Franciscan Social Justice Initiatives Limited
(A company limited by guarantee and having no share capital)

Directors’ Report and Financial Statements
for the year ended
31 December 2013
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FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS/TRUSTEES:  
Mr Mick Price (Chair)  
Rev Joseph MacMahon OFM  
Rev Hugh McKenna OFM  
Rev Kieran Cronin OFM  
Br Niall O'Connell OFM  
Br Patrick Lynch OFM  
Mr Brian Melaugh  
Dr Joanne Fenton  
Mr Marcus Keane (appointed 26/02/2014)

MEMBERS:  
Rev Hugh McKenna OFM  
Rev Kieran Cronin OFM  
Rev Joseph MacMahon OFM  
Br Pat Lynch OFM  
Rev Patrick Younge OFM  
Rev Joseph Condren OFM  
Rev Eugene Barrett OFM  

SECRETARY:  
L & P Trustee Services Limited  
2/3 Terminus Mills  
Clonskeagh Road  
Dublin 6

BOARD SUB-COMMITTEES:  
Finance & Audit Sub Committee  
Rev Kieran Cronin OFM (Chair)  
Ms Tracy Comerford  
Ms Jennifer Owens  
Mr Tony Geoghegan  
Ms Denisa Casement  
Ms Mairead Divilly  

Change & Innovation Sub Committee  
Mr Mick Price (Chair)  
Mr Brian Melaugh  
Mr Mark Kennedy  
Ms Paula Byrne  
Mr Tony Geoghegan  

Client Services Sub Committee  
Mr Mick Price (Chair)  
Mr Brian Melaugh  
Mr Mark Kennedy  
Mr Richard Cunningham  
Mr Tony Geoghegan  
Dr Joanne Fenton  
Rev Joseph MacMahon OFM

EXECUTIVE LEADERSHIP TEAM:  
CEO  
Mr Tony Geoghegan  
Head of Communication and advocacy  
Ms Denisa Casement  
Head of Human Resources  
Ms Paula Byrne  
Head of Day Services  
Mr Mark Kennedy  
Head of Residential Services  
Mr Richard Cunningham

COMPANY NUMBER:  
280573

CHARITY NUMBER:  
CHY 12809
| **REGISTERED OFFICE:** | 24 Merchants Court  
| | Merchants Quay  
| | Dublin 8 |  

**SOLICITORS:**
- Marcus A. Lynch & Son  
- 12 Lower Ormond Quay  
- Dublin 1

**PRINCIPAL BANKERS:**
- AIB Bank  
- 7/12 Dame Street  
- Dublin 2

**PLACES OF OPERATION:**
- 24 Merchants Court  
- Merchants Quay  
- Dublin 8  
- Riverbank House  
- Merchant's Quay  
- Dublin 8

**INDEPENDENT AUDITOR:**
- Deloitte & Touche  
- Chartered Accountants and Statutory Audit Firm  
- Deloitte & Touche House  
- Earlsfort Terrace  
- Dublin 2
FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED
DIRECTORS' REPORT

The directors present herewith the audited financial statements for the year ended 31 December 2013.

STRUCTURE

COMPANY STRUCTURE

Franciscan Social Justice Initiatives Ltd ("FSJI") is incorporated as a company limited by guarantee and not having share capital. It was incorporated on 20 February 1998 with registered company number 280573. The company is registered for the charitable purpose of providing a range of services for homeless, unemployed, and marginalised persons.

The main objects for which the Company was established are:

(a) To work in the inner city with people who are homeless, unemployed or otherwise marginalised in order to provide them with information, advice, referral or advocacy appropriate to their needs and to work to improve their skills and self-confidence to enable them to address their current situation effectively. For this purpose and this purpose only the Company may do or undertake any of the following :-

(b) To provide a range of services for homeless, unemployed or marginalised persons including
   • A Citizen Advice Service
   • An Adult Literacy Service
   • A Resettlement Service for homeless persons
   • A Hospitality and Befriending Service
   • A Referral and Advocacy Service

(c) To promote the greater co-ordination of statutory and voluntary services in the inner city for homeless persons, unemployed persons and other marginalised persons.

