

Aiséirí Cahir Designated Activity Company

Directors' report and financial statements

Year ended 31 December 2021

Registered number: 506175

Aiséirí Cahir Designated Activity Company

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors' responsibilities in respect of the directors' report and the financial statements	5
Independent auditor's report to the members of Aiséirí Cahir Designated Activity Company	6
Income and expenditure account and other comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Cash flow statement	12
Notes forming part of the financial statements	13

Aiséirí Cahir Designated Activity Company

Directors and other information

Directors

Catherine O'Callaghan
Nicola Connery
Marie Walsh
Marie Ahearne
Ronan Fawsitt
Peter Finnegan
Stephen Costello
Anne Cuffe
Josephine O'Mara (resigned 30 September 2021)
Thomas O'Dwyer
Matthew Breen
Paul Murray (appointed 5 January 2022)

Secretary

Mary Hennessy

Registered office

Townspark
Cahir
Co. Tipperary

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Bankers

Bank of Ireland
Cahir

CHY (Revenue) number

CHY 20096

Registered charity number

20079550

Registered company number

506175

Aiséirí Cahir Designated Activity Company

Directors' report

The directors present their annual report together with the audited financial statements of Aiséirí Cahir Designated Activity Company ("Aiséirí") for the year ended 31 December 2021.

Principal activities and business review (including principal risks and uncertainties)

Aiséirí is a service agency that is informed by values and motivated to a mission; it believes in the priceless potential of people, and that recovery from addiction is possible for everyone.

Aiséirí Cahir Designated Activity Company is a wholly owned subsidiary of Aiséirí, ('the Corporation'), and is responsible for the day to day management of the four treatment and support units – Aiséirí Aislinn in Ballyragget, Co. Kilkenny; Aiséirí Cahir in Co. Tipperary; Aiséirí Wexford at Roxborough, Co. Wexford; and Aiséirí Ceim Eile in Waterford City. Aiséirí Cahir assists and supports adults over the age of 21 years who have addictions to alcohol, drugs and gambling to achieve and sustain recovery. The centre in Cahir provides a residential detoxification service to those that need this. In common with Cahir, Aiseiri Wexford provides residential rehabilitation to adults who want to recover from addiction. In Aislinn Ballyragget we provide and deliver detoxification and residential treatment to young people in the age range 15 – 21 years. In Ceim Eile, in Waterford, we provide Continuing Care, if required, for clients following completion of their residential treatment programme. Continuing Care is a second-level service that focuses on practical vocational and living skills development and makes supported accommodation available to clients in recovery who need this.

By bringing these four treatment centres together, we are now able to provide comprehensive care (from detox services to sober housing over a year long period) for clients and their families who are dealing with addiction.

The Chief Executive, with the support of the staff and under the direction of the Board, has the brief for ensuring that the services of Aiséirí evolve in a manner that best meets the changing needs and circumstances of the clients, while ensuring that the service operates in a financially prudent way.

The statement of income and expenditure and balance sheet at 31 December 2021 combine the results of the four treatment centres.

The directors consider any events that could lead to a withdrawal of grant aid and/or contributions and donations as the principal financial risk faced by the Company.

A decision was taken by the shareholders, following the recommendation of the Board, to re-register the Company, pursuant to Part 20 of the Companies Act 2014, from a Designated Activity Company to a Company Limited by Guarantee. This company structure is adopted by a large number of charitable organisations and this will also facilitate the merger of the Company with the Aiséirí Trust (registered charity number: 20013479) in the future. Due to COVID-19 and the restrictions that have been place, it has not been possible to proceed with the re-registration of the Company. It is anticipated that this matter will be completed as soon as possible.

Results for the year

In the year ending 31 December 2021 the Company recorded a deficit of €497,502 whilst in the year ending 31 December 2020 the Company recorded a surplus of €33,647.

No dividends or transfers to reserves are recommended by the directors.

Aiséirí Cahir Designated Activity Company

Directors' report *(continued)*

Going concern

The Company incurred a loss of €497,502 in 2021, impacted by the delayed receipt of expected funding income.

The Company's ability to continue as a going concern is dependent on ongoing financial support from the HSE and other government agencies.

The Directors have reviewed financial projections and the underlying assumptions and considered the availability of continued finances and, on the basis of this review believe that appropriate funding will be made available to the Company to enable it to continue as a going concern.

