board November 2020

Chairperson: Mr. Gerry Finn

Members: Ms Sandra Divilly Nolan, Ms Mary McKenna,
Mr Peter Hynes, Ms Audrey Crummy,
Ms Aisling Meehan, Ms Mary Coyne,
Mr. John Kelleher, Professor Mary Corcoran,
Mr. Christy Loftus, Mr. Henry McGarvey,
Mr. Edmund Jennings

Bankers: Bank of Ireland Ballaghaderreen Co. Roscommon,
Allied Irish Bank Tuam Road Galway,
KBC Bank Sandwith Street Dublin 2,
Ulster Bank 33 Eyre Square Galway

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

Board Members term expired August 2020

Chairperson: Dr Deirdre Garvey

Members: Mr. Ian Barrett Professor Mary Corcoran
Mr. Gerry Finn Mr. Micheál Frain
Mr. John Kelleher Mr. Christy Loftus
Mr. Henry McGarvey Ms. Auveen O'Neill
Ms. Yvonne Shields Mr. Edmund Jennings

Governance Statement and Commission Member's Report 2019

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 are responsible for ensuring good governance and performs this task by setting strategic objectives and targets, and making 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 relating 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 Members' 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 the 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 the 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 Commission members to keep in such form and in respect of such accounting periods as may be approved of by the Minister, with the consent of the Minister for Finance, all proper and usual accounts of moneys received or expended by it.

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

- Select suitable accounting policies and apply them consistently.
- Ensure that any judgements and estimates 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.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that it will continue in operation.

The financial statements have been prepared on a going concern basis which assumes that the Commission will continue in operational existence for the foreseeable future. The validity of this assumption, like many in the public sector, depends on the ability of the Commission to secure continuing financial and other operational support from its stakeholders, including the Department of Rural and Community Development, trade creditors, banks and revenue commissioners during the economic downturn arising from the COVID-19 Pandemic as outlined in Note 18 to the financial

statements. The Commission have prepared cashflow projections for the period to 31st July 2021 which indicate adequate cashflows exist with the underlying assumptions therein.

Accordingly, the impact of COVID-19 on WDC Investments has been considered during the valuation assessment, budgets and cashflow projections. The Commission are satisfied, based on these measures, that the financial and other operational support required will continue and they believe that it is therefore appropriate for the financial statements to be prepared on a going concern basis.

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 members.

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 the 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 members consider that the financial statements of the WDC give a true and fair view of the financial performance and the financial position of the WDC on 31st December 2019.

Governance Statement and Commission Member's Report 2019

Commission Structure

The Commission members are 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 have 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	Board Member	Role	Date of Appointment	Current terms end
1	Gerry Finn	Chairperson	August 2017*	November 2023
2	Sandra Divilly Nolan	Ordinary Member	November 2020	November 2023
3	Mary McKenna	Ordinary Member	November 2020	November 2023
4	Peter Hynes	Ordinary Member	November 2020	November 2023
5	Audrey Crummey	Ordinary Member	November 2020	November 2023
6	Aisling Meehan	Ordinary Member	November 2020	November 2023
7	Mary Coyne	Ordinary Member	November 2020	November 2023
8	Professor Mary Corcoran	Ordinary Member	August 2017*	November 2023
9	Christy Loftus	Ordinary Member	August 2017*	November 2023
10	John Kelleher	Ordinary Member	August 2017*	November 2023
11	Henry McGarvey	Ordinary Member	August 2017*	November 2023
12	Edmund Jennings	Ordinary Member	August 2018	August 2021
13	Dr Deirdre Garvey	Chairperson***	August 2017	August 2020**
14	Ian Barrett	Ordinary Member	August 2017*	August 2020**
15	Micheál Frain	Ordinary Member	August 2017*	August 2020**
16	Yvonne Shields	Ordinary Member	August 2017*	August 2020**
17	Auveen O'Neill	Ordinary Member	August 2017*	August 2020**

* Reappointed as Commission Members in November 2020.

** Term expired as Commission Members in August 2020.

*** Term as Chairperson expired in August 2020

The Commission members have established three 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 the finalisation of the annual report and financial statements, summarising its conclusions from the work it has done during the year.

Members of the ARC Committee on 31st December 2019 include:

- Bernard O'Hara (Chairperson & External)
- Kevin Moore (External)
- Ian Barrett (Commission member)
- Gerry Finn (Commission member)
- Professor Mary Corcoran (Commission member)

2. Fund Advisory Panel (FAP)

The Role of the FAP is to evaluate applications 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.