(d) To work towards improving the income and quality of life for the homeless, the unemployed and marginalised.

FSJI is recognised by the Revenue Commissioners as having registered charity status – registration number CHY 12809.

The Company is governed by its memorandum and articles.

Merchant's Quay Ireland is the banner name under which the charitable companies operate carrying out activities for social justice for homeless persons and drug users on a nationwide basis.

• Merchant's Quay Project Limited
• Franciscan Social Justice Initiative Limited
• St. Francis Housing Association Limited
• Merchants Quay Project CE Scheme Ltd

Services continue to incorporate the provision of meals, drug services, crisis intervention, needle exchange, rehabilitation and detox services, together with day programmes, aftercare and training.
OBJECTIVES AND ACTIVITIES

VISION, VALUES & MISSION

The Company is a national voluntary agency providing services, creative and innovative responses to the issues faced by homeless people and drug users. Below is the overarching Vision, Values and Mission of MQI of which FSJI is a part of.

VISION

We are committed to working towards a society where the incidence of drug related harm for the individual, the family and the wider community is greatly reduced and the range and quality of drug services are maximised while also reaching out to the marginalised affected by homelessness to assist them as MQI desire to see a society where nobody is without a place to call home and the need to sleep rough is eliminated.

VALUES

• Providing quality services for drug users and homeless people
• Offering access for the most marginalised
• Promoting positive change
• Involving our Service Users
• Valuing our staff
• Managing finances prudently
• Promoting partnership

MISSION

• To lead in the strategy aimed at reducing drug use and homelessness, by developing, administering, and supporting harm reduction, prevention and treatment programmes which provide pathways towards rehabilitation and settlement.
• To work for positive social justice and opportunity to combat social exclusion which affects homeless and marginalised persons and those with problem drug use.

STRATEGY

In 2013 the Strategic Plan for the period 2013-2016 was produced, following consultation with and taking account of the views of all of our stakeholders. The following were identified as our core objectives:

• Review of services in the context of clients’ needs to provide a range of integrated high quality services which address the immediate, un-met and emerging needs of those affected by problem drug use and homelessness, to offer them support and the means to gradually improve their health, well-being and social integration.
• Promotion of our services from within, to our clients, across the sector and to the broader public; to ensure our pathway of services and care is offered to those in need of our services to assist them in their journey from homelessness and addiction towards drug free and independent living through care and education.
• To provide a professional service giving the best care and service possible to our clients, through training, innovation, flexibility and willingness to evolve to suit changing needs.
• To ensure the continued efficient and effective operation of the organisation; maximisation of voluntary income; fostering the strong voluntary support; while ensuring that the needs of our clients’ are met in a caring and professional manner.
• To believe in and cherish the value of every human being in keeping with our origins in the Franciscan tradition where solidarity, commitment to social justice, hospitality and hope are core values.
The Income and Expenditure Account and Balance Sheet are set out on pages 15 and 16 respectively.

2013 FINANCIAL REVIEW

FSJI’s income continues to be impacted by the difficult economic climate in Ireland but despite this, public support for our work continues.

Total income for 2013 is €1.89m an increase of 7% over 2012 (€1.76m). This increase is largely due to the continued generosity of our donors supporting our vision. In 2013 State income decreased by 3% on 2012.

In 2013 FSJI successfully conducted a specific appeal in order to recruit a much needed psychiatric nurse to deal with the growing need for such services among drug users and homeless persons.

Total expenditure for the year was €1.73m a small reduction compared to 2012 (€1.77m).

While the costs of generating voluntary income increased in 2013, FSJI were impressed with the kindness of our loyal donors. The donor care team continues to explore new and innovative means of generating donations ensuring that FSJI have the means to continue to deliver its core objectives. In 2013 Merchant’s Quay Ireland grew its voluntary income by 51%. For every €1 spent on fundraising MQI raised just under €4.