The Directors believe that sufficient financial resources will be available to enable the Company to meet its obligations as they fall due, covering a period of not less than 12 months from the date of approval of the financial statements. In forming their view, the directors continue to adopt the going concern basis in preparing these financial statements. The directors considered the following factors in reaching this decision:

- The company received additional support funding from the HSE in December 2022(€480,000).
- The company will continue to avail fully of the Government Debt Warehouse Scheme.(now extended to 30 April 2024; and
- The directors are in the process of restructuring Aiseiri Cahir DAC with Aiseiri (Trust),and are confident that this will result in an improved financial position for Aiseiri Cahir DAC.

The Directors of the Company have concluded that the above factors are achieved and achievable while acknowledging that any failure to deliver on the above assumptions might impact adversely on the ability of the Company to trade as a going concern and to repay its obligations and liabilities as they fall due.

It is on this basis that the Directors consider it appropriate to prepare the financial statements on a going concern basis. These financial statement do not include any adjustment that would result from the going concern basis of preparation being inappropriate.

Directors, secretary and their interests

The directors and secretary who held office at the date of approval of the financial statements are listed on page 1.

In the year ending 31 December 2021, Josephine O'Mara resigned from the Board.

Subsequent to the year end, Paul Murray was appointed to the Board.

The directors did not have any interest in the shares of the Company at 31 December 2021.

Accounting records

The directors believe that they have complied with the requirement of Section 281 to 285 of the Companies Act 2014 with regard to keeping adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at the Company's offices at Townspark, Cahir, Co. Tipperary.

In so far as the directors are aware, there is no relevant audit information of which the Company's statutory auditor is unaware.

Aiséirí Cahir Designated Activity Company

Directors' report (*continued*)

Relevant audit information

The directors believe that they have taken all necessary steps to make themselves aware of any relevant audit information and have established that the Company's statutory auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the balance sheet date that require disclosure in or adjustment to these financial statements.


Political donations

The Company has made no disclosable political or charitable donations during the year.

Auditor

In accordance with Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board



Thomas O'Dwyer
Director



Catherine O'Callaghan
Director

21st Feb 2023

Aiséirí Cahir Designated Activity Company

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

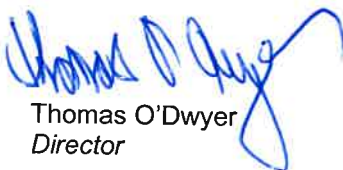
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the board


Thomas O'Dwyer
Director


Catherine O'Callaghan
Director

21st Feb 2023



Independent auditor's report to the members of Aiséirí Cahir Designated Activity Company (*continued*)

Independent auditor's report to the members of Aiséirí Cahir Designated Activity Company

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Aiséirí Cahir Designated Activity Company ("the Company") for the year ended 31 December 2021 set out on pages 10 to 23, which comprise the income and expenditure account and other comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and related notes, including the 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* issued in the United Kingdom by the Financial Reporting Council.

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 2021 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements 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 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.

Material uncertainty related to going concern

We draw attention to the note 2 to the financial statements which indicates the Company's ability to continue as a going concern is dependent on obtaining further funding and cost reduction measures. Our opinion is not modified in respect of this matter. As stated in note 2, these events or conditions, along with the other matters explained in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of Aiséirí Cahir Designated Activity Company *(continued)*

Report on the audit of the financial statements *(continued)*

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by 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 and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

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 Aiséirí Cahir Designated Activity Company (*continued*)

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

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 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.

2023

Ryan McCarthy
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

Aiséirí Cahir Designated Activity Company

Income and expenditure account and other comprehensive income for the year ended 31 December 2021

	Note	2021 €	2020 €
Income			
Expenses	3	5,347,926 (5,853,569)	4,815,682 (5,225,692)
Net operating loss		(505,643)	(410,010)
Other income			
Government grants	4	8,141	443,657
Total other income		-	-
(Loss)/profit for the year		(497,502)	33,647

There are no recognised gains or losses other than the surplus for the year and accordingly no statement of other comprehensive income is presented.