Members of the FAP on 31st December 2019 include:

Dr Deirdre Garvey (Chairperson & Commission member)
John Allen (External)
John Dillon (External)
Joann Hosey (External)
Micheál Frain (Commission member)
Auveen O'Neill (Commission member)
Felim McNeela (External)

3. Board Effectiveness Implementation Committee (BEC)

The Role of the Board Effectiveness Implementation Committee is to oversee the process of implementing the changes recommended by the Board based on the results of the Board Self-Assessment Evaluation Questionnaire and the results of the Gap Analysis of the WDC's suite of policies and procedures for compliance with the principles outlined in the Code of Practice for the Governance of State Bodies 2016, the results of which were a compliance rate of 93.7%.

Members of the Board Effectiveness Implementation Committee on 31st December 2019 include:

Dr Deirdre Garvey (Chairperson & Commission member)
Gerry Finn (Commission member)
Yvonne Shields (Commission member)
Henry McGarvey (Commission member)

Governance Statement and Commission Member's Report 2019

Schedule of Commission Members Attendance, Fees and Expenses

A schedule of attendance at the Commission and Committee Meetings for 2019 is set below, including the fees and expenses received by each member.

Member	Commission	ARC	FAP	BEC	2019 Fees	2019 Expenses
Commission Members						
Dr Deirdre Garvey	10 of 10		8 of 8	2 of 2	Nil	€3,006
Gerry Finn	9 of 10	3 of 5		2 of 2	€5,985	€1,305
Ian Barrett	9 of 10	5 of 5			€5,985	€2,299
Micheál Frain	8 of 10		6 of 8		€5,985	€368
Henry McGarvey	8 of 10			2 of 2	Nil	€1,964
Yvonne Shields	6 of 10			2 of 2	Nil	€1,607
Auveen O'Neill	8 of 10		6 of 8		€5,985	€937
Professor Mary Corcoran	9 of 10	1 of 3			Nil	€2,141
Christy Loftus	7 of 10				€5,985	€1,360
John Kelleher	8 of 10				Nil	€627
Edmund Jennings	9 of 10				€5,985	€641
External Members						
Bernard O'Hara		5 of 5				€128
Kevin Moore		5 of 5				€1,372
John Dillon			8 of 8			€1,637
John Allen			7 of 8			€248
Joan Hosey			4 of 8			Nil
Felim McNeela			7 of 8			€368
Total					€35,910	€20,008

*Professor Mary Corcoran was appointed to the ARC in July 2019
Board members expenses include subcommittee expenses

Key Personnel Changes

There were three additions to key personnel in 2019:

Head of Communications & AEC Project Development – Allan Mulrooney

Enterprise Hubs Programme Manager – Stephen Carolan

Head of Sustainable Enterprise – Roger Sweetman

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

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

Salary Band (€) 2019	Staff Number	Salary Band (€)	Staff Number
60,000 – 70,000	6	60,000 – 70,000	2
70,000 – 79,000	0	70,000 – 79,000	0
80,000 – 89,000	0	80,000 – 89,000	3
90,000 – 99,000	3	90,000 – 99,000	1*
* 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.

Consultancy Cost

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

	2019	2018
Legal advice	€19,082	€15,123
Financial/Actuarial Advice	€2,657	€1,624
Public Relations/Marketing	€58,730	€27,842
Human Resource	€15,764	€20,068
Total Consultancy Costs	€96,233	€64,657

Legal Costs and Settlement

The table below provides a breakdown of amounts recognised as an 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.

	2019	2018
Legal Fees — Legal Proceedings	0	0
Conciliation and Arbitration payments	0	0
Settlement	0	0
Total Consultancy Costs	0	0

Travel and Subsistence Expenditure

Travel and Subsistence expenditure is categorized as follows:

	2019	2018
Domestic:		
• Commission members*	€17,909	€14,715
• Employees	€96,443	€89,060
International		
• Commission members	0	0
• Employees	€29,741	€24,636
Total Travel and Subsistence Costs	€144,093	€128,411

*includes travel and subsistence of €16,255, paid directly to Board members in 2019 (2018:€14,715). The balance of €1,654 relates to expenditure paid by WDC on behalf of the Board members.

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2019	2018
Staff Hospitality	409	503
Client Hospitality	52	0
Total Consultancy Costs	461	503

As part of the Commission members' continuing oversight of the control environment in the WDC, they receive 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.westerndevelopment.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.westerndevelopment.ie

No customer complaints were reported or recorded in 2019.