In 2013 85% of all costs were directly spent on the core service workers dealing with clients and the core objectives of the company, these include counsellors, project workers, outreach workers, nurses, catering staff, food and homeless resources services as detailed below. Allocating sufficient expenditure to staff, administration and management is essential to ensure that all resources, including donations, are used to greatest effect for public benefit and that the highest standards are maintained at all times.

LOOKING BACK 2013

The move to the new Riverbank building on Merchants Quay has been a resounding success as more and more people come to our homeless services with complex needs. Over the course of the year we provided more than 85,170 meals for homeless people across our day and evening services. We continue to offer meals at our Day Centre and through our Extended Day (Evening) Service, which is operated in conjunction with Focus Ireland.

THE DROP-IN CENTRE FOR PEOPLE WHO ARE HOMELESS

The aim of the Drop-in Service is to provide a “one stop shop” offering a range of interlinked services meeting the key daytime needs of homeless persons with the twin purpose of minimising harm associated with life on the streets and offering clear pathways towards settlement and reintegration. In 2013 our drop-in centre is open Monday to Friday from 7:30am to 4:30pm and on Sunday from 7:15am to 1:30pm. Below are some of the services provided for from this centre.

Information, Advice and Crisis Support Service

The drop-in service includes assessment of service users’ needs, advice and information on health, social welfare, emergency accommodation, long-term housing and other issues. In 2013 we recorded 7,970 supportive interventions with service users of our homeless service. Interventions include key working sessions, referrals to emergency accommodation, social work services, medical services and social welfare services, help in contacting friends or family, access to drug treatment and support in a variety of other matters.

As part of the Housing First team, we support clients who have been sleeping rough on the streets and ensure that they find and maintain a place to live. Project workers help homeless people from a variety of settings - rough sleeping, hostels, B&B’s, short-term arrangements with friends/families and transitional and supported accommodation. Our staff aim to assist those who are homeless to link in with short term crisis accommodation, with the eventual goal of helping clients into more stable long term housing.
Homeless persons are offered two meals a day (breakfast and lunch) at the Riverbank centre. A total of 68,170 meals were provided in 2013 (this figure excludes the Evening Service). Sunday remained our busiest day with more than 350 persons attending for breakfast or lunch each Sunday.

**Primary Health Care Services**

We are working in partnership with the Health Services Executive ("HSE"), the Dublin Regional Homeless Executive and Safetynet in providing a primary health care service for homeless people. The service has General Practitioners, a Dentist, Nurse and a Counsellor. In total there were 4,467 health care interventions during the year (an increase of 35% compared to 2012).

**Nursing**

In 2013 there were a total of 1,645 nursing interventions, or 137 per month. The drop-in nurse led clinic provides a full range of primary health care services such as wound care management, blood testing, sexual health, medication management, and women's and men's health issues. Mental health presentations range from acutely suicidal clients to those who need to be referred back to services with where they have lost contact. Referrals to tertiary services such as A & E and other hospital services and advocacy are a large part of the nursing role. The citywide Safetynet Primary Health Care Service, of which the medical unit is part, is still developing and provides for consistency and continuity of care between those homeless services involved.

**Counselling**

Homelessness is often associated with severe stresses and difficulties in life—The Counselling Service for homeless people works at two levels — firstly providing a brief crisis counselling service targeted at service users in distress and secondly offering medium to long-term counselling relating to issues such as relationships and bereavement as well as issues of drugs and homelessness. In addition we provide group support for homeless service users attending our day programmes. We provided 798 counselling sessions in 2013 (an increase of 7% compared to 2012).

**G.P Service**

Our GP service dealt with 1,487 consultations or 124 per month (an increase of 78% compared to 2012). The service is used by clients with a variety of acute and chronic illnesses. In 2013, 785 unique clients used the GP service (an increase of 63% compared to 2012).

**Extended Day Service**

The service was established to meet the evening time needs of homeless people and rough sleepers in partnership with Focus Ireland continued throughout 2013. During the year between 80 - 140 people used the service each night. An estimated 17,000 visits were recorded in 2013.