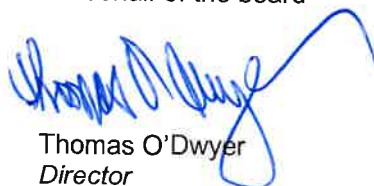
Aiséirí Cahir Designated Activity Company

Balance sheet

as at 31 December 2021

	Note	2021 €	2020 €
Tangible assets	7	2,766,159	2,745,211
Current assets			
Stocks – consumables	8	19,159	16,895
Debtors	9	699,224	834,109
Cash at bank and in hand	10	82,070	451,765
		800,453	1,302,769
Creditors: amounts falling due within one year	11	(1,982,574)	(1,907,190)
Net current liabilities		(1,182,121)	(604,421)
Total assets less current liabilities		1,584,038	2,140,790
Creditors: amounts falling due after one year	12	(513,268)	(572,518)
Net assets		1,070,770	1,568,272
Financed by			
Share capital	15	2	2
Accumulated (deficit)/surplus		(192,627)	304,875
Capital contribution		1,263,395	1,263,395
Total accumulated funds		1,070,770	1,568,272

On behalf of the board



Thomas O'Dwyer
Director



Catherine O'Callaghan
Director

Aiséirí Cahir Designated Activity Company

Statement of changes in equity for the year ended 31 December 2021

	Share capital €	Capital contribution €	Accumulated surplus/ (deficit) €	Total €
At 1 January 2020	2	1,263,395	271,228	1,534,625
Surplus for the year	-	-	33,647	33,647
Total comprehensive income for the year	-	-	33,647	33,647
At 31 December 2020	2	1,263,395	304,875	1,568,272
Deficit for the year	-	-	(497,502)	(497,502)
Total comprehensive loss for the year	-	-	(497,502)	(497,502)
Balance at 31 December 2021	2	1,263,395	(192,627)	1,070,770

The accompanying notes form an integral part of the financial statements.

Aiséirí Cahir Designated Activity Company

Cash flow statement

for the year ended 31 December 2021

	Note	2021 €	2020 €
Cash flows from operating activities			
(Deficit)/surplus for the year		(497,502)	33,647
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		119,371	115,565
Amortisation of government grants		(28,748)	(28,746)
(Increase)/decrease in stock		(2,264)	4,441
Decrease in trade and other debtors		134,885	85,392
Increase in trade and other creditors		46,429	527,200
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		(227,829)	737,499
Cash flows from investing activities			
Acquisition of tangible fixed assets		(141,866)	(158,571)
		<hr/>	<hr/>
Net cash from investing activities		(141,866)	(158,571)
		<hr/>	<hr/>
Net (decrease)/increase in cash equivalents		(369,695)	578,928
Net cash/(debt) at beginning of year	10	451,765	(127,163)
		<hr/>	<hr/>
Net cash at end of year	10	82,070	451,765
		<hr/> <hr/>	<hr/> <hr/>

Aiséirí Cahir Designated Activity Company

Notes (continued)

Notes

forming part of the financial statements

1 Structure and operations

Aiséirí Cahir Designated Activity Company was incorporated on 17 November 2011. The objectives of the Company are:

- (a) to provide and manage a centre or centres for the treatment, detoxification, care and rehabilitation of persons who are chemically dependent on alcohol and drugs, and to supply services for the treatment, care and rehabilitation of persons who are compulsive gamblers and to provide the appropriate support for such persons and their families based on fostering the dignity, self-worth and spiritual development of each individual;
- (b) to carry on research into all aspects of chemical dependencies and addictions including their treatment and to provide educational services and information relating to such matters;
- (c) to establish, operate and maintain hostels, sheltered accommodation and such other amenities for both men and women as are necessary to offer settlement.

2 Accounting policies

Aiséirí Cahir Designated Activity Company ("the Company") is a company limited by shares and incorporated, domiciled and registered in Ireland. The registered number of the Company is 506175 and the address of its registered office is Townspark, Cahir, Co. Tipperary.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). There have been no material departures from the Standards. The presentation currency of these financial statements is Euro. The Company looks to the Charities Statement of Recommended Practice ("Charities SORP") for guidance in preparing its financial statements, however the Company does not apply the Charities SORP.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are disclosed in note 17.

In these financial statements the Company has not changed its accounting policies.

The financial statements are prepared on the historical cost basis.

Going concern

The Company incurred a loss of €497,502 in 2021, impacted by the delayed receipt of expected funding income.

The Company's ability to continue as a going concern is dependent on ongoing financial support from the HSE and other government agencies.

The Directors have reviewed financial projections and the underlying assumptions and considered the availability of continued finances and, on the basis of this review believe that appropriate funding will be made available to the Company to enable it to continue as a going concern.

