

CoAction West Cork CLG
Annual Report and Financial Statements
for the financial year ended 31 December 2019

Patricia Power & Co
Chartered Accountants and Statutory Auditors
The Quay
Bantry
Co Cork

Company Number: 129834

CoAction West Cork CLG

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CoAction West Cork CLG
DIRECTORS AND OTHER INFORMATION

Directors	Mr. Pat Holland (Resigned 19 September 2019) Mr. Reggie Chambers Ms. Mary Molloy Mr. Martin Scully (Resigned 26 March 2019) Ms. Marian Barry Mr. Tom Wilson Ms. Noeleen Murphy Ms. Aine O'Donovan (Appointed 14 March 2019) Ms. Patricia Newman (Appointed 14 March 2019) Mr. Brian Williams (Appointed 19 September 2019) Ms. Mary Hegarty (Appointed 19 September 2019)
Company Secretary	Ms. Marian Barry
Company Number	129834
Charity Number	CHY 10643 & R.C.N. 20027506
Registered Office and Business Address	Slip Bantry West Cork Co Cork
Auditors	Patricia Power & Co Chartered Accountants and Statutory Auditors The Quay Bantry Co Cork
Bankers	Bank of Ireland Wolfe Tone Square Bantry Co Cork Allied Irish Bank Wolfe Tone Square Bantry Co Cork
Solicitors	O'Donovan Murphy & Partners The Quays Bantry Co Cork

CoAction West Cork CLG DIRECTORS' REPORT

for the financial year ended 31 December 2019

The directors present their report and the audited financial statements for the financial year ended 31 December 2019.

Principal Activity and Review of the Business

The principal activity of the company is the provision of community based services to children and adults with an intellectual disability, with or without autism, in the West Cork area.

From the perspective of the Board 2019 was another positive year for CoAction, the key priorities set out in the Strategic Plan provided a clear direction for the entire organisation.

“Our vision is to support people to be ‘connected with’ and included in the lives of those who are most important to them so that they can live full and meaningful lives. Person-centredness challenges us to move away from providing services in segregated and centralised locations, because inevitably they may limit peoples’ opportunities and ‘disconnect’ them from their homes and communities.”

The number of people being supported by CoAction in 2019 was 158 adults and 730 children across all service areas. We continue to provide a wide range of services, including Early Intervention, home support, day services and residential. Respite support is provided in a variety of ways, including the traditional centre based respite service, Saturday Clubs, Summer camps, social outings and holiday breaks as well as short breaks under the Homeshare project.

We were successful in securing additional funding from the HSE in 2019 which enabled us to enroll eight school leavers to our adult day services and also funding to enhance our residential services, in particular the first waking staff in a CoAction house. Funding was also provided to increase the provision of alternative respite to support increased socialising events and to commence the delivery of the Regional Respite service. All of these enhancements were extremely welcome developments. The struggle to meet the residential and respite needs of many people continues.

Our designated residential centres in Castletownbere and Bantry were successfully reregistered with HIQA in 2020, all reports are available on the HIQA website.

Despite constant lobbying at every opportunity, CoAction remains one of a number of Section 39 agencies which have not yet received Pay restoration. The disparity in pay is deeply unfair to staff who continue to provide high quality service to the people we support. The lack of pay restoration is widely recognised as a significant challenge to recruitment and retention of staff.

Staff recruitment continued to be a challenge to the organisation and our capacity to deliver and expand services in line with the funding secured from the HSE. A number of proactive measures were implemented during 2019, including interview training for staff and a significant review of our recruitment processes. However, full employment nationally, lack of pay restoration and our geographical location continued to be some of the major factors contributing to the recruitment challenges.

Structure, Governance & Management

The organisation is a charitable company, limited by guarantee. The company does not have a share capital and consequently the liability of the members is limited, subject to an undertaking by each member to contribute to the net assets of the company on winding up such amounts as may be required not exceeding €2.

CoAction was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association and managed by a Board of Trustees. The Trustees are non executive members of the organisation, who receive no remuneration for their services, and represent a diversity of skills, expertise and background. The Board meets on a monthly basis and has non executive responsibility for the organisation and the services and supports that it provides. The Board delegates the day to day management of CoAction to the Chief Executive, who is in turn supported by the Senior Management Team and a tiered management system that identifies clear lines of accountability and responsibility at each level.