The Extended Day Service addresses a significant gap in services whereby there were no services available to homeless people in the evening time from 5:30pm to 8:30pm. The service provides evening meals, crisis support, advice and information including assistance arranging overnight accommodation for homeless people. From June 2013 the Extended Day service operated from our Riverbank centre from 5:30pm to 8:30pm Monday to Friday.

**New Communities Support Service**

A substantial portion of visits to the service were made by people from new communities living in Ireland, especially from Eastern Europe. Several of our project workers are fluent in English and a number of Eastern European languages and we provide a range of supports including advice and information, referral and advocacy for these service users.
In 2013 the New Communities service provided one to one support to an estimated 250 service users. The greatest number were from Eastern European countries (the majority of whom were Polish). The services provided to new community clients are:

- One to one support sessions
- Accommodation support
- Repatriation
- Provision of clothing
- Referral to other agencies
- Replacement of identity documents
- Revenue & Social Welfare applications & appeals
- Assistance with opening bank accounts
- Change of address

NEW DEVELOPMENTS IN 2013

Holistic Treatments
The new Wednesday morning Dublin based acupuncture group began in early 2013 and has been well received by the 43 service users who accessed the service in 2013. The group provides a drug free alternative to alleviating anxiety, pain and insomnia.

A yoga teacher kindly volunteered her time from May 2013 to offer weekly yoga classes, which has been very well received by the 44 service users of the stabilisation program. Many of the service users had no prior experience of this natural, healing alternative.

Housing First

We formally engaged with the innovative ‘Housing First’ scheme in May 2013 by joining the Housing First Advisory Group and seconding a staff member to the project co-ordinated by the Dublin Regional Homeless Executive. This scheme operates on the basis that the best way to address the complex issues leading to rough sleeping is to start by getting the individual a roof over their head and to offer intensive multi-disciplinary supports to maintain the accommodation.

Graduate GP scheme

In conjunction with Safetynet, we have joined the graduate GP scheme whereby the service has 2 additional GP’s operating within the service on Tuesday and Wednesday’s.

THE FUTURE

We are currently experiencing a severe housing crisis, particularly in the greater Dublin area where we have approximately 1,600 people living in various types of emergency accommodation including hostels and basic bed and breakfast provision and up to 140 people sleeping rough on the streets every night. It is the people at the margins of society that feel the impact of this crisis most deeply and clients at FSJI are severely affected. Access to secure housing is a major stumbling block on the road to recovery for so many clients who have successfully completed our residential detoxification and rehabilitation programmes and with no access to accommodation find themselves back again in emergency homeless hostels surrounded by the very environment that exacerbates the occurrence of relapse. Last year alone, nearly fifty per cent of people accessing our High Park Residential Service were homeless.

We currently have a small number of social housing units under our remit but unfortunately the demand for housing far outstrips what is currently available. It is in this regard that our focus for 2014 will be on developing our aftercare and social housing support services. Through our engagement with the four Dublin Local Authorities and our colleagues in the Voluntary Approved Housing Bodies we will seek to maximise access to secure accommodation for clients completing residential drug treatment. Our Aftercare and Social Housing service will seek to develop a range of initiatives including providing additional supports for agencies offering tenancies for this client group, partnering with other social housing providers and increasing the number of units directly under our remit.
FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

DIRECTORS' REPORT (CONTINUED)

GOVERNANCE AND MANAGEMENT

DIRECTORS AND BOARD

Directors are appointed by the Members of the Company. The Chairperson of the Board of Directors shall be appointed by the Members for a three year term and may be reappointed. The Members are the Definitory of the Order of Friars Minor in Ireland.

The term of office of a Director shall be three years and Directors may be reappointed. During 2013, Mr. Mick Price was appointed as Chair of the Board. The previous Chairperson Rev. Hugh McKenna OFM remained as a Director on the Board.

The composition of the Board shall be not more than ten persons and not less than five. The quorum for meetings is four. All Directors are chosen on the basis of their willingness to serve, ability, governance, experience, and support of the ethos, mission and philosophy of the Company. In line with this policy the Board enhanced its membership during 2013 with the appointment of Dr. Joanne Fenton and post year end appointed of Mr. Marcus Keane in February 2014. The Board is committed to ensuring it has the necessary mix of skills and expertise at all times and where necessary seeks professional advice.