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.
- Be given reasons for decisions taken by public bodies that affect them.

There were two FOI requests in 2019 and all requests 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. In 2019 the WDC conducted a Health and Safety Audit and have also implemented a new Health and Safety Policy.

There were no reportable accidents in 2019.

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 1st 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 2019 can be viewed on the following link: westerndevelopment.ie/about/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 1st January 2005. In 2019 WDC Commission members have furnished statements of interests to the secretary, and copies have been provided to the Commission Secretary, Standards in Public Office Commission.

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 programme 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 programme 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 protecting 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.

There were no requests for information under the Data Protection Act in 2019.

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 2019.

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 programme.

Official Languages Act, 2003

The WDC comes under the remit of the Official Languages Act 2003, which was signed into law on 14th 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 Statements are published in Irish and English.

Code of Conduct

- All Commission members have complied with and signed the Code of Conduct.
- 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 Board Self-Assessment Questionnaire in December 2019. A report on the Board Self-Assessment was completed and a number of actions were identified and will be addressed as part of the commission's work in 2020.

Government Pay Guidelines

- The WDC adheres to Government guidelines and to the Department of Rural and Community Development's 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 the parent department.
- Details of the above remuneration and fees/expenses are outlined in the Annual Report and Financial Statements.

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 2019 and there has been no issue reported.

Travel and Subsistence

All payments for travel and subsistence to the WDC's Commission members, committee members, CEO and staff have been made in line with the Department of Finance and Department of Public Expenditure and Reform circulars governing travel and subsistence.

The WDC Travel and Subsistence Policy and Procedures are up to date and reflect the current rates and 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, areas of non-compliance identified were as follows:

- The Board should have a formal schedule of matters and delegated powers.
- Post resignation/retirement policy. Statement of members Fiduciary Duties.
- Statement of members duties under the companies act.
- Define the process to escalate concerns of non-compliance with statutory obligations.
- Definition of the procedure to seek Professional Advice.

Governance Statement and Commission Member's Report 2019

Areas of non-compliance have been addressed through the development of a Code of Governance to bring the WDC into full compliance. The Commission members are 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 2019.

On behalf of the Commission members



Gerry Finn
Chairperson
16.12.2020

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 2019 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 2019 and of its income and expenditure for 2019 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 annual report, 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.

I have nothing to report in that regard.

**Andrew Harkness**

For and on behalf of the Comptroller and Auditor General

17 December 2020

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 2019

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 manner.

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 2019 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 three Commission members and two external members, with financial and audit expertise, one of whom is the Chair. The ARC met five times in 2019.

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 concerning risk. The Commission of the WDC, at its October 2019 meeting, reviewed and adopted

the 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 area of work.

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 the operation of controls assigned to specific staff. The WDC can confirm that a controlled environment containing the following elements is in place:

- Procedures for all key business processes have been documented.
- Financial responsibilities have been assigned at the 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.
- 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.

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 manner. 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.
- There are regular reviews, by senior management, of periodic and annual performance and financial reports, which indicate performance against budgets/forecasts.

Procurement

The Commission confirms that the WDC has developed and implemented Procurement Policies, Procedures and a Procurement Plan that mandates compliance to meet requirements under the National Public Procurement Policy Framework. The WDC endeavours to ensure full compliance with the procurement procedures including a contract database with a monitoring system in place to flag non-compliant procurement.

One supplier was identified in 2019 with a combined transaction value of €35,597, of which 32 transactions amounting to €13,725 had not been procured in line with national procurement guidelines.

The WDC has sought an external review of the procurement process and spend patterns to align the process with national public procurement guidelines and to streamline the purchasing activity by establishing procurement frameworks. Furthermore, additional training has been procured for staff.

Statement on Internal Control 2019

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 2019.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2019 that require disclosure in the financial statements, with the exception of the procurement issues disclosed above.