The Board recognises the value of high standards of corporate governance and operates with the support of a number of Board Committees who have responsibility in specific aspects of the organisation and report to the Board.

Following is a list of the Board Committees and a brief outline of their area of oversight:-

Nominations Committee

o The purpose of the Committee is to develop a plan for the orderly succession of appointments to the Board of CoAction West Cork CLG and to Board Committees. The Committee can also invite individuals to become members of CoAction, subject to approval of the Board.

CoAction West Cork CLG DIRECTORS' REPORT

for the financial year ended 31 December 2019

Quality & Risk Committee

o The purpose of the Committee is to assist the Board in fulfilling its duties by overseeing quality and risk on behalf of the Board.

Remunerations Committee

o The purpose of the Committee is to assist the Board in fulfilling its duties by overseeing employee remuneration and related matters on behalf of the Board. In addition, it is required to ensure performance evaluation and succession planning at executive management level.

Finance, Audit & Buildings

o The purpose of the Committee is to assist the Board in fulfilling its duties by overseeing financial governance, including financial risk on behalf of the Board.

In response to the number of building related issues that arose in 2018 and 2019 the Board established a Buildings Advisory Group to advise the Finance, Audit & Buildings Committee and ultimately the Board.

Principal Risks and Uncertainties

The Trustees are satisfied that the risks facing the organisation have been identified and managed through the ongoing maintenance of the Risk Register and Quality & Risk Committee oversight.

The management of risks in the organisation is viewed by the Board as a corporate governance priority and an updated Risk Management Policy was approved by the Board in February 2019. CoAction's internal control systems are supported by policies, procedures, protocols and guidelines covering all aspects of the work of the organisation.

The annual budget is approved by the Board at the beginning of the year. Management Accounts are reviewed by the Finance, Audit & Buildings Committee each quarter, including explanation of variances and revised forecasts before presentation to the Board.

It is the policy of CoAction that all staff and volunteers are made aware of their responsibilities through adherence to all relevant policies. CoAction is also committed to the development and training of each member of staff, equipping them with the necessary skills and knowledge to provide the best possible quality supports.

CoAction, as a distinct legal entity which is obliged to operate its business in conformity with the best practice within its regulatory environment, manages all the usual risks associated with a sizeable entity. The organisation relies heavily on HSE for funds, and any curtailment in this source of funding would have a significant impact on the ability to provide services.

As an employer and owner/occupier of properties, CoAction must comply with the standards set down in Safety, Health Welfare at Work legislation and with all associated employer liability and public liability requirements.

In the first half of 2020, the outbreak of Covid-19 spread throughout Asia, Europe and Worldwide. The initial impact of this has been severe and has resulted in a significant worldwide slowdown in economic activity. In Ireland, the economic impact of this pandemic has been characterised by the temporary closure of many businesses in "non-essential" areas to ensure that people's movements are restricted in order to slow down the spread of the virus.

The effect of Covid-19 presents many risks for the company, the effects of which cannot be fully quantified at the time of approving the financial statements. As a result, the directors consider the implications of the Covid-19 pandemic to be a significant uncertainty at the time of approving the financial statements. Although the effects cannot be fully determined, the directors believe that the main risks associated with Covid-19 are as follows;

- a prolonged period of government recommendations and restrictions on the movement of people to contain the virus
- a potential reduction in the level of exchequer funding made available to the HSE for funding the voluntary sector
- a reduction in asset values

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company will continue to receive an adequate level of financial support from the HSE to allow the company to continue to service its clients in the future.

Financial Results

The deficit for the financial year after providing for depreciation amounted to €(104,850) (2018 - €(154,710)).

At the end of the financial year, the company has assets of €9,769,933 (2018 - €10,456,879) and liabilities of €1,357,787 (2018 - €1,939,883). The net assets of the company have decreased by €(104,850).

The charity, with the aid of sound financial management and the support of both its members and volunteers, generated a very positive outcome for the period.