Aiséirí Cahir Designated Activity Company

Notes (continued)

Going concern (continued)

The Directors believe that sufficient financial resources will be available to enable the Company to meet its obligations as they fall due, covering a period of not less than 12 months from the date of approval of the financial statements. In forming their view, the directors continue to adopt the going concern basis in preparing these financial statements. The directors considered the following factors in reaching this decision:

- The company received additional support funding from the HSE in December 2022(€480,000).
- The company will continue to avail fully of the Government Debt Warehouse Scheme.(now extended to 30 April 2024; and
- The directors are in the process of restructuring Aiseiri Cahir DAC with Aiseiri (Trust),and are confident that this will result in an improved financial position for Aiseiri Cahir DAC.

The Directors have concluded that the circumstances represents a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern and that, therefore the Company may be unable to continue realising its assets and discharging its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual financial statements.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

The entity assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Aiséirí Cahir Designated Activity Company

Notes (continued)

2 Accounting policies (continued)

Tangible fixed assets (continued)

Depreciation is charged to the income and expenditure account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

• leasehold improvements	2%
• fixtures and fittings	10%
• machinery and equipment	10%
• motor vehicles	20%
• technology and software	20%

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks.

Impairment excluding stocks

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income and expenditure account in the periods during which services are rendered by employees.

Aiséirí Cahir Designated Activity Company

Notes *(continued)*

2 Accounting policies *(continued)*

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Reserves

General funds

General funds represent accumulated surpluses and deficits that are available for use at the discretion of the Company.

Designated funds are those part of the Company's unrestricted funds designated by the directors to be used for a particular purpose in the future. The directors have the power to reallocate such funds.

Restricted funds

Restricted funds represent donations received which can only be used for particular purposes. Such purposes are within the overall aims of the Company. Such funds are included separately on the face of the income and expenditure account and in reserves.

Income

The operating income comprises the following income streams:

- grants received from public bodies for the maintenance and care of service users;
- maintenance income from service users;
- aftercare income relating to the provision of aftercare services;
- fundraising and donations from individuals and public bodies;
- rental income; and
- other income.

Income from fees charged for services provided is recorded as operating income in the period in which it is received, except where fees charged are covered under a policy of health insurance when they are accrued as income on provision of the service. Contributions and donations are recorded as income in the year in which they are received. In the case the income is received in the form of guaranteed donations, the income is recorded in the year in which all conditions relating to the donation have been met. No value is attributed to the provision of services free of charge to the Company. Other items of income and expenditure are recorded on an accruals basis.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the income and expenditure account on a straight-line basis over the term of the lease.

Interest receivable and interest payable

Interest income and interest payable are recognised in the income or expenditure account as they accrue, using the effective interest rate method.

Aiséirí Cahir Designated Activity Company

Notes (continued)

3 Income	2021	2020
	€	€
Grants (see overleaf)	3,266,062	2,779,722
Maintenance	1,519,270	1,744,124
Aftercare	178,511	135,062
Fundraising and donations	105,952	58,671
Rental income	193,226	93,079
Other	84,905	5,024
	<hr/>	<hr/>
	5,347,926	4,815,682
	<hr/> <hr/>	<hr/> <hr/>

Aiséirí Cahir Designated Activity Company

Notes (continued)

3 Income (continued)

The following amounts were granted to Aiséirí Cahir Designated Activity Company during the year:

	2021 €	2020 €
Probation and Welfare Services (a), (b)	641,000	478,000
HSE & S. ER Drug Task Force (a)	2,534,562	2,101,722
Other grants (c)	90,500	200,000
	<u>3,266,062</u>	<u>2,779,722</u>

- (a) This income is included within operating income as these monies relate to the maintenance of persons treated by the Company.
- (b) The Department of Justice and Equality Reform through the Probation Service and Irish Youth Justice Service provided a grant as set out under Schedule 1 of the annual funding agreement for the purpose of providing detox and residential treatment programmes. The funds are applied to payroll, administration, direct and indirect costs. Funding in the amount of €641,000 in 2021 (2020: €478,000) was granted for a 12 month period and restricted in accordance with the terms and conditions of the funding agreement.
- (c) In 2021, other grants relate to funding received from Pobal and the Department of Rural and Community Development of €90,500 (2020: €200,000).

