

Aiséirí Cahir Designated Activity Company

Directors' report and financial statements

Year ended 31 December 2020

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) Stephen Costello (appointed 24/02/2020) Anne Cuffe Josephine O'Mara Jacqueline Walsh (resigned 02/04/2020) John Forde (resigned 06/01/2020) David Keane (resigned 30/09/2020) Jerome Casey (resigned 06/01/2020) Mary White (resigned 06/01/2020) Maurice Casey (resigned 06/01/2020) Peter Kiernan (resigned 22/01/2020) 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 2020.

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, Aiséirí 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 (from detox services to sober housing over a year long period) for clients and their families who are dealing with addiction.

The challenge during 2020 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.

The statement of income and expenditure and balance sheet at 31 December 2020 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.

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)*

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

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 2020 the Company recorded a surplus of €33,647 whilst in the year ending 31 December 2019 the Company recorded a surplus of €1,020.

The movements on the income and expenditure statement result from increased state support during the COVID 19 pandemic.

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.

In the year ending 31 December 2020, David Keane, Jerome Casey, Maurice Casey, John Forde, Peter Kiernan, Mary White and Jacqueline Walsh resigned from the Board.

In the year ending 31 December 2020, Stephen Costello, 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 2020.

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

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.

Aiséirí Cahir Designated Activity Company

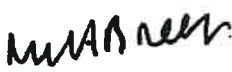
Directors' report *(continued)*

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


Matthew Breen
Director

19 August 2021

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


Matthew Breen
Director

19 August 2021



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 2020 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* 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 2020 and of its surplus 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.



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 <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for>.

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.

20 August 2021

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 2020

	<i>Note</i>	2020 €	2019 €
Income	3	4,815,682	5,066,814
Expenses		(5,225,692)	(5,065,794)
		<hr/>	<hr/>
Net operating (deficit)/surplus		(410,010)	1,020
		<hr/>	<hr/>
Other income			
Government grants	4	443,657	-
		<hr/>	<hr/>
Total other income		-	-
		<hr/>	<hr/>
Surplus for the year		33,647	1,020
		<hr/> <hr/>	<hr/> <hr/>

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 2020

	Note	2020 €	2019 €
Tangible assets			
	7	2,745,211	2,702,206
Current assets			
Stocks - consumables	8	16,895	21,336
Debtors	9	834,109	919,501
Cash at bank and in hand	10	451,765	7,987
		1,302,769	948,824
Creditors: amounts falling due within one year	11	(1,907,190)	(1,484,640)
Net current liabilities		(604,421)	(535,817)
Total assets less current liabilities		2,140,790	2,166,389
Creditors: amounts falling due after one year	12	(572,518)	(631,765)
Net assets		1,568,272	1,534,625
Financed by			
Share capital	15	2	2
Accumulated surplus		304,875	271,228
Capital contribution		1,263,395	1,263,395
Total accumulated funds		1,568,272	1,534,625

On behalf of the board


Thomas O'Dwyer
Director


Matthew Breen
Director

Aiséirí Cahir Designated Activity Company

Statement of changes in equity for the year ended 31 December 2020

	Share capital €	Capital contribution €	Accumulated surplus/ (deficit) €	Total €
At 1 January 2019	2	1,263,395	270,208	1,533,605
Surplus for the year	-	-	1,020	1,020
Total comprehensive income for the year	-	-	1,020	1,020
At 31 December 2019	2	1,263,395	271,228	1,534,625
Surplus for the year	-	-	33,647	33,647
Total comprehensive loss for the year	-	-	33,647	33,647
Balance at 31 December 2020	2	1,263,395	304,875	1,568,272

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 2020

	<i>Note</i>	2020 €	2019 €
Cash flows from operating activities			
Surplus for the year		33,647	1,020
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		115,565	93,547
Amortisation of government grants		(28,746)	(28,746)
Decrease/(increase) in stock		4,441	(2,730)
Decrease in trade and other debtors		85,392	107,435
Increase/(decrease) in trade and other creditors		527,200	(17,748)
		<hr/>	<hr/>
Net cash from operating activities		737,499	152,778
Cash flows from investing activities			
Acquisition of tangible fixed assets		(158,571)	(218,903)
		<hr/>	<hr/>
Net cash from investing activities		(158,571)	(218,903)
Net increase/(decrease) in cash equivalents			
Net (debt) at beginning of year	<i>10</i>	(127,163)	(61,038)
		<hr/>	<hr/>
Net cash/(debt) at end of year	<i>10</i>	451,765	(127,163)
		<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 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 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 started to implement actions to maintain the operations of the company during the current COVID pandemic and ensure that the Company can continue to meet its obligations as they fall due. 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	2020 €	2019 €
Grants	2,779,722	2,519,653
Maintenance	1,744,124	1,750,136
Aftercare	135,062	196,272
Fundraising and donations	58,671	361,972
Rental income	93,079	125,652
Other	5,024	113,129
	<hr/>	<hr/>
	4,815,682	5,066,814
	<hr/> <hr/>	<hr/> <hr/>

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

	2020 €	2019 €
Probation and Welfare Services (a), (b)	478,000	508,000
HSE & S. ER Drug Task Force (a)	2,101,722	1,959,662
Other grants (c)	200,000	51,991
	<hr/>	<hr/>
	2,779,722	2,519,653
	<hr/> <hr/>	<hr/> <hr/>

- (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 €478,000 in 2020 (2019: €508,000) 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 Pobal and the Department of Rural and Community Development of €200,000. In 2019, other grants relate to funding received from Waterford City Council of €51,991.