CoAction West Cork CLG

DIRECTORS' REPORT

for the financial year ended 31 December 2019

Directors and Secretary

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

Mr. Pat Holland (Resigned 19 September 2019)
Mr. Reggie Chambers
Ms. Mary Molloy
Mr. Martin Scully (Resigned 26 March 2019)
Ms. Marian Barry
Mr. Tom Wilson
Ms. Noeleen Murphy
Ms. Aine O'Donovan (Appointed 14 March 2019)
Ms. Patricia Newman (Appointed 14 March 2019)
Mr. Brian Williams (Appointed 19 September 2019)
Ms. Mary Hegarty (Appointed 19 September 2019)

The secretary who served throughout the financial year was Ms. Marian Barry.

In accordance with the Articles of Association, the directors retire by rotation and, being eligible, offer themselves for re-election.

Board Evaluation

Every Board has a responsibility to its stakeholders to ensure the organisation is being run and being governed in a responsible and efficient manner. For charities such as CoAction there is the added responsibility of ensuring the organisation complies with all governance provisions of our own constitution and any other relevant statutory or administrative requirements. The Board of Trustees has commenced the process of self-evaluation and this will be ongoing.

Future Developments

The company plans on continuing the activity outlined above in the future subject to satisfactory funding arrangements. At the time of approving the financial statements, the company is exposed to the effects of the Covid-19 pandemic which has had an effect on the company's activities in the community. In planning its future, the directors will seek to develop the company's activities whilst managing the effects of the difficult period caused by this outbreak. The company intends to continue raising awareness of their organisation.

The work undertaken during 2019 in relation to Priority 4 of the Strategic Plan, Accommodation, will be presented to the Board during 2020 with the aim of clarifying the type of accommodation options and funding mechanisms that will be employed by the organisation over the next few years. The organisation continues to monitor the implementation of *The Road Ahead* by quarterly progress reports to the Board of Trustees.

Post Balance Sheet Events

In the first half of 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered by Government to close temporarily.

The company is adopting all recommendations and guidelines to enable a continuation of activities during this period.

The directors are confident that the company will be fully operational once the period of restriction is lifted.

Auditors

The auditors, Patricia Power & Co, (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of section 380 of the Companies Act 2014.

Reserves policy

As part of good governance CoAction operates a Reserves Policy which is reviewed annually and was updated during 2019. This review looked at the pattern of income and expenditure together with all commitments to which CoAction is or may become obligated under formal or informal arrangements and planned capital expenditure. Reserves are needed to bridge this gap should a delay arise between the spending and receipt of income and in addition to cover unplanned or emergency expenditure as well as to fund planned projects.

CoAction's Reserves Policy ensures that adequate reserves are maintained to fund such unexpected expenditure, shortfalls in income, to provide emergency, short-term services or projects, to provide for sinking fund requirements and to accumulate funds for specific planned major projects or events

CoAction West Cork CLG DIRECTORS' REPORT

for the financial year ended 31 December 2019

Internal audit process

The Board have committed to implementing a robust internal audit process which we aim to commence in 2020 / early 2021 subject to available funding.

Statement on Relevant Audit Information

In accordance with section 330 of the Companies Act 2014, so far as each of the persons who are directors at the time this report is approved are aware, there is no relevant audit information of which the statutory auditors are unaware. The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Compliance Statement

The directors are responsible for securing the company's compliance with its relevant obligations (compliance with both company and tax law) and with respect to each of the following three items, we confirm that it has/has not been done. We confirm:"

- the existence of a compliance policy statement;
- appropriate arrangements or structures put in place to secure material compliance with the company's relevant obligations;
- a review of such arrangements and structures has taken place during the year

Accounting Records

To ensure that proper books and accounting records are kept in accordance with sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at the company's office at Slip, Bantry, West Cork, Co Cork.

Signed on behalf of the board


Mr. Tom Wilson
Director


Ms. Noeleen Murphy
Director

10 July 2020

CoAction West Cork CLG

DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2019

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be readily and properly audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the board



Mr. Tom Wilson
Director



Ms. Noeleen Murphy
Director

10 July 2020

INDEPENDENT AUDITOR'S REPORT

to the Members of CoAction West Cork CLG

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CoAction West Cork CLG ('the company') for the financial year ended 31 December 2019 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its deficit for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

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

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT to the Members of CoAction West Cork CLG

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

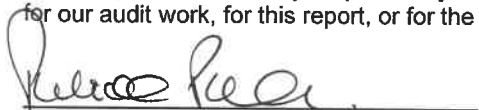
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 11, which is to be read as an integral part of our report.