4 Other operating income

	2021 €	2020 €
Government grants	8,141	443,657
	<u>8,141</u>	<u>443,657</u>

During the current and prior period, the entity availed of the temporary wage subsidy scheme.

5 Taxation

In accordance with Section 207 of the Taxes Consolidation Act 1997, the Company is not liable to taxation on income earned provided the income is applied solely for charitable purposes. In accordance with the first schedule of the VAT Act 1972, the Company is engaged in an exempt supply. The Corporation is therefore not entitled to recover VAT on inputs.

Aiséirí Cahir Designated Activity Company

Notes *(continued)*

6 Employees and remuneration

	2021	2020
	Number	Number
The average number of employees during the year was:		
Total employees	98	93
The number of staff comprises of the four treatment centres.		
The staff costs are comprised of:		
	2021	2020
	€	€
Wages and salaries	3,670,090	3,361,252
Social welfare costs	395,166	272,882
Retirement benefits	111,256	96,893
	4,176,512	3,731,027

One employee earned in excess of €69,000 (2020: €66,000) during the year.

Aiséirí Cahir Designated Activity Company

Notes (continued)

7	Tangible assets	Leasehold improvements €	Fixtures and fittings €	Machinery and equipment €	Motor vehicles €	Technology and software €	Total €
	Cost						
	At beginning of year	3,954,718	1,040,232	245,532	18,800	377,974	5,637,256
	Additions	30,362	51,493	15,203	-	44,808	141,866
	At 31 December 2021	3,985,080	1,091,725	260,735	18,800	422,782	5,779,122
	Depreciation						
	At beginning of year	1,634,138	787,246	214,724	18,169	237,768	2,892,045
	Charge for the year	47,023	30,248	6,157	126	37,364	120,918
	At 31 December 2021	1,681,161	817,494	220,881	18,295	275,132	3,012,963
	Net book value						
	At 31 December 2021	2,303,919	274,231	39,854	505	147,650	2,766,159
	At 31 December 2020	2,320,580	252,986	30,808	631	140,206	2,745,211

Aiséirí Cahir Designated Activity Company

Notes (continued)

7 Tangible assets (continued)

On 1 January 2013 the treatment centres of Aiséirí Wexford Limited, Céim Eile Company Limited by Guarantee and Aislínn Adolescent Addiction Treatment Centre Company Limited by Guarantee were amalgamated with the treatment centre in Cahir operated by Aiséirí Cahir Designated Activity Company.

The premises in Cahir are owned by the Sisters of Mercy and had been leased to Aiséirí Cahir in 1983 for 99 years. This lease was transferred to Aiséirí Cahir Designated Activity Company on 1 January 2013.

On 1 January 1988, Aiséirí Wexford entered into a 35 year lease agreement with the HSE – South Eastern Area under the terms of which it has obtained use of its premises. The Company is not entitled to compensation for improvements or additions made to the premises during the period of the lease. The premises will revert to the HSE – South Eastern Area if the Company ceases to operate its treatment centre. This lease was transferred to Aiséirí Cahir Designated Activity Company on 1 January 2013. The directors note this lease is to expire on 31 December 2022 and are in negotiation with the HSE – South Eastern Area to extend this lease.

The lease in Céim Eile Company Limited by Guarantee is with the Good Shepherd Community and is due to expire on 31 July 2023. The Company is in discussion with the Good Shepherd Community to extend this lease. This lease was transferred to Aiséirí Cahir Designated Activity Company on 1 January 2013.

The lease in Aislínn Adolescent Addiction Treatment Centre Company Limited by Guarantee was also with the Sisters of Mercy entered into in 1999 for a term of 99 years. This lease was transferred to Aiséirí Cahir Designated Activity Company on 1 January 2013. The directors note the lease is to expire on 31 December 2022 and the directors are in negotiation with the HSE about its extension.

8 Stock	2021	2020
	€	€
Consumables	19,159	16,895
	<hr/>	<hr/>
9 Debtors	2021	2020
	€	€
Trade debtors	623,921	705,495
Accrued income	37,266	66,005
Prepayments	18,828	21,262
Other debtors	19,209	41,347
	<hr/>	<hr/>
	699,224	834,109
	<hr/>	<hr/>

Trade debtors are stated net of a provision for impairment of €61,108 (2020: €206,825).