The Board meets formally at least 6 times a year. During 2013 the Board met nine times.

During their term the Directors are required to undergo an induction programme to ensure that collectively they have the overview necessary for the proper governance of the organisation. Ongoing training is arranged when a need is identified. With the exception of necessarily incurred expenses Directors are not remunerated for their work on the Board nor can they be appointed to any salaried position of the Company. No expenses were paid to Directors during the year (2012: €Nil).

The Members meet annually to receive the annual report and audited financial statements of the Company. Other meetings may take place as required.

There are currently three sub-committees of the Board:

1. The Finance & Audit Committee is responsible for overseeing the effective financial and risk management of the Company including the raising, collection, investment, borrowing and outlay of all monies required to fund its activities, and to report and make recommendations to the Board thereon.
2. The Client Services Sub Committee is responsible for overseeing the services and operations of the Company. It is also responsible for assisting the Board in the planning and development of new services, the development and implementation of appropriate quality standards, compliance reporting to stakeholders and the clinical governance of the services such as supervision, good quality standards and best practice.
3. The Change & Innovation Sub Committee is responsible for considering the impact of any new proposals in line with the strategic plan, opportunities and considering the challenges which may arise in any change process.

The Board intend to establish a remuneration sub-committee in 2014 which will be responsible for reviewing any proposals regarding pay and pay structures and advising the Board in relation to same. They also intend to establish a governance sub-committee in line with best practice as governance, accountability and transparency remain a high priority for the Board.

MANAGEMENT

The Company is led and controlled by a Board of Directors ("the Board") which is collectively responsible for ensuring delivery of the organisation's objectives, for setting its strategic direction, and for upholding its values.

Day-to-day management of the organisation is delegated to the Chief Executive Officer and the Executive Leadership Team.
FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

DIRECTORS’ REPORT (CONTINUED)

RISK ASSESSMENT

The directors consider that the principal risk factors that could materially and adversely affect the Company’s future operating activities or financial position would be the reduction of funding.

The Company has insurances and business policies to limit the business risks associated with its activities and the Board of directors reviews, reassesses and proactively limits the associated risks insofar as possible.

The Board of Directors is committed to conducting a full risk assessment of the Company in order to develop a full risk management policy and to ensure the organisation is not exposed to preventable, unacceptable risk. The executive leadership team along with relevant sub-committees will be responsible for developing and executing the organisations risk programme.

COMMITMENT TO BEST PRACTICE IN CORPORATE GOVERNANCE

The Company is fully committed to achieving the standards contained within Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland ("the Code") and is currently on the journey to being fully compliant.

The aim of the Code is to determine and formulate standards of best practice in corporate governance applicable areas such as leadership, exercising control, transparency and accountability, working effectively and behaving with integrity.

COMMITMENT TO STANDARDS IN FUNDRAISING PRACTICE

The Company is fully committed to achieving the standards contained within the Statement of Guiding Principles for Fundraising ("the Statement"). The Statement was developed by the Irish Charities and Tax Research Group and exists to provide charities in Ireland with a Fundraising Code of Practice.

The purpose of the statement is to:

- Improve the way charities in Ireland raise their funds
- Promote high levels of accountability and transparency by organisations fundraising from the public
- Provide clarity and assurances to donors and prospective donors about the organisations they support.

The Company is committed to complying with the Statement for Guiding Principles for Fundraising and has formally discussed and adopted the Statement at a meeting of the Board.

The Board meets regularly to discuss plans for funding including any shortfall/excess and allocations of funds, they in the process of putting a formal policy in relation to this in place.

RESERVES POLICY

Reserves of the Company are required to meet the on-going working capital requirements of the Company. The Directors of FSJI intend to formalise the policy to allows for a prudent level of reserves to enable the Company to manage financial risk and deliver services to which we are committed.