The purpose of our audit work and to whom we owe our responsibilities

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



Patricia Power

for and on behalf of

PATRICIA POWER & CO

Chartered Accountants and Statutory Auditors

The Quay

Bantry

Co Cork

13 July 2020

CoAction West Cork CLG

APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 our 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.
- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- 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.

We 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 we identify during our audit.

CoAction West Cork CLG
INCOME AND EXPENDITURE ACCOUNT

for the financial year ended 31 December 2019

	Notes	2019 €	2018 € as restated
Income	5	8,624,741	7,850,963
Expenditure		(8,729,591)	(8,005,673)
Deficit for the financial year	16	(104,850)	(154,710)
Prior financial year error correction	8	(299,630)	-
Retained surplus brought forward		3,377,774	3,232,854
Retained surplus carried forward		<u>2,973,294</u>	<u>3,078,144</u>

The company's income and expenses all relate to continuing operations.

Approved by the board on 10 July 2020 and signed on its behalf by:



 Mr. Tom Wilson
 Director



 Ms. Noeleen Murphy
 Director

CoAction West Cork CLG BALANCE SHEET

as at 31 December 2019

	Notes	2019 €	2018 € as restated
Fixed Assets			
Tangible assets	9	<u>7,942,294</u>	<u>8,352,527</u>
Current Assets			
Debtors	10	547,666	174,270
Cash and cash equivalents		<u>1,279,973</u>	<u>1,930,082</u>
		<u>1,827,639</u>	<u>2,104,352</u>
Creditors: Amounts falling due within one year	11	<u>(598,099)</u>	<u>(1,027,693)</u>
Net Current Assets		<u>1,229,540</u>	<u>1,076,659</u>
Total Assets less Current Liabilities		<u>9,171,834</u>	<u>9,429,186</u>
Government grants	14	<u>(759,688)</u>	<u>(912,190)</u>
Net Assets		<u><u>8,412,146</u></u>	<u><u>8,516,996</u></u>
Reserves			
Revaluation reserve	16	5,438,852	5,438,852
Income and expenditure account	16	<u>2,973,294</u>	<u>3,078,144</u>
Members' Funds		<u><u>8,412,146</u></u>	<u><u>8,516,996</u></u>

Approved by the board on 10 July 2020 and signed on its behalf by:



Mr. Tom Wilson
Director



Ms. Noeleen Murphy
Director

CoAction West Cork CLG
CASH FLOW STATEMENT
for the financial year ended 31 December 2019

	Notes	2019 €	2018 € as restated
Cash flows from operating activities			
Deficit for the financial year		(104,850)	(154,710)
Adjustments for:			
Depreciation		492,221	481,727
Surplus/deficit on disposal of tangible fixed assets		24,000	-
Amortisation of government grants		(152,502)	(160,597)
		<u>258,869</u>	<u>166,420</u>
Movements in working capital:			
Movement in debtors		(373,396)	(118,339)
Movement in creditors		(429,594)	528,274
		<u>(544,121)</u>	<u>576,355</u>
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(315,988)	(120,144)
Receipts from sales of tangible fixed assets		210,000	-
		<u>(105,988)</u>	<u>(120,144)</u>
Net cash used in investment activities		(105,988)	(120,144)
Net (decrease)/increase in cash and cash equivalents		(650,109)	456,211
Cash and cash equivalents at beginning of financial year		1,930,082	1,473,871
Cash and cash equivalents at end of financial year	21	<u>1,279,973</u>	<u>1,930,082</u>

CoAction West Cork CLG

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

1. GENERAL INFORMATION

CoAction West Cork CLG is a company limited by guarantee incorporated in the Republic of Ireland

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 December 2019 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014 and in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

The company qualifies as a medium company as defined by section 280F of the Companies Act 2014 in respect of the financial year.