Aiséirí Cahir Designated Activity Company

Notes (continued)

4 Other operating income	2020	2019
	€	€
Government grants	443,657	-
	<u> </u>	<u> </u>

During the financial 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.

6 Employees and remuneration	2020	2019
	Number	Number
The average number of employees during the year was:		
Total employees	93	96
	<u> </u>	<u> </u>

The number of staff comprises of the four treatment centres.

The staff costs are comprised of:	2020	2019
	€	€
Wages and salaries	3,361,252	3,370,516
Social welfare costs	272,882	359,713
Retirement benefits	96,893	84,466
	<u> </u>	<u> </u>
	3,731,027	3,814,695
	<u> </u>	<u> </u>

One employee earned in excess of €66,000 (2019: €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	3,939,007	981,820	240,218	18,800	300,129	5,479,974
Additions	16,664	59,463	6,821	-	77,845	160,793
Disposals	(953)	(1,051)	(1,507)	-	-	(3,511)
At 31 December 2020	3,954,718	1,040,232	245,532	18,800	377,974	5,637,256
Depreciation						
At beginning of year	1,586,922	759,535	210,583	18,011	202,717	2,777,768
Charge for the year	47,358	28,118	4,880	158	35,051	115,565
Depreciation on disposals	(142)	(407)	(739)	-	-	(1,288)
At 31 December 2020	1,634,138	787,246	214,724	18,169	237,768	2,892,045
Net book value						
At 31 December 2020	2,320,580	252,986	30,808	631	140,206	2,745,211
At 31 December 2019	2,352,085	222,285	29,635	789	97,412	2,702,206

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 2021. 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	2020	2019
	€	€
Consumables	16,895	21,336
	<u> </u>	<u> </u>
9 Debtors	2020	2019
	€	€
Trade debtors	705,495	724,696
Accrued income	66,005	125,149
Prepayments	21,262	21,927
Other debtors	41,347	47,729
	<u> </u>	<u> </u>
	834,109	919,501
	<u> </u>	<u> </u>

Trade debtors are stated net of a provision for impairment of €206,825 (2019: €234,228).

Aiséirí Cahir Designated Activity Company

Notes (continued)

10 Cash and cash equivalents and bank overdrafts	2020	2019
	€	€
Cash at bank and in hand	451,765	7,987
Bank overdrafts	-	(135,151)
	<hr/>	<hr/>
Cash and cash equivalents	451,765	(127,163)
	<hr/> <hr/>	<hr/> <hr/>
11 Creditors: amounts falling due within one year	2020	2019
	€	€
Trade creditors	168,944	130,689
Other creditors and accruals	709,932	299,906
PAYE	382,091	272,671
Due to Aiséirí (a)	646,223	646,223
Bank overdraft (b)	-	135,151
	<hr/>	<hr/>
	1,907,190	1,484,640
	<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.		
12 Creditors: amounts falling due after more than one year	2020	2019
	€	€
Deferred income government grants (see note 14)	529,773	558,519
Provisions	42,745	73,246
	<hr/>	<hr/>
	572,518	631,765
	<hr/> <hr/>	<hr/> <hr/>
13 Operating leases		
Non-cancellable operating lease rentals are payable as follows:		
	2020	2019
	€	€
Less than one year	6,385	15,925
Between one and five years	84,234	59,720
More than five years	-	-
	<hr/>	<hr/>
	90,619	75,645
	<hr/> <hr/>	<hr/> <hr/>

During the year €22,033 was recognised as an expense in the profit and loss account in respect of operating leases (2019: €15,059).

Aiséirí Cahir Designated Activity Company

Notes (continued)

14 Government grants	2020	2019
	€	€
At beginning of year	558,519	587,265
Amortised during the year	(28,746)	(28,746)
	<hr/>	<hr/>
At end of year	529,773	558,519
	<hr/> <hr/>	<hr/> <hr/>

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 2020 was €525,925 (2019: €550,825).
- 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 €3,848 at 31 December (2019: €7,694).

15 Share capital	2020	2019
	€	€
Authorised		
500,000 ordinary shares of €1.00 each	500,000	500,000
	<hr/>	<hr/>
Allotted, issued and fully paid		
2 ordinary shares of €1.00 each	2	2
	<hr/> <hr/>	<hr/> <hr/>

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 19 August 2021.

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 2020

	Note	2020 €	2019 €
Operating expenses			
Salaries		3,731,027	3,814,695
Food		223,187	223,753
Household		94,644	73,875
Repairs and maintenance		139,680	108,163
Rent and rates		57,006	66,381
Motor travel		35,460	79,507
Oil, heat and gas		90,266	99,505
Staff training		29,705	40,511
Insurance		91,484	88,045
Telephone		49,800	44,010
Advertising, stationery and printing		40,008	46,506
Other treatment costs		262,456	167,189
Bank fees		19,205	12,133
Sundry expenses		203,510	56,205
Supervisory costs		24,952	37,409
Bad debt provision		38,900	37,747
Amortisation of grant		(28,746)	(28,746)
Depreciation		115,565	93,547
Subscriptions		7,583	5,359
		<hr/>	<hr/>
		5,225,692	5,065,794
		<hr/> <hr/>	<hr/> <hr/>