

Franciscan Social Justice Initiatives Limited
(A company limited by guarantee not having a share capital)

Directors' Report and Financial Statements

Year Ended 31 December 2011

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DIRECTORS AND OTHER INFORMATION

Board of Directors

Rev Joseph MacMahon OFM
Rev Hugh McKenna OFM
Rev Kieran Cronin OFM
Br Niall O'Connell OFM
Rev Patrick Lynch OFM
Mr Brian Melaugh
Mr Mick Price

Solicitors

Marcus A. Lynch & Son
12 Lower Ormond Quay
Dublin 1

Secretary

L & P Financial Trustees Limited
2 - 3 Terminus Mills
Clonskeagh Road
Dublin 6

Registered Office

28 Winetavern Street
Dublin 8

Company Number: 280573

Charity Number: CHY 12809

Bankers

Allied Irish Bank
7 - 12 Dame Street
Dublin 2

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

Places of operation

28 Winetavern Street
Dublin 8

10 Newmarket Square
Dublin 8

Sophia Housing
25 Cork Street
Dublin 8

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2011.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

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 the affairs of the company and of the results of the company for that year. In preparing these the directors are required to:

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 28 Winetavern Street, Dublin 8.

Results for the year and state of affairs at 31 December 2011

The income and expenditure account and balance sheet are set out on pages 8 and 9 respectively.

Principal activity and review of the business

The company operates as a non profit making organisation established to provide a range of services for homeless, unemployed, and marginalised persons.

Risk assessment

The directors consider that the principal risk factors that could materially and adversely affect the company's future operating profits or financial position would be the cessation of funding.

The company has insurances and business policies to limit the business risks associated with its activities and the board of directors regularly review, reassess and proactively limit the associated risks insofar as possible.

Events since the year end

There have been a number of cuts in funding across all major funding streams in relation to 2012, reductions in income will impact on the service the company provides and will necessitate cost containment measures.

DIRECTORS' REPORT - continued

Directors

The names of the persons who were directors at any time during the year ended 31 December 2011 are set out below. Unless indicated otherwise they served as directors for the entire year.

Rev. Caoimhin O Laoide OFM (resigned 20 July 2011)
Rev. Ulic Troy OFM (resigned 20 July 2011)
Rev. Phillip Forker OFM (resigned 20 July 2011)
Rev. Joseph MacMahon OFM
Rev. Hugh McKenna OFM
Rev. Kieran Cronin OFM (appointed 20 July 2011)
Br. Niall O'Connell OFM (appointed 20 July 2011)
Rev. Patrick Lynch OFM (appointed 6 December 2011)
Mr Brian Melaugh (appointed 6 December 2011)
Mr Mick Price

Auditors

The auditors, PricewaterhouseCoopers, will continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

Taxation status

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

On behalf of the board

Kieran Cronin
JA MacMahon



Independent auditors' report to the shareholders of Franciscan Social Justice Initiatives Limited

We have audited the financial statements of Franciscan Social Justice Initiatives Limited for the year ended 31 December 2011 which comprise of the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.



Independent auditors' report to the shareholders of Franciscan Social Justice Initiatives Limited - continued

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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 company's affairs as at 31 December 2011 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009.

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 on pages 3 and 4 is consistent with the financial statements.

A handwritten signature in blue ink that reads 'Teresa Harrington'.

Teresa Harrington
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

1 August 2012

ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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

Basis of preparation of accounts

The accounts are prepared under the historical cost convention and in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

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

Income represents grants and donations received in the year.

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.

INCOME AND EXPENDITURE ACCOUNT
 Year Ended 31 December 2011

	Notes	2011 €	2010 €
Income		1,742,290	1,835,020
Expenditure		<u>(1,695,819)</u>	<u>(1,834,878)</u>
Surplus for the year before interest	2	46,471	142
Interest received		<u>10,591</u>	<u>4,637</u>
Surplus for the year		57,062	4,779
Accumulated (deficit) at 1 January 2011		<u>(4,530)</u>	<u>(9,309)</u>
Accumulated surplus/(deficit) at 31 December 2011	8	<u>52,532</u>	<u>(4,530)</u>

There are no recognised gains or losses other than the surplus or deficit noted above for the financial years 2010 and 2011.

