

Aiséirí Cahir Designated Activity Company

Directors' report and financial statements

Year ended 31 December 2019

Registered number: 506175

Aiséirí Cahir Designated Activity Company

Directors' report and financial statements

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Aiséirí Cahir Designated Activity Company

Directors and other information

Directors	Catherine O'Callaghan (appointed 22/01/2020) Nicola Connery (appointed 22/01/2020) Marie Walsh (appointed 22/01/2020) Marie Ahearne (appointed 22/01/2020) Ronan Fawsitt (appointed 22/01/2020) Peter Finnegan (appointed 22/01/2020) Anne Cuffe Josephine O'Mara Jacqueline Walsh (resigned 02/04/2020) John Forde (resigned 06/01/2020) David Keane Jerome Casey (resigned 06/01/2020) Mary White (resigned 06/01/2020) Maurice Casey (resigned 06/01/2020) Peter Kiernan (resigned 22/01/2020) Stephen Costello (appointed 05/03/2020) Thomas O'Dwyer Matthew Breen
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 2019.

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 Aislínn 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 Aislínn 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 for clients and their families who are dealing with addiction.

The challenge during 2019 was to continue to consolidate the four separate units into one cohesive service system, sharing resources and putting Aiséirí on a viable path for the future.

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. Implementing the service's three-year Strategic Plan - *Keeping it Simple* - continued to be the major priority in 2019.

The statement of income and expenditure and balance sheet at 31 December 2019 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.

On 11 March 2020, the World Health Organization declared the Coronavirus (Covid -19) outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments have taken stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty and increased risks to the sector, where patients would be considered amongst the most vulnerable in society.

The Company continues to manage and mitigate the risk to all patients against infection or virus outbreaks within their care, however, COVID-19 poses a medium-term risk to the business.

For the Company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. The Company remained open during COVID-19 and was deemed to be an essential service by the government. Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations or cash flows in the future. The extent of the impact of COVID-19 on the financial results will also depend on future developments, including the duration and spread of the outbreak within the sector and the related impact.

Aiséirí Cahir Designated Activity Company

Directors' report *(continued)*

Results for the year

In the year ending 31 December 2019 the Company recorded a surplus of €1,020 whilst in the year ending 31 December 2018 the Company recorded a deficit of €30,272. The Company broke even during the year.

The movements on the income and expenditure statement result from increased resident numbers, along with increased levels of grants received, offset by higher costs resulting from increased numbers of clients using our services.

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

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.

Post year end, Jerome Casey, Maurice Casey, John Forde, Peter Kiernan, Mary White and Jacqueline Walsh resigned from the Board.

On 22 January 2020 Catherine O'Callaghan, Nicola Connery, Marie Walsh, Marie Ahearne, Ronan Fawsitt and Peter Finnegan were appointed to the Board.

The directors did not have any interest in the shares of the Company at 31 December 2019.

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.

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

Post balance sheet events

The Covid-19 outbreak (as outlined above) and the related impacts are considered non-adjusting events for these financial statements. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

There have been no other 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.

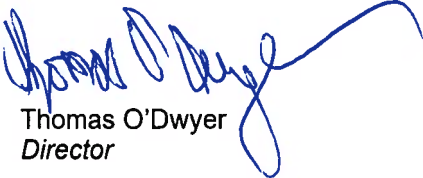
Aiséirí Cahir Designated Activity Company

Directors' report *(continued)*

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



Peter Finnegan
Director

30 July 2020

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*.

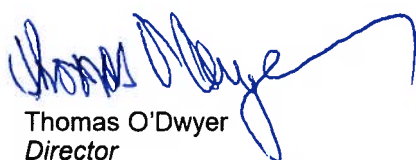
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are 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.