Signed on behalf of the Commission



Gerry Finn
Chairperson
16.12.2020

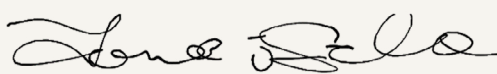
Statement of Income and Expenditure and Retained Reserves

Income	Note	2019 € Western Development Commission	2019 € Western Investment Fund	2019 € EU Grants Funding	2019 € Total	2018 € Western Development Commission	2018 € Western Investment Fund	2018 € EU Grants Funding	2018 € Total
Oireachtas Grant	2	1,962,305	0	0	1,962,305	1,394,175	0	0	1,394,175
EU Grants	3	0	0	906,573	906,573	0	0	766,502	766,502
Other income	4	6,265	0	0	6,265	54,214	0	0	54,214
Transfer to EU Grants Funding		0	0	0	0	0	0	0	0
Investment Income	5	0	167,264	0	167,264	0	131,276	0	131,276
Net Deferred Funding for Pensions	15	349,000	0	0	349,000	344,000	0	0	344,000
Total Income		2,317,570	167,264	906,573	3,391,407	1,792,389	131,276	766,502	2,690,167
Expenditure									
Operating Costs	6A/B	(2,251,039)	0	(679,887)	(2,930,926)	(1,770,780)	0	(799,128)	(2,569,908)
Operating surplus/(Deficit) for the year		66,531	167,264	226,686	460,481	21,609	131,276	(32,626)	120,259
Increase/(Decrease) in value of financial assets	7	0	(327,972)	0	(327,972)	0	35,342,794	0	35,342,794
Surplus/(Deficit) for the year before appropriations		66,531	(160,708)	226,686	132,509	21,609	35,474,070	(32,626)	35,463,053
Transfer from (to) capital account		(28,908)	0	0	(28,908)	5,253	0	0	5,253
Surplus/(Deficit) for the year after appropriations		37,623	(160,708)	226,686	103,601	26,862	35,474,070	(32,626)	35,468,306
Reserves at 1 January		721,151	72,728,717	51,414	73,501,282	694,289	37,254,647	84,040	38,032,976
Reserves at 31 December		758,774	72,568,009	278,100	73,604,883	721,151	72,728,717	51,414	73,501,282

The statement of cash flows and the notes 1 to 20 form part of these financial statements.



Gerry Finn, Chairperson
16.12.2020



Tómás Ó Síochain, CEO
16.12.2020


Statement of Comprehensive Income for the year ended 31st December 2019

	2019	2018
Surplus/(Deficit) for the year	103,601	35,468,306
Experience gains/(losses) arising on the scheme liabilities	(1,431,000)	294,000
Losses arising due to changes in assumptions	0	0
Actuarial gains/(losses) on pension liabilities	(1,431,000)	294,000
Adjustment to deferred pension funding	1,431,000	(294,000)
Total recognised gains/(losses) for the year	103,601	35,468,306

The statement of cash flows and the notes 1 to 20 form part of these financial statements.



Gerry Finn, Chairperson
16.12.2020



Tómás Ó Síochain, CEO
16.12.2020

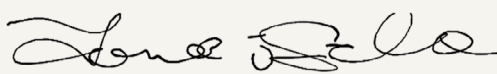
Statement of Financial Position as at 31st December 2019

	Notes	2019 €	2018 €
Fixed Assets			
Property, Plant and Equipment	9	41,085	12,177
Financial Assets	10	72,568,009	72,728,717
		72,609,094	72,740,894
Current Assets			
Cash and Cash Equivalents		2,197,428	652,946
Receivables	11	487,881	304,637
		2,685,309	957,583
Current Liabilities			
Payables	12	(1,648,435)	(185,018)
Net Current Assets		1,036,874	772,565
Total Assets Less Current Liabilities before pensions		73,645,968	73,513,459
Deferred Pension funding		6,950,000	5,170,000
Pension liabilities		(6,950,000)	(5,170,000)
Total Assets Less Current Liabilities		73,645,968	73,513,459
Representing			
Investment Fund	10	72,568,009	72,728,717
EU Grants/NPP	19	278,100	51,414
Retained Revenue Reserves		758,774	721,151
Capital Account	13	41,085	12,177
		73,645,968	73,513,459

The statement of cash flows and the notes 1 to 20 form part of these financial statements.