Income

Income consists of H.S.E. funding, rents received, contributions for summer camps and other activities and other funds generated by voluntary activities. These are included in the financial statements when received. Incoming resources have been included in the financial statements only when realised or when the ultimate cash realisation of which can be assessed with reasonable certainty.

Tangible fixed assets and depreciation

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

Buildings	-	5% Straight line of revalued properties as per note 9.1
Fixtures & Fittings	-	20% Straight line
Motor Vehicles	-	20% Straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Employee benefits

The company operates a defined contribution pension scheme.

Taxation

The Company is a registered charity. Charity Number CHY 10643 & R.C.N. 20027506

CoAction West Cork CLG
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

Government grants

Capital grants received and receivable are treated as deferred income and amortised to the Income and Expenditure Account annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the Income and Expenditure Account upon recognition of the associated expense for which the grant was originally received.

Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. Annual contributions payable to the company's pension scheme are charged to the Income and Expenditure Account in the period to which they relate.

3. DEPARTURE FROM COMPANIES ACT 2014 PRESENTATION

The directors have elected to present an Income and Expenditure Account instead of a Profit and Loss Account in these financial statements as this company is a not-for-profit entity.

4. GOING CONCERN

CoAction West Cork Company Limited by Guarantee has continued its activities on a reduced basis, with some staff working from home where feasible during this period. Once restrictions are lifted, the directors believe that the company is well positioned to return to full activities with the continued support of HSE.

However, the current difficult economic environment may result in a reduction in the level of exchequer funding made available to the HSE for funding to the voluntary sector. This may result in a reduction or abolition in the grant supports received by the company from government agencies.

The Trustees of CoAction in preparing these financial statements carried out a robust assessment of the Charity's ability to continue as a going concern. As part of this assessment the Trustees and Senior Management team of CoAction assessed all available information and sought reassurances about the future sources of funding to include their principal source of funding from the HSE, firstly for the coming 12 months and then in the longer term.

The Trustees and Senior Management identified and considered the threat from major uncertainties related to events or conditions which may be outside of their control and which may cast significant doubt upon the organisation's ability to continue as a going concern. The Trustees and Senior Management sought and received confirmation from their principal stakeholder, HSE, that funding for CoAction in 2021 will continue at the level required to maintain agreed services.

The Trustees and Senior Management carried out an in-depth review of the organisation's cash flow forecasts for a period of at least the next 12 months from their financial plans to indicate an adequate matching of projected funding inflows with projected cash outflows, including projected running costs, wages, routine settlement of liabilities, payment of pension liabilities and all other commitments. Consideration was also given to potential cash shortages or peak cash requirements against a delay in receipt of core funding and the Trustees, as part of their overall risk assessment, have planned mitigating actions which they can take during the period of any such cash shortfall to ensure they can meet their obligations as they fall due.

The financial statements have been prepared on a going concern basis.

CoAction West Cork CLG
NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

continued

5. INCOME

The income for the financial year has been derived from:-

	2019 €	2018 €
Membership fees	640	1,120
H.S.E funding	8,396,186	7,603,623
Rent received	60,050	61,086
Activity income	11,500	10,783
CE grants	-	973
Interest received	11	250
Other income	3,852	12,531
Other operating income	152,502	160,597
	<u>8,624,741</u>	<u>7,850,963</u>

Other operating income relates to grant amortisation.

The majority of the company's income is received from the H.S.E. for the purpose of the charitable company's principal activity of supporting people with intellectual disabilities, with or without autism.

6. OPERATING DEFICIT

	2019 €	2018 €
Operating deficit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	492,221	481,727
(Deficit)/surplus on disposal of tangible fixed assets	24,000	-
Amortisation of Government grants	(152,502)	(160,597)
	<u>(152,502)</u>	<u>(160,597)</u>

7. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed (including executive directors) during the financial year was as follows:

	2019 Number	2018 Number
Staff	225	209
	<u>225</u>	<u>209</u>

The staff costs comprise:

	2019 €	2018 €
Wages and salaries	5,812,539	5,436,209
Social welfare costs	623,430	568,945
Pension costs	273,574	225,637
	<u>6,709,543</u>	<u>6,230,791</u>

No directors received any remuneration during the year.