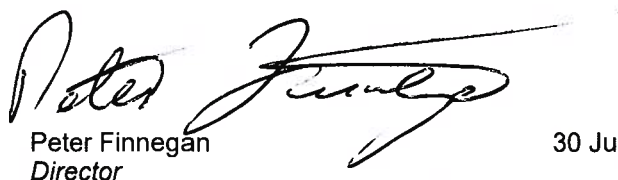
The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



Thomas O'Dwyer
Director



Peter Finnegan
Director

30 July 2020



**KPMG
Audit**
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

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 2019 set out on pages 9 to 22, 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*.

In our opinion, the accompanying 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 surplus for the 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 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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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.



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 (continued)

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, 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.

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 4, 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.



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

Respective responsibilities and restrictions on use *(continued)*

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://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

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.

30 July 2020

C Byrne
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 2019

	<i>Note</i>	2019 €	2018 €
Income	3	5,066,814	4,672,751
Expenses		(5,065,794)	(4,703,023)
		<hr/>	<hr/>
Net operating surplus/(deficit)		1,020	(30,272)
		<hr/>	<hr/>
Other income			
Contribution from Aiséirí		-	-
		<hr/>	<hr/>
Total other income		-	-
		<hr/>	<hr/>
Surplus/(deficit) for the year		1,020	(30,272)
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses other than the surplus/(deficit) for the year and accordingly no statement of other comprehensive income is presented. The surplus/(deficit) arises from continuing activities.

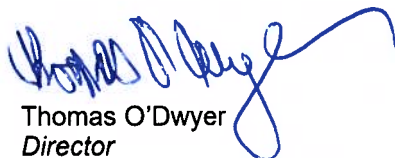
Aiséirí Cahir Designated Activity Company


Balance sheet

as at 31 December 2019

	Note	2019 €	2018 €
Tangible assets	6	2,702,206	2,578,210
Current assets			
Stocks - consumables	7	21,336	18,606
Debtors	8	919,501	1,025,576
Cash at bank and in hand	9	7,987	118,362
		948,824	1,162,544
Creditors: amounts falling due within one year	10	(1,484,640)	(1,516,135)
Net current liabilities		(535,817)	(353,591)
Total assets less current liabilities		2,166,389	2,224,619
Creditors: amounts falling due after one year	11	(631,765)	(691,013)
Net assets		1,534,625	1,533,606
Financed by			
Share capital	14	2	2
Accumulated surplus		271,228	270,209
Capital contribution		1,263,395	1,263,395
Total accumulated funds		1,534,625	1,533,606

On behalf of the board


Thomas O'Dwyer
Director


Peter Finnegan
Director

Aiséirí Cahir Designated Activity Company

Statement of changes in equity for the year ended 31 December 2019

	Share capital €	Capital contribution €	Accumulated surplus/ (deficit) €	Total €
At 1 January 2018	2	1,263,395	300,481	1,563,878
Deficit for the year	-	-	(30,272)	(30,272)
Total comprehensive income for the year	-	-	(30,272)	(30,272)
At 31 December 2018	2	1,263,395	270,209	1,533,606
Surplus for the year	-	-	1,020	1,020
Total comprehensive loss for the year	-	-	1,020	1,020
Balance at 31 December 2019	2	1,263,395	271,228	1,534,625

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 2019

	Note	2019 €	2018 €
Cash flows from operating activities			
Surplus/(deficit) for the year		1,020	(30,272)
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		93,547	91,185
(Decrease)/increase in stock		(2,730)	4,592
Decrease/(increase) in trade and other debtors		107,435	(168,385)
Increase in trade and other creditors		(46,494)	123,576
		<hr/>	<hr/>
Net cash from operating activities		152,778	20,696
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisition of tangible fixed assets		(218,903)	(134,730)
		<hr/>	<hr/>
Net cash from investing activities		(218,903)	(134,730)
		<hr/>	<hr/>
Cash flows from financing activities			
Contribution received from Aiséirí		-	-
Repayment of loan from Aiséirí		-	(64,000)
		<hr/>	<hr/>
Net cash from financing activities		-	(64,000)
		<hr/>	<hr/>
Net (decrease)/increase in cash equivalents		(66,125)	(178,034)
Net cash/(debt) at beginning of year		(61,038)	116,996
		<hr/>	<hr/>
Net (debt)/cash at end of year	9	(127,163)	(61,038)
		<hr/> <hr/>	<hr/> <hr/>

Aiséirí Cahir Designated Activity Company

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 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 16.