The Directors have examined the charities requirements for reserves in light of the main risks of the organisation. The Board hopes to achieve a policy whereby the unrestricted funds not committed or invested in tangible fixed assets equate to 6 months of the current expenditure as a matter of prudence.

The current expenditure for 2013 was €878k and therefore the target figure for reserves is €439k in general funds. The Directors are aware that at present they are not in a position to fulfil this policy however it is a goal the charity is working towards.
FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

DIRECTORS’ REPORT (CONTINUED)

TAXATION STATUS

The company was granted charitable tax status by the Revenue Commissioners on the 15 May 1998.

EVENTS SINCE THE YEAR END

The Company has not been notified of any significant reductions in income that would negatively impact on the services the Company provides. Any future reductions would necessitate further cost containment measures.

BOOKS OF ACCOUNT

The Directors are responsible for ensuring that proper books of account, as outlined in Section 202 of the Companies Act, 1990, are kept by the Company. The Directors believe that they have complied with this requirement by employing accounting personnel with appropriate expertise and providing adequate resources to the finance function. The books and records of the Company are maintained at 24 Merchants Court, Merchants Quay, Dublin 8.

AUDITORS

The auditors, Deloitte & Touche, who were appointed during the year, will continue in service accordance with Section 160 (2) of the Companies Act, 1963.

STATEMENT OF DIRECTORS RESPONSIBILITIES

Irish Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its income and expenditure of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors of the Company are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and that the accounts prepared comply with Irish statute comprising the Companies Acts, 1963 to 2013. They are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:

Director

Date: 25 July 2014

Director
We have audited the financial statements of Franciscan Social Justice Initiatives Limited for the year ended 31 December 2013 which comprise the Statement of Accounting Policies, the Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company’s members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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 auditors’ 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors’ Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors’ Report and Financial Statements for the year ended 31 December 2013 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the company as at 31 December 2013 and of the surplus for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

Matters on which we are required to report by the Companies Acts, 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors’ report is consistent with the financial statements.

Continued on next page/
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts, 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Thomas Cassin
For and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 25 July 2014
FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

The financial statements are presented in euro.

TANGIBLE FIXED ASSETS

The cost of tangible fixed assets is their purchase price. Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments. The estimated useful lives of tangible assets by reference to which depreciation has been calculated are as follows:

- Fixtures and fittings: 6 - 7 years
- Improvements to premises: 5 - 50 years

INCOME

Grants Income is recognised on a receivable basis in the Income and Expenditure Account. Donations and similar income are recognised in the Income and Expenditure Account when received. Where restricted grants or restricted donations are received, the income is deferred and included in creditors until the related expenditure is incurred.

FUND ACCOUNTING

The following funds are operated by the Charity

General Funds - unrestricted
General Funds represent amounts which are expendable at the discretion of the Board of Directors in furtherance of the objective of the charity which have not been designated for other purposes. Such funds may be held in order to finance working capital or capital expenditure.

Designated Funds
Designated funds are unrestricted funds earmarked by the Board of Directors for particular purposes.

GOING CONCERN

The directors have prepared financial statements on the going concern basis.

PENSIONS

The costs arising in respect of the defined contribution scheme are recognised in the income and expenditure account in the period in which they are incurred.

DEFERRED GRANTS

Grants towards capital expenditure are released to the income and expenditure account over the expected useful life of the assets. Grants towards revenue expenditure are released to the income and expenditure account as the related expenditure is incurred.
<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>1,894,264</td>
<td>1,760,731</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(1,732,956)</td>
<td>(1,777,790)</td>
</tr>
<tr>
<td>Surplus/(deficit) for the year before Interest</td>
<td>1</td>
<td>161,308</td>
</tr>
<tr>
<td>Interest received</td>
<td>5,631</td>
<td>10,993</td>
</tr>
<tr>
<td>Surplus/(deficit) for the year</td>
<td>166,939</td>
<td>(6,066)</td>
</tr>
<tr>
<td>Transfer to designated fund</td>
<td>6</td>
<td>(150,000)</td>
</tr>
<tr>
<td>Surplus/(deficit) for the year after designated fund transfer</td>
<td></td>
<td>16,939</td>
</tr>
</tbody>
</table>

General fund balances brought forward at the beginning of the year | 6 | 46,466 | (6,066) |

General fund balances carried forward at end of the year | 6 | 63,405 | 46,466 |

There are no recognised gains or losses other than the surplus or deficit noted above.