Aiséirí Cahir Designated Activity Company

Notes (continued)

10 Cash and cash equivalents and bank overdrafts	2021	2020
	€	€
Cash and cash equivalents	82,070	451,765
	<hr/>	<hr/>
11 Creditors: amounts falling due within one year	2021	2020
	€	€
Trade creditors	253,877	168,944
Other creditors and accruals	331,204	709,932
PAYE	691,163	382,091
Deferred income	60,107	-
Due to Aiséirí (a)	646,223	646,223
Bank overdraft (b)	-	-
	<hr/>	<hr/>
	1,982,574	1,907,190
	<hr/>	<hr/>
(a) Amounts due to Aiséirí relates to working capital loan received and is repayable on demand.		
(b) The bank overdraft facility is secured over a term deposit account held by Aiséirí in the amount of €200,014.		
12 Creditors: amounts falling due after more than one year	2021	2020
	€	€
Deferred income government grants (see note 14)	501,025	529,773
Provisions	12,243	42,745
	<hr/>	<hr/>
	513,268	572,518
	<hr/>	<hr/>
13 Operating leases		
Non-cancellable operating lease rentals are payable as follows:		
	2021	2020
	€	€
Less than one year	31,312	6,385
Between one and five years	56,077	84,234
More than five years	-	-
	<hr/>	<hr/>
	87,389	90,619
	<hr/>	<hr/>

During the year €35,518 was recognised as an expense in the profit and loss account in respect of operating leases (2020: €22,033). The Company has a number of non-cancellable leases for a term of 99 years, these leases have an annual rent of €Nil.

Aiséirí Cahir Designated Activity Company

Notes (continued)

14 Government grants

	2021 €	2020 €
At beginning of year	529,773	558,519
Amortised during the year	(28,748)	(28,746)
At end of year	501,025	529,773

Capital grants relate to the following:

- The Aislinn Addiction Treatment Centre received various government grants of €1m which are amortised €24,900 annually. The net book value of these grants at 31 December 2021 was €501,025 (2020: €525,925).
- The Wexford Treatment Centre received a capital grant of €50,000 from the Department of Community, Rural and Gaeltacht Affairs. This grant relates to leasehold improvement in respect of the premises leased by the Wexford treatment centre and is being released to the statement of income and expenditure over the life of the lease (13 years). The net book value of this grant was €Nil at 31 December (2020: €3,848).

15 Share capital

	2021 €	2020 €
Authorised 500,000 ordinary shares of €1.00 each	500,000	500,000
Allotted, issued and fully paid 2 ordinary shares of €1.00 each	2	2

16 Related party transactions

There have been no related party transactions in the current or preceding accounting periods.

17 Accounting estimates and judgements

Key sources of estimation and uncertainty and critical accounting judgement in applying the Company's accounting policies

Recoverability of debtors

The Company made judgements when assessing the impairment of its debtors. Outstanding balances have been grouped on the basis of similar risk characteristics such as past-due status, and impairment has been reviewed with reference to historical loss experience updated for current conditions.

Aiséirí Cahir Designated Activity Company

Notes *(continued)*

18 Post balance sheet events

There have been no significant events since the balance sheet date which would require disclosure in or amendment of these financial statements.

19 Approval of financial statements

The board of directors approved these financial statements on 20th July 2022.

Appendix

The following information does not form part of the audited statutory financial statements and is included solely for the information of management.

Aiséirí Cahir Designated Activity Company

Appendix 1: Operating expenses for the year ended 31 December 2021

	Note	2021 €	2020 €
Operating expenses			
Salaries		4,176,511	3,731,027
Food		230,043	223,187
Household		82,940	94,644
Repairs and maintenance		167,644	139,680
Rent and rates		44,334	57,006
Motor travel		28,393	35,460
Oil, heat and gas		126,164	90,266
Staff training		56,470	29,705
Insurance		90,214	91,484
Telephone		19,455	49,800
Advertising, stationery and printing		49,810	40,008
Other treatment costs		370,292	262,456
Bank fees		9,609	19,205
Professional fees		72,188	59,035
Sundry expenses		148,579	144,475
Supervisory costs		29,790	24,952
Bad debt provision		53,400	38,900
Amortisation of grant		(28,748)	(28,746)
Depreciation		120,918	115,565
Subscriptions		5,563	7,583
		<hr/>	<hr/>
		5,853,569	5,225,692
		<hr/>	<hr/>