Gerry Finn, Chairperson
16.12.2020



Tómás Ó Síochain, CEO
16.12.2020

Statement of Cash Flows for the year ended

Statement of Cash Flows for the year ended 31st December 2019 Reconciliation of Surplus/(Deficit) to Cashflow from Operating Activities

	2019 € Western Development Commission	2019 € Western Investment Fund	2019 € EU Grants Funding	2019 € Total	2018 € Total
Excess income over expenditure	37,623	(160,708)	226,686	103,601	35,468,306
Depreciation and impairment of fixed assets	26,384	0	0	26,384	14,021
Transfer to capital account	28,908	0	0	28,908	(5,253)
Transfer to/(from) EU Grants Funding	0	0	0	0	0
Bank interest	0	(25,871)	0	(25,871)	8,313
Dividends	0	0	0	0	0
(Increase)/Decrease in Receivables	(183,244)	0	0	(183,244)	(7,799)
Increase/(Decrease) in Payables	1,463,417	0	0	1,463,417	31,698
(Increase)/Decrease in value of financial assets	0	327,972	0	327,972	(35,342,794)
Cash (Inflow)/Outflow from Operating Activities	1,373,088	141,393	226,686	1,741,167	166,492
Net Cash Flows from Investing Activities					
Payments to acquire PPE Payments to PPE	(55,292)	0	0	(55,292)	(8,768)
Payments to acquire equity	0	(2,134,219)	0	(2,134,219)	(3,403,988)
Payments to acquire debt instruments	0	2,307,348	0	2,307,348	339,000
Receipts from debt instruments	0	671,331	0	671,331	757,669
Receipts from equity	0	1,011,952	0	1,011,952	29,071,764
Net Cash Inflow from Investing Activities	(55,292)	(2,758,284)	0	(2,813,576)	26,077,677
Net Cash Inflow from Financing Activities					
Bank interest received	0	25,871	0	25,871	(8,313)
Dividends received	0	0	0	0	0
Transfer to EU Grants Funding	0	0	0	0	0
Net Cash Inflow from Financing Activities	0	25,871	0	25,871	(8,313)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,317,796	(2,591,020)	226,686	(1,046,538)	26,235,856
Cash and Cash Equivalents at 1 January	427,770	47,904,284	225,176	48,557,230	22,321,374
Cash and Cash Equivalents at 31 December	1,745,566	45,313,264	451,862	47,510,692	48,557,230

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

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) Going Concern

Since the Balance Sheet date, 31 December 2019, and referred to in the Governance Statement and Commission Member's Report, the country is in the midst of a national public health and economic emergency due to the viral Covid-19 pandemic that has spread across the globe.

This has the potential of disrupting normal business operation as well as that of both customers and suppliers. The significant international dimension to Covid-19 also poses the risk of disrupting international markets. The situation is evolving at such a pace that it makes its actual impact on the business difficult to determine.

We have made a number of significant changes to mitigate the business continuity risk and also to protect the health and wellness of our employees and contractors. The Commission have prepared cash flow projections for the next 12 months that have been appropriately adjusted to take account of reasonably estimable impacts of the effect of Covid-19 on the sector in Ireland and on the WDC

These projections recognise the level of diversification in the Commission's business activities. These cash flow projections indicate that the WDC will continue to meet its liabilities as they fall due over this period.

The Commission believe that we have a robust business model in place, and with the support of our parent department, banks, suppliers and employees we will be able to deal with the challenges that Covid 19 brings.

Notes to the Financial Statements

The WDC therefore continues to adopt a going concern basis in preparing its consolidated Financial Statements.

b) 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.

c) Statement of compliance

The financial statements of the Western Development Commission for the year ended 31 December 2019 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.

d) 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 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.

e) 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.

Monitoring 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. Where the Western

Notes to the Financial Statements

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.

f) 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 |

g) 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

Notes to the Financial Statements

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 Investment 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.

h) 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.

i) EU Funding Programmes

The WDC participates in a number of projects from EU funding programmes including the Interreg EU Programme and the EU Interreg Northern Periphery and Arctic Programme (NPA).

The Western Development Commission have engaged on a range of approved regional development projects, these include creative economy project Spot-Lit, business support projects Bizmentors and Extra-SME, circular economy project BCE and renewable projects such as Leco, and RE-DIRECT.

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 by the WDC on behalf of the wider project partnership to the secretariat of the EU Funded Programme. 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 secretariat. Claims are scheduled on a six-monthly basis, however, the processing lead time has been 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.

j) 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.

k) 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 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