The financial statements were approved by the Board of Directors on 25 July 2014 and signed on its behalf by:

[Signatures]

Director

Director
FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2013

<table>
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<tr>
<th>Notes</th>
<th>2013 €</th>
<th>2012 €</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>3</td>
<td>328</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>4</td>
<td>3,017</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>784,641</td>
</tr>
<tr>
<td></td>
<td></td>
<td>787,658</td>
</tr>
<tr>
<td>CREDITORS: (Amounts falling due within one year)</td>
<td>5</td>
<td>(574,581)</td>
</tr>
<tr>
<td>NET CURRENT ASSETS</td>
<td></td>
<td>213,077</td>
</tr>
<tr>
<td>TOTAL ASSETS LESS CURRENT LIABILITIES</td>
<td></td>
<td>213,405</td>
</tr>
<tr>
<td>TOTAL NET ASSETS</td>
<td></td>
<td>213,405</td>
</tr>
<tr>
<td>CAPITAL AND RESERVES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>6</td>
<td>63,405</td>
</tr>
<tr>
<td>Designated fund</td>
<td>6</td>
<td>150,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>213,405</td>
</tr>
</tbody>
</table>

The financial statements were approved by the Board of Directors on 25 July 2014 and signed on its behalf by

Director

Director
FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td>Cash inflow/(outflow) from operating activities</td>
<td>7</td>
<td>208,259</td>
</tr>
<tr>
<td>Returns on investments and servicing of finance</td>
<td></td>
<td>5,631</td>
</tr>
<tr>
<td>Capital expenditure and financial investment</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Increase/ (decrease) in cash</td>
<td>9</td>
<td>213,890</td>
</tr>
</tbody>
</table>
1. **SURPLUS/(DEFICIT) FOR THE YEAR BEFORE INTEREST**

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>

Surplus/(deficit) for the year before interest is stated after charging:

- Depreciation of tangible assets: 5,700 6,248
- Auditors’ remuneration: 4,676 8,290
- Directors’ emoluments:
  - As directors: - -
  - Expenses: - -

2. **EMPLOYEES**

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Number</td>
</tr>
</tbody>
</table>

The average weekly number of employees during the year were:

- Project workers: 31 28

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>

Employment costs:

- Wages and salaries: 1,165,579 1,189,585
- Employers’ PRSI: 103,439 104,843
- Staff pension costs: 14,693 15,614

**Total: 1,283,711 1,310,042**

It is important to note that a portion of the salaries that arise within Merchants Quay Project Ltd that are attributable to the work of Franciscan Social Justice Initiatives Limited are transferred over to this charity and included in the above.

3. **TANGIBLE ASSETS**

<table>
<thead>
<tr>
<th>Improvements to premises</th>
<th>Fixtures and fittings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2012</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>€</th>
<th>€</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>243,097</td>
<td>94,603</td>
<td>337,700</td>
</tr>
</tbody>
</table>

| Cost | At 31 December 2012 | | | \[\] 337,700 |
|------|---------------------|---|---|---|---|
|      | 243,097            | 94,603 |   |   |   |

| Accumulated depreciation | At 31 December 2012 | | | \[\] 331,672 |
|--------------------------|---------------------|---|---|---|---|
| Charge for the year      | 243,097            | 88,575 | 5,700 |   |   |
| At 31 December 2013      | 243,097            | 94,275 |   |   |   |

| Net book amounts | At 31 December 2013 | | | \[\] 328 |
|------------------|---------------------|---|---|---|---|
|                  | -                   | 328 |   |   |   |

| At 31 December 2012 | | | \[\] 6,028 |
|---------------------|---|---|---|---|
|                     | - | 6,028 |   |   |   |