On behalf of the board

Kieran Cronin
JH MacMahon

BALANCE SHEET
 As at 31 December 2011

	Notes	2011 €	2010 €
Fixed assets			
Tangible assets	4	12,277	37,459
Current assets			
Debtors	5	2,685	609
Cash at bank and in hand		<u>782,598</u>	<u>440,074</u>
		785,283	440,683
Creditors (amounts falling due within one year)	6	<u>(745,028)</u>	<u>(437,790)</u>
Net current liabilities		<u>40,255</u>	<u>2,893</u>
Total assets less current liabilities		52,532	40,352
Deferred grants (capital)	7	<u>-</u>	<u>(44,882)</u>
Total net assets/(liabilities)		<u>52,532</u>	<u>(4,530)</u>
Capital and reserves			
Income and expenditure account		<u>52,532</u>	<u>(4,530)</u>
Total reserves	8	<u>52,532</u>	<u>(4,530)</u>

On behalf of the board

Kieran Greenin
JH Macmahon

CASH FLOW STATEMENT
Year Ended 31 December 2011

	Notes	2011 €	2010 €
Cash inflow/(outflow)from operating activities	9	331,933	202,743
Returns on investments and servicing of finance		10,591	4,637
Capital expenditure and financial investment		<u>-</u>	<u>-</u>
Increase in cash	11	<u>342,524</u>	<u>207,380</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Going concern

The directors have prepared financial statements on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

During the year the company realised a surplus of €57,062 compared to a deficit of €4,779 as at 31 December 2010. The company had net assets of €52,532 as at 31 December 2011 compared to net liabilities of €4,530 as at 31 December 2010.

The related company, Merchants Quay Project Limited has confirmed that they will not seek repayment for at least twelve months from the date of approval of these financial statements, of a balance of €553,115 (2010: €277,960) to enable the company to meet all its liabilities as they fall due.

Whilst the directors acknowledge the matters mentioned above, they believe that it is appropriate for the accounts to be prepared on the going concern basis.

2 Surplus for the year before interest	2011	2010
	€	€
Surplus for the year before interest is stated after charging:		
Depreciation of tangible assets	<u>25,182</u>	<u>56,474</u>
Auditors' remuneration	<u>4,840</u>	<u>4,840</u>
Directors' emoluments:		
- As directors	-	-
- For managements services	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
3 Employees	2011	2010
	Number	Number
The average weekly number of employees during the year were:		
Project workers	<u>28</u>	<u>28</u>
	2011	2010
	€	€
Employment costs:		
Wages and salaries	1,208,606	1,232,975
Employers' PRSI	112,089	120,150
Staff pension costs	<u>19,118</u>	<u>21,244</u>
	<u>1,339,813</u>	<u>1,374,369</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Tangible assets	Improvements to premises €	Fixtures and fittings €	Total €
Cost			
At 31 December 2010	243,096	94,605	337,701
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2011	<u>243,096</u>	<u>94,605</u>	<u>337,701</u>
Accumulated depreciation			
At 31 December 2010	224,540	75,702	300,242
Charge for the year	<u>18,556</u>	<u>6,626</u>	<u>25,182</u>
At 31 December 2011	<u>243,096</u>	<u>82,328</u>	<u>325,424</u>
Net book amounts			
At 31 December 2010	<u>18,556</u>	<u>18,903</u>	<u>37,459</u>
At 31 December 2011	<u>-</u>	<u>12,277</u>	<u>12,277</u>
5 Debtors		2011 €	2010 €
Other debtors		<u>2,685</u>	<u>609</u>
6 Creditors (amounts falling due within one year)		2011 €	2010 €
Trade creditors		2,571	6,424
Taxation and social insurance		14,798	21,041
Merchants Quay Project (note 13)		553,115	277,960
Other creditors		90,000	90,000
Accruals		<u>84,544</u>	<u>42,365</u>
		<u>745,028</u>	<u>437,790</u>
7 Deferred grants		2011 €	2010 €
Capital grants:			
Opening balance		<u>44,882</u>	<u>93,505</u>
		44,882	93,505
Amortised to the income and expenditure account		<u>(44,882)</u>	<u>(48,623)</u>
Closing balance		<u>-</u>	<u>44,882</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Reconciliation of movements in reserves		2011	2010
		€	€
Surplus/(deficit) for the year		57,062	4,779
Opening reserves		<u>(4,530)</u>	<u>(9,309)</u>
		<u>52,532</u>	<u>(4,530)</u>
9 Net cash inflow from operating activities		2011	2010
		€	€
Operating surplus		57,062	4,779
Depreciation		25,182	56,474
(Increase)/ decrease in debtors		(2,076)	(425)
Increase/(decrease) in creditors		307,238	195,175
Interest received		(10,591)	(4,637)
Government grant released		<u>(44,882)</u>	<u>(48,623)</u>
Net cash inflow/(outflow) from operating activities		<u>331,933</u>	<u>202,743</u>
10 Reconciliation of net cash flow to movement in net funds		2011	2010
		€	€
Increase in cash in the year		342,524	207,380
Net funds at 1 January 2011		<u>440,074</u>	<u>232,694</u>
Net funds at 31 December 2011		<u>782,598</u>	<u>440,074</u>
11 Analysis of changes in net funds during the year	Balance at	Cash	Balance at
	31 December	flows	31 December
	2010		2011
	€	€	€
Cash at bank and in hand	440,074	342,524	782,598
Overdrafts	<u>-</u>	<u>-</u>	<u>-</u>
	<u>440,074</u>	<u>342,524</u>	<u>782,598</u>