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 directors have given careful consideration to the Covid-19 situation (as in the directors' report) that exists and continues to develop at the date of approval of these financial statements and the related impact on the going concern basis of preparation.

The directors have considered, and started to implement, a number of mitigating actions to preserve cash that can be taken and are within the control of the Company in order to offset the revenue reduction, increased costs and ensure that the Company can continue to meet its obligations. The directors believe that sufficient financial resources are 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.

Aiséirí Cahir Designated Activity Company

Notes (continued)

2 Accounting policies (continued)

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.

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.

Aiséirí Cahir Designated Activity Company

Notes *(continued)*

2 Accounting policies *(continued)*

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.

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 principally comprises maintenance income. Contributions and donations which are received in relation to the maintenance of persons using the Company's services are recorded as operating income. All other contributions and donations are recorded as contributions and donations. Contributions and donations are recorded as income in the year in which they are received. In the case of income 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. 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. 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.

Aiséirí Cahir Designated Activity Company

Notes (continued)

2 Accounting policies (continued)

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.

3 Income	2019 €	2018 €
Grants	2,519,653	2,411,315
Maintenance	1,750,136	1,823,474
Aftercare	196,272	251,787
Fundraising and donations	361,972	48,821
Rental income	125,652	131,506
Other	113,129	5,848
	<u>5,066,814</u>	<u>4,672,751</u>

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

	2019 €	2018 €
Probation and Welfare Services (a), (b)	508,000	542,000
HSE & S. ER Drug Task Force (a)	1,959,662	1,817,327
Other grants (c)	51,991	51,988
	<u>2,519,653</u>	<u>2,411,315</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 €508,000 in 2019 (2018: €542,000) was granted for a 12 month period and restricted in accordance with the terms and conditions of the funding agreement.

(c) Other grants relate to funding received from Waterford City Council of €51,991 (2018: €51,988).

(d) Aiseiri Cahir Designated Activity Company holds a Tax Clearance Certificate at year end.

Aiséirí Cahir Designated Activity Company

Notes (continued)

4 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.

5 Employees and remuneration

	2019 Number	2018 Number
The average number of employees during the year was:		
Total employees	96	95
The number of staff comprises of the four treatment centres.		
The staff costs are comprised of:		
	2019 €	2018 €
Wages and salaries	3,370,516	3,166,099
Social welfare costs	359,713	259,444
Retirement benefits	84,466	80,099
	3,814,695	3,505,642

One employee earned in excess of €66,000 (2018: €66,000) during the year.

Aiséirí Cahir Designated Activity Company

Notes (continued)

6 Tangible assets	Leasehold improvements €	Fixtures and fittings and fittings €	Machinery and equipment €	Motor vehicles €	Technology and software €	Total €
Cost						
At beginning of year	3,814,867	922,810	234,254	18,800	269,881	5,260,612
Additions	124,140	59,010	5,964	-	30,248	219,362
At 31 December 2019	3,939,007	981,820	240,218	18,800	300,129	5,479,974
Depreciation						
At beginning of year	1,529,777	744,512	206,939	17,814	185,179	2,684,221
Charge for the year	57,145	15,023	3,644	197	17,538	93,547
At 31 December 2019	1,586,922	759,535	210,583	18,011	202,717	2,777,768
Net book value						
At 31 December 2019	2,352,085	222,285	29,635	789	97,412	2,702,206
At 31 December 2018	2,285,090	178,298	27,316	986	84,702	2,576,391

Aiséirí Cahir Designated Activity Company

Notes (continued)

6 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.