18
FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

4. DEBTORS

2013 € 2012 €

Other debtors 3,017 -

5. CREDITORS:
Amounts falling due within one year

2013 € 2012 €

Trade creditors 827 5,333
Taxation and social insurance - -
Merchants Quay Project 472,351 305,750
Other creditors - 90,000
Accruals 101,403 129,230

574,581 530,313

6. RECONCILIATION OF MOVEMENT IN RESERVES

<table>
<thead>
<tr>
<th></th>
<th>General fund €</th>
<th>Designated fund €</th>
<th>Total €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2013</td>
<td>46,466</td>
<td>-</td>
<td>46,466</td>
</tr>
<tr>
<td>Current year surplus</td>
<td>166,939</td>
<td>-</td>
<td>166,939</td>
</tr>
<tr>
<td>Transfer to designated fund</td>
<td>(150,000)</td>
<td>150,000</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31 December 2013</td>
<td>63,405</td>
<td>150,000</td>
<td>213,405</td>
</tr>
</tbody>
</table>

The designated fund comprises of amounts set aside by the Board of Directors to establish minimum reserves equivalent to at least 6 months operating expenses and to ensure the continuance of our homeless services in 2014.
7. CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating surplus/ (deficit)</td>
<td>166,939</td>
<td>(6,066)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,700</td>
<td>6,248</td>
</tr>
<tr>
<td>(Increase)/ decrease in debtors</td>
<td>(3,017)</td>
<td>2,687</td>
</tr>
<tr>
<td>Increase/ (decrease) in creditors</td>
<td>44,268</td>
<td>(214,716)</td>
</tr>
<tr>
<td>Interest received</td>
<td>(5,631)</td>
<td>(10,993)</td>
</tr>
<tr>
<td>Government grant released</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash inflow/(outflow) from operating activities</td>
<td>208,259</td>
<td>(222,840)</td>
</tr>
</tbody>
</table>

8. RECONCILIATION OF NET CASH TO MOVEMENT IN NET FUNDS

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(decrease) in cash in the year</td>
<td>213,890</td>
<td>(211,847)</td>
</tr>
<tr>
<td>Net funds at beginning of year</td>
<td>570,751</td>
<td>782,598</td>
</tr>
<tr>
<td>Net funds at 31 December 2013</td>
<td>784,641</td>
<td>570,751</td>
</tr>
</tbody>
</table>

9. ANALYSIS OF CHANGES IN NET FUNDS DURING THE YEAR

<table>
<thead>
<tr>
<th></th>
<th>Balance at 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>€</td>
</tr>
<tr>
<td>Cash flows at 31 December</td>
<td>€</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>570,751</td>
</tr>
<tr>
<td></td>
<td>570,751</td>
</tr>
</tbody>
</table>

10. PENSIONS

The pension entitlements of eligible employees that arise under the defined benefit scheme is borne by Merchants Quay Project Limited. The defined benefit scheme has been closed to new entrants for a number of years. The company also operates a defined contribution scheme for eligible employees. Contributions made to the defined contribution scheme during the year amounted to €14,693 (2012: €15,814).

11. RELATED PARTY TRANSACTIONS

The Directors of the company are also Directors of Merchants Quay Project Limited (MOP). The Members have effective control over both companies.

The balance owing to the Merchants Quay Project Limited at 31 December 2013 was €472,351 (2012: €305,750).
11. RELATED PARTY TRANSACTIONS (CONT)

The transactions during the year were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayments to MQP</td>
<td>(158,541)</td>
</tr>
<tr>
<td>Expenses paid by MQP on behalf of FSJI</td>
<td>325,142</td>
</tr>
</tbody>
</table>

12. TAXATION

The company received Charitable Tax Status in May 1998, consequently no provision for corporation tax is necessary.

13. COMPARATIVE AMOUNTS

Some prior year comparative amounts have been reclassified on a basis consistent with the current year.

14. ULTIMATE CONTROLLING PARTY

The members and Directors of the Company at 31 December 2013 apart from Mr. Mick Price, Mr. Brian Melaugh and Dr. Joanne Fenton are members of the Order of Friars Minor.