The number of employees whose total employee benefits (excluding employer PRSI) for the period fall within each band of €10,000 from €60,000 upwards is as follows:-

Band €60,000 - €70,000 = 4

Band €70,001 - €80,000 = 2

Band €80,001 upwards = 6

CoAction West Cork CLG
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

8. PRIOR FINANCIAL YEAR ADJUSTMENT

The prior year adjustment arose as a result of payroll savings identified in 2018 due to significant recruitment challenges throughout that year. However the HSE did not indicate a retraction of funding would apply until the 2018 Financial Statements had been signed and filed. This occurrence was outside the control of the directors, the retraction would have been provided for in the 2018 Accounts had the information been available at the time.

The following 2018 figures were restated:-

	Original €	Restated €
Income & Expenditure Account		
Income	8,150,593	7,850,963
Surplus for the year	144,920	(154,710)
Retained surplus carried forward	3,377,774	3,078,144
Balance Sheet		
Creditors < 1 year	728,063	1,027,693
Income & expenditure account	3,377,774	3,078,144
Cashflow Statement		
Surplus for the year	144,920	(154,710)
Movement in creditors	228,644	528,278

9. TANGIBLE FIXED ASSETS

	Buildings	Fixtures & Fittings	Motor Vehicles	Total
	€	€	€	€
Cost or Valuation				
At 1 January 2019	15,822,126	267,151	321,490	16,410,767
Additions	256,170	51,867	7,951	315,988
Disposals	(260,000)	-	-	(260,000)
At 31 December 2019	<u>15,818,296</u>	<u>319,018</u>	<u>329,441</u>	<u>16,466,755</u>
Depreciation				
At 1 January 2019	7,522,446	252,096	283,698	8,058,240
Charge for the financial year	460,678	15,765	15,778	492,221
On disposals	(26,000)	-	-	(26,000)
At 31 December 2019	<u>7,957,124</u>	<u>267,861</u>	<u>299,476</u>	<u>8,524,461</u>
Net book value				
At 31 December 2019	<u><u>7,861,172</u></u>	<u><u>51,157</u></u>	<u><u>29,965</u></u>	<u><u>7,942,294</u></u>
At 31 December 2018	<u><u>8,299,680</u></u>	<u><u>15,055</u></u>	<u><u>37,792</u></u>	<u><u>8,352,527</u></u>

The H.S.E. hold an 800 year lease on Dunmanway property as they paid for part of the building which was netted off against the building costs. This lease commenced in 2009.

Cork County Council hold a charge of £120,600(Irish Pounds) on 19/20 Slip Bantry(Folio 32381) since 19th December 1994 for 25 years and this charge expired on 19 December 2019.

9.1. TANGIBLE FIXED ASSETS CONTINUED

John O'Neill Auctioneer and Lehanes & Associates Ltd valued all existing properties at December 2016.

CoAction West Cork CLG
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

10. DEBTORS	2019 €	2018 €
Trade debtors	21,535	165,197
Other debtors	520,000	-
Prepayments	6,131	9,073
	<u>547,666</u>	<u>174,270</u>

Other debtors relates to funds held by solicitors pending completion of the purchase of a property which is currently awaiting a Grant of Probate to issue.

11. CREDITORS Amounts falling due within one year	2019 €	2018 €
Trade creditors	358,342	174,617
Taxation (Note 12)	137,055	131,740
Accruals	75,391	136,762
Deferred Income	27,311	584,574
	<u>598,099</u>	<u>1,027,693</u>

12. TAXATION	2019 €	2018 €
Creditors: PAYE	<u>137,055</u>	<u>131,740</u>

13. PENSION COSTS - DEFINED CONTRIBUTION

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs amounted to €273,574 (2018 - €225,637).