12 Pensions

The pension entitlements of eligible employees that arise under both defined benefit and defined contribution schemes are borne by Merchants Quay Project Limited. The company also operates a defined contribution scheme to provide benefits for new employees. Contributions made to the defined contribution scheme during the year amounted to €43,971 (2010: €34,538).

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Related party transactions

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

The balance owing to the Merchants Quay Project Limited at 31 December 2011 was €553,115 (2010: €277,960). Merchants Quay Project Limited has confirmed that they will not seek repayment of this balance for at least twelve months from the date of approval of these financial statements, to enable the company to meet all its liabilities as they fall due.

14 Taxation

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

15 Comparative amounts

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

16 Ultimate controlling party

The members and directors of the company at 31 December 2011 apart from Mr. Mick Price and Mr. Brian Melaugh are members of the Order of Friars Minor.

17 Approval of the financial statements

The directors approved the financial statements on 3 July 2012.

UNAUDITED DETAILED SUMMARY INCOME AND EXPENDITURE ACCOUNT

The information contained on page 16 does not form part of the statutory financial statements and therefore does not fall within the scope of the audit.

DETAILED INCOME AND EXPENDITURE ACCOUNT
Year Ended 31 December 2011

	2011 €	2010 €
Income		
Health services executive	546,550	582,598
Dublin City Council	1,027,175	1,033,929
Interest received	10,591	4,637
Fundraising and donations	123,683	169,869
Capital grant amortised	<u>44,882</u>	<u>48,624</u>
	<u>1,752,881</u>	<u>1,839,657</u>
Administrative expenses		
Wages and salaries	1,208,606	1,232,975
Employer's PRSI contributions	112,089	120,150
Staff pension costs	19,118	21,245
Computer costs	545	22,528
Rent/rates	54,050	58,312
Cleaning	82,433	60,480
Insurance	7,690	8,351
Office costs	11,864	16,477
Repairs and renewals	3,208	5,679
Telephone/light and heat	30,102	31,063
Tea, rooms, food and supplies	61,878	83,231
Motor and travel	11,934	14,373
Fund raising appeal costs	28,950	54,761
Training	15,207	10,221
Professional fees	1,500	13,773
Audit and accountancy fees	4,840	4,840
Bank interest and charges	202	155
Sundries	12,439	3,424
Security costs	2,482	10,537
Client activity	1,530	5,829
Depreciation	<u>25,152</u>	<u>56,474</u>
	<u>1,695,819</u>	<u>1,834,878</u>
Surplus	<u>57,062</u>	<u>4,779</u>