	Notes	2019 €	2019 €	2018 €	2018 €
2. Oireachtas Grants					
Department of Rural and Community Development (Vote 33 Subhead E.5)		2,015,212		1,439,637	
Employee Pension Contributions		(52,907)		(45,462)	
Operating Grant*			1,962,305		1,394,175
3. EU Income					
EU Income			906,573		766,502
<p>The WDC participates in a number of projects from EU funding programmes including the Interreg EU Programme and the EU Interreg Northern Periphery and Arctic Programme (NPA). 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.</p> <p>In exceptional circumstances, the Monitoring Committee may approve a higher grant rate.</p> <p>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 projects.</p>					
4. Other Income					
Other Income			6,265		64,214
			6,265		54,214
5. Investment Income					
Loan interest received			102,143		107,564
Dividends on investment			0		0
Deposit interest received/charged			25,871		(8,313)
Monitoring fees			39,250		32,025
			167,264		131,276
6 a. Operating Costs The Western Development Commission					
Salaries (including employers' PRSI)			1,072,244		674,047
Travel and Subsistence – Staff			80,793		57,501
Pension Costs	15A		317,093		319,538
Training & Development			28,753		31,944
Public Relations			24,880		1,582
Professional Fees			251,858		112,397
Professional Fees – Western Investment Fund			10,447		22,205
Staff Recruitment			20,221		27,240
Commission Members					
Travel and Subsistence			17,197		14,715
Fees			35,910		35,910

Notes to the Financial Statements

	Notes	2019 €	2019 €	2018 €	2018 €
Meetings & Seminars			21,030		4,674
Commission Sub-committees / Advisory Panels					
Travel and Subsistence			4,576		3,400
Printing & Design			21,265		18,426
Office Expenses			39,971		40,462
Light and Heat			4,980		5,875
Repairs and Maintenance			8,528		9,188
Insurance			13,341		11,774
Audit Fee			12,000		13,000
Accountancy and Internal Audit			27,921		29,554
Advertising, Marketing & Subscriptions			58,417		99,150
Telecommunications			22,886		23,884
Depreciation			26,384		14,021
Sponsorship and Projects			113,474		0
Sundry			463		293
Partner payments			16,407		0
			2,251,039		1,770,780
Direct Wages & Salaries for staff contracted to work fully on EU Projects are shown under expenditure for EU Grants/Projects. The Western Development Commissions contribution to associated costs for EU projects of €285,520 are charged to the costs above.					
6 b. Operating Costs – EU Grants/Projects					
Salaries (including employers' PRSI)			112,019		203,861
Travelling and Subsistence – Staff			44,848		56,195
Professional Fees			159,784		146,435
Staff Recruitment			0		0
Meetings and Conferences			9,716		382
Printing			1,614		3,155
Promotion and Publications			0		1,485
Office expenses			2,344		4,863
Regional Approaches to Stimulating Local Renewable Energy Solutions, EU partner payments			349,562		382,752
			679,887		799,128
Direct Wages & Salaries for staff working fully on EU projects are charged to the financial statements under EU Project 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 EU Funding Programme is observed to be twelve to eighteen months.					

Notes to the Financial Statements

Notes	2019 €	2019 €	2018 €	2018 €
6 c. 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 €151,180, (2018: €141,195).				
6 d. Staff Costs				
Salaries (including employers' PRSI)		1,113,961		949,641
Temporary Support Staff (Professional Services)		0		0
		1,113,961		949,641
2019 25 Full time equivalent (FTE) = 24.6 2018 18 Full time equivalent (FTE) = 16.9				

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

Salary Band (€) 2019	Staff Number	Salary Band (€) 2018	Staff Number
60,000 – 70,000	6	60,000 – 70,000	2
70,000 – 79,000	0	70,000 – 79,000	0
80,000 – 89,000	0	80,000 – 89,000	3
90,000 – 99,000	3	90,000 – 99,000	1*
* 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.

	2019 Salaries	2019 Travel & Subsistence	2018 Salaries	2018 Travel & Subsistence
6 e. CEO Salary				
Mr Ian Brannigan (Acting CEO & Head of Regional Development) 16th January 2014 – 31st August 2018	0	0	51,849	4,614
Mr Tomás Ó'Siocháin	87,294	10,779	20,279	3,477

The CEO's salary scale is set at the level of Principal Officer in the Civil Service.

The Western Development Commission does not operate a performance related award scheme. No bonuses payments were made to the CEO's. 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.

Notes to the Financial Statements

6 f. Additional Superannuation Contribution (ASC)

In 2019, €37,818 was deducted from staff by way of pension levy (2018: €39,767) and was paid over to the Department of Rural and Community Development.

ASC will replace the pension-related deduction (PRD) which ceased at the end of 2018. While PRD was based on taxable remuneration, ASC is based on pensionable remuneration only. Whereas PRD was a temporary emergency measure, ASC is a permanent contribution in respect of pensionable remuneration.