In 1987 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 lease in Céim Eile Company Limited by Guarantee is with the Good Shepherd Community and is due to expire on 31 July 2021. 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.

7 Stock	2019	2018
	€	€
Consumables	21,336	18,606
	<hr/>	<hr/>
8 Debtors	2019	2018
	€	€
Trade debtors	724,696	781,263
Accrued income	125,149	155,775
Prepayments	21,927	27,110
Other debtors	47,729	61,428
	<hr/>	<hr/>
	919,501	1,025,576
	<hr/>	<hr/>

Trade debtors are stated net of a provision for impairment of €234,228 (2018: €265,829).

Aiséirí Cahir Designated Activity Company

Notes (continued)

9 Cash and cash equivalents and bank overdrafts	2019	2018
	€	€
Cash at bank and in hand	7,987	118,362
Bank overdrafts	(135,151)	(179,400)
	<hr/>	<hr/>
Cash and cash equivalents	(127,163)	(61,038)
	<hr/> <hr/>	<hr/> <hr/>

10 Creditors: amounts falling due within one year	2019	2018
	€	€
Trade creditors	130,689	145,719
Other creditors and accruals	299,906	376,030
PAYE	272,671	168,763
Due to Aiséirí (a)	646,223	646,223
Bank overdraft (b)	135,151	179,400
	<hr/>	<hr/>
	1,484,640	1,516,135
	<hr/> <hr/>	<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.

11 Creditors: amounts falling due after more than one year	2019	2018
	€	€
Deferred income government grants (see note 13)	558,519	587,265
Provisions	73,246	103,748
	<hr/>	<hr/>
	631,765	691,013
	<hr/> <hr/>	<hr/> <hr/>

12 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2019	2018
	€	€
Less than one year	15,925	19,208
Between one and five years	59,720	25,124
More than five years	-	-
	<hr/>	<hr/>
	75,645	44,332
	<hr/> <hr/>	<hr/> <hr/>

During the year €15,059 was recognised as an expense in the profit and loss account in respect of operating leases (2018: €19,208).

Aiséirí Cahir Designated Activity Company

Notes (continued)

13 Government grants	2019	2018
	€	€
Transferred from other units	587,265	616,011
Amortised during the year	(28,746)	(28,746)
At end of year	558,519	587,265

Capital grants relate to the following:

- The Aislínn 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 2019 was €550,825 (2018: €575,725).
- 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 €7,694 at 31 December (2018: €11,540).

14 Share capital	2019	2018
	€	€
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

15 Related party transactions

During the prior year, the Company repaid €64,000 of the loan received from the Company Aiséirí.

16 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)*

17 Post balance sheet events

The Covid-19 outbreak (as outlined in the directors' report) and the related impacts are considered non-adjusting events for these financial statements. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

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

18 Approval of financial statements

The board of directors approved these financial statements on 30 July 2020.

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 2019

	Note	2019 €	2018 €
Operating expenses			
Salaries		3,814,695	3,505,642
Food		223,753	215,667
Household		73,875	75,453
Repairs and maintenance		108,163	92,414
Rent and rates		66,381	57,993
Motor travel		79,507	58,038
Oil, heat and gas		99,505	100,861
Staff training		40,511	30,195
Insurance		88,045	74,891
Telephone		44,010	42,726
Advertising, stationery and printing		46,506	46,250
Other treatment costs		167,189	133,863
Bank fees		12,133	9,288
Sundry expenses		56,205	64,866
Supervisory costs		37,409	40,546
Bad debt provision		37,747	66,145
Amortisation of grant		(28,746)	(28,746)
Depreciation		93,547	91,185
Subscriptions		5,359	9,555
Research		-	6,076
IT Costs		-	10,115
Soberhouse/Crio Nua		-	-
		<hr/>	<hr/>
		5,065,794	4,703,023
		<hr/> <hr/>	<hr/> <hr/>