14. GOVERNMENT GRANTS DEFERRED	2019 €	2018 €
Capital grants received and receivable At 1 January 2019	<u>4,022,454</u>	<u>4,022,454</u>
Amortisation At 1 January 2019	<u>(3,110,264)</u>	<u>(2,949,667)</u>
Amortised in financial year	(152,502)	(160,597)
At 31 December 2019	<u>(3,262,766)</u>	<u>(3,110,264)</u>
Net book value At 31 December 2019	<u>759,688</u>	<u>912,190</u>
At 1 January 2019	<u>912,190</u>	<u>1,072,787</u>

15. STATUS

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members or within one year thereafter for the payment of the debts and liabilities of the company contracted before they ceased to be members and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves such amount as may be required, not exceeding € 2.

CoAction West Cork CLG
NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2019

16. RESERVES

	Revaluation reserve	Income and expenditure account	Total
	€	€	€
At 1 January 2019 as previously stated	5,438,852	3,377,774	8,816,626
Prior financial year adjustment	-	(299,630)	(299,630)
At 1 January 2019	5,438,852	3,078,144	8,516,996
Deficit for the financial year	-	(104,850)	(104,850)
At 31 December 2019	<u>5,438,852</u>	<u>2,973,294</u>	<u>8,412,146</u>

17. CAPITAL COMMITMENTS

At the 31st December 2019, the company had committed to the replacement of four cars in the amount of €119,000 as well as the purchase of a house in the amount of €520,000.

18. DIRECTORS' REMUNERATION

No director or member of the management committee received any remuneration during the year.

19. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

The company was under the control of Chairperson Reggie Chambers until 19 September 2019 when Tom Wilson was appointed Chairperson. Gobnait Ní Chrualaí was C.E.O. for the current year.

20. POST-BALANCE SHEET EVENTS

In the first half of 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28th March, all "non-essential" businesses were ordered by Government to close temporarily.

The company is adopting all recommendations and guidelines to enable a continuation of activities during this period.

The directors are confident that the company will be fully operational once the period of restriction is lifted.

21. CASH AND CASH EQUIVALENTS

	2019	2018
	€	€
Cash and bank balances	355,422	458,812
Cash equivalents	924,551	1,471,270
	<u>1,279,973</u>	<u>1,930,082</u>

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 10 July 2020.

COACTION WEST CORK CLG

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOT COVERED BY THE REPORT OF THE AUDITORS

THE FOLLOWING PAGES DO NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

CoAction West Cork CLG**SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS****DETAILED INCOME AND EXPENDITURE ACCOUNT**

for the financial year ended 31 December 2019

	2019	2018
	€	€
Income		
Membership fees	640	1,120
Summer Camp & Saturday Club	8,380	7,860
Interest received	11	250
Activity Income	3,120	2,923
Other Income	3,852	12,531
H.S.E. Income	8,396,186	7,603,623
CE Grants	-	973
Rent Received	60,050	61,086
Amortisation of government grants	152,502	160,597
	<u>8,624,741</u>	<u>7,850,963</u>
Expenditure		
Activity Direct Expenses	5,247	2,381
Wages and salaries	5,812,539	5,436,209
Social welfare costs	623,430	568,945
Staff Pension Costs	273,574	225,637
Staff training	61,504	25,898
Attendance Allowances	24,399	27,745
Rent & Rates	84,176	69,214
Insurance	126,072	137,048
IT & Computer Equipment Costs	153,965	140,850
Light and heat	73,742	66,693
Siblink Summer Camp/Saturday Club	14,197	13,783
Training Centre Resources	39,051	35,082
Repairs and maintenance	164,860	156,919
Equipment & Renewals	58,424	46,669
Contract Services	138,340	30,969
Paramedical Resources	21,383	22,761
Affiliations/Memberships	14,367	18,554
Housekeeping	118,589	111,160
Office Consumables, Postage etc	21,555	18,564
Staff Recruitment /Expenses	56,884	52,949
Promotional Expenses	2,042	2,587
Telephone	42,494	41,135
Rec and Leisure Expenses	14,858	19,726
Travel Expenses	77,932	62,191
Professional Fees	43,793	62,108
Bank charges	1,525	1,672
General Expenses	4,778	2,151
Transport Costs	133,451	118,196
Profits/losses on disposal of tangibles	24,000	-
Auditor's remuneration	6,199	6,150
Depreciation	492,221	481,727
	<u>8,729,591</u>	<u>8,005,673</u>
Net deficit	<u>(104,850)</u>	<u>(154,710)</u>