7. Change in value of financial assets	2019 €	2018 €
(Increase)/Decrease in provision against loans	12,705	(64,775)
(Increase)/Decrease in provision against equity	342,560	1,115,228
Provision reclassified and written off investments & loans	(743,313)	(1,105,000)
Increase in Fair Value of Equity Investments	60,076	35,397,341
Increase/(Decrease) in value of financial assets	(327,972)	35,342,794
Included in the Change in the Value of financial assets above are realised losses of €671,091 (2018: gain €28.273M) which were realised in the year from disposals of equity investments.		

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 in respect of this premises.

9. Fixed Assets	2019 €	2018 €
Cost/Valuation At 1 January	210,023	201,255
Additions in Year	55,292	8,768
Disposals	(87,598)	0
Balance at 31 December	177,717	210,023
Accumulated Depreciation	197,846	183,825
Charge for period	26,384	14,021
Disposals	(87,598)	0
Balance at 31 December	136,632	197,846
Net Book Value at 31 December	41,085	12,177
Fixed Assets is comprised of Fixtures and Fittings NBV €7,869 (2018: €914) and Computer Equipment NBV €33,216, (2018: €11,263).		

Notes to the Financial Statements

10. Financial Assets	Notes	2019 €	2018 €
Equity Investments at fair value	10a	13,661,823	13,960,953
Equity Investments (Cost/Impairment)	10a	9,056,175	7,963,306
Loans	10b	4,536,747	2,900,173
Fee income	10c	392,173	352,923
Cash balance available for reinvestment	10d	44,921,091	47,551,362
		72,568,009	72,728,717
10 a Unquoted Equity Investments			
Cost			
Opening Value at 1 January		8,234,554	6,662,302
Additions		2,134,219	3,403,988
Cost of Disposals		(1,480,242)	(1,831,736)
Cost at 31 December		8,888,531	8,234,554
Revaluation			
Opening Balance at 1 January		16,484,195	9,431,882
Reversal on Sale		(262,875)	(28,345,028)
Movement in Revaluations		60,076	35,397,341
Balance at 31 December		16,281,396	16,484,195
Provision for diminution			
Opening Balance at 1 January		(2,794,490)	(3,909,718)
Reversal on Sale		1,271,412	894,306
Movement in Provision		(928,851)	220,922
		(2,451,929)	(2,794,490)
Valuation at 31 December		22,717,998	21,924,259

Notes to the Financial Statements

10 b. Loans	2019 €	2018 €
Cost		
Opening Value at 1 January	4,062,847	4,481,516
Additions	2,307,348	339,000
Loan Repayments	(671,331)	(757,669)
Write offs	(12,148)	0
Cost at 31 December	5,686,716	4,062,847
Provision for Diminution in Value/ Revaluations		
Opening Balance at 1 January	(1,162,674)	(1,097,899)
Movement in Provision/ Revaluations	12,705	(64,775)
Balance at 31 December	(1,149,969)	(1,162,674)
Valuation at 31 December	4,536,747	2,900,173
Receivable within 12 months	436,298	579,480
Receivable after 12 months	5,250,418	3,483,367
10 c. Fee Income		
Fee income at 1 January	352,923	320,898
Fee income in the period	39,250	32,025
Utilised in the period		
Balance 31 December	392,173	352,923
10 d. Cash balances available for reinvestment		
Cash balances at 1 January	47,551,362	21,365,666
Equity disposals/loan repayments in the period	1,683,281	29,829,433
Amounts reinvested in equity/loans in period	(4,313,553)	(3,643,737)
Cash balances at 31 December	44,921,091	47,551,362
Amounts reinvested in equity/loans in period		
Loan interest	102,143	107,564
Dividends	0	0
Deposit interest received/charged	25,871	(8,313)
Investment – equity additions	(2,134,219)	(3,403,988)
Investment – loan additions	(2,307,348)	(339,000)
	4,313,553	3,643,737

Funds in the amount of €33,666 (2018: \$104,025/€90,598) 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 funds will be recognised when WDC receives the funds.

Notes to the Financial Statements

11. Receivables		2019 €	2018 €
Debtors		2,690	0
Prepayments		76,079	30,426
EU Grants/NPP Grants Receivable		409,112	274,211
		487,881	304,637
12. Payables			
Creditors & Accruals		260,118	185,018
Deferred Income		1,388,317	0
		1,648,435	185,018
Deferred Income relates to advance payments received in relation to separately funded projects financed by the Department of Rural and Community Development, no expenditure has been incurred under these projects at 31st December 2019			

13. Capital Account	2019 €	2019 €	2018 €	2018 €
Balance at 1 January		12,177		17,430
Transfer to Income and Expenditure Account:				
-Funds allocated to acquire Fixed Assets	55,292		8,768	
- Amount released on disposal	0		0	
- Amount amortised in line with asset depreciation	(26,384)		(14,021)	
		28,908		(5,253)
		41,085		12,177

14. Future Commitments – WIF	2019 Equities €	2019 Loans €	2018 Equities €	2018 Loans €
Opening Commitments	4,342,331	485,555	4,201,819	125,000
Approvals	2,826,250	4,040,780	3,544,500	699,555
De-commitments	0	(267,000)	0	0
Disbursals	(2,134,219)	(2,307,348)	(3,403,988)	(339,000)
Closing Commitments	5,034,362	1,951,987	4,342,331	485,555

Notes to the Financial Statements

15. Retirement Benefit Costs		
a) Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves	2019 €	2018 €
Current service costs	270,000	270,000
Interest on retirement benefit scheme liabilities	100,000	95,000
Employee contributions	(52,907)	(45,462)
	317,093	319,538
b) Movement in net retirement benefit obligations during the financial year		
Net retirement benefit obligation at 1 January	(5,170,000)	(5,120,000)
Current service costs	(270,000)	(270,000)
Interest costs	(100,000)	(95,000)
Actuarial gain/(loss)	(1,431,000)	294,000
Pensions paid in the year	21,000	21,000
Net retirement benefit obligation at 31 December	(6,950,000)	(5,170,000)

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

	2019 €	2018 €
Funding recoverable in respect of current year retirement benefit costs	370,000	365,000
State grant applied to pay retirement benefits	(21,000)	(21,000)
	349,000	344,000

The deferred funding asset for retirement benefits at 31st December 2019 amounts to €6.950M (2018: €5.170M).

d) History of defined benefit obligations	2019 €	2018 €	2017 €	2016 €
Defined benefit obligations	6,950,000	5,170,000	5,120,000	4,025,000
Experience losses/gains on defined benefit scheme liabilities	(1,431,000)	294,000	(835,000)	(138,000)
Percentage of plan liabilities	20.6%	-5.7%	-16.3%	3.4%

Notes to the Financial Statements

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 2019.

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:

	2019 €	2018 €
Rate of increase in salaries	2.25%	2.50%
Rate of increase in retirement benefits in payment	2.25%	2.50%
Discount rate	1.00%	1.85%
Inflation rate	1.75%	1.75%
Average future life expectancy		
Male aged 65	21.5 years	21.4 years
Female aged 65	23.9 years	23.8 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 2019.

There was no related party transactions in the years 2019 or 2018.

17. Events after the Reporting Date

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. The situation is evolving at such a pace that it makes its actual impact on the business difficult to determine. Notwithstanding this, the Commission believes it has a robust business model, and with the support of our Parent Department, banks, suppliers and employees we will be able to deal with the challenges that Covid-19 brings. The Commission have assessed that no

Notes to the Financial Statements

material adjustments are required to the carrying value of assets and liabilities at the Balance Sheet date as a consequence of this pandemic. There were no other significant events subsequent to the Balance Sheet date which require disclosure within the financial statements.

18. Going Concern

The financial statements have been prepared on a going concern basis which assumes that the Commission will continue in operational existence for the foreseeable future. The validity of this assumption depends on the ability of the Commission to secure continuing operational support from its stakeholders during the COVID-19 Pandemic. Accordingly, the impact of COVID-19 on WDC Investments has been considered during the valuation assessment, budgets and cashflow projections. The Commission are satisfied, based on these measures, that the financial and other operational support required will continue and they believe that it is therefore appropriate for the financial statements to be prepared on a going concern basis.

19. EU Grants

Surplus funds held under EU Grants/NPP are utilised for working capital on EU Projects. Claims are scheduled on a six-monthly basis, however, the processing lead time has been observed to be twelve to eighteen months which can contribute to surplus reserves.

Surplus for the current year	226,686
Reserves at 1 January	51,414
Reserves at 31 December	278,100

20. Approval of financial statements

The Commission approved these Financial Statements for issue on 15th December 2020.



**WESTERN
DEVELOPMENT
COMMISSION**

Supporting communities to grow,
investing in businesses to scale and
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