

St. Francis Housing Association Limited
(A company limited by guarantee and having no share capital)

Directors' Report and Financial Statements
for the year ended
31 December 2013

ST. FRANCIS HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS 2013

CONTENTS	PAGE
DIRECTORS AND OTHER INFORMATION	2 – 3
DIRECTORS' REPORT	4 – 9
INDEPENDENT AUDITOR'S REPORT	10 – 11
STATEMENT OF ACCOUNTING POLICIES	12
INCOME AND EXPENDITURE ACCOUNT	13
BALANCE SHEET	14
CASH FLOW STATEMENT	15
NOTES TO THE FINANCIAL STATEMENTS	16 – 18
SUPPLEMENTARY INFORMATION	19 – 20

ST. FRANCIS HOUSING ASSOCIATION 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

Head of Communication and advocacy

Head of Human Resources

Head of Day Services

Head of Residential Services

Mr Tony Geoghegan
Ms Denisa Casement
Ms Paula Byrne
Mr Mark Kennedy
Mr Richard Cunningham

ST. FRANCIS HOUSING ASSOCIATION LIMITED

DIRECTORS AND OTHER INFORMATION (CONTINUED)

COMPANY NUMBER: 449783

CHARITY NUMBER: CHY 18159

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: St. Francis Farm
Tullow
Co Carlow

INDEPENDENT AUDITOR: Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

ST. FRANCIS HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT

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

STRUCTURE

COMPANY STRUCTURE

St Francis Housing Association Ltd ("SFHA") was incorporated as a company limited by guarantee and not having share capital on 27 November 2007 for the charitable purpose of benefiting the community by providing housing and associated amenities for persons in deprived or necessitous circumstances, and to provide for relief of poverty and deprivation caused by poor housing conditions and homelessness or other social and economic circumstances.

The main objects for which the Association is established are to provide housing, accommodation and such other associated amenities as are necessary for the poor, marginalised, disadvantaged or homeless persons and to offer settlement, support to the homeless and former drug users who have completed drug rehabilitation programmes.

In furtherance of the foregoing main objects, the Company shall have the following subsidiary objects:

- (a) To carry on for the benefit of the community the provision of housing and associated amenities for persons in deprived or necessitous circumstances.
- (b) To provide for relief of poverty and deprivation caused by poor housing conditions and homelessness or other social and economic circumstances.

SFHA is recognised by the Revenue Commissioners as having registered charity status – registration number CHY 18159.

The Company is governed by its memorandum and articles.

Merchant's Quay Ireland is the banner name under which the charitable companies 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.

ST. FRANCIS HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

VISION, VALUES & MISSION

The Company is a national voluntary agency providing services, and 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 SFHA 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:

Over the period our strategic plan was amended following consideration of all contributions and an overview of the organisation and its activities and is intended to define our objectives over the coming years 2013-2016.

- 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.

ST. FRANCIS HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2013

The Income and Expenditure Account and Balance Sheet are set out on pages 13 and 14 respectively.

INCOME

The income in the company in 2013 represents a write of an amount due back to Merchants Quay Project Ltd.

EXPENDITURE

The company has no expenditure of its own in 2013.

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.

ST. FRANCIS HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

GOVERNANCE AND MANAGEMENT

DIRECTORS AND BOARD

The term of office of a Director shall be three years and Directors may be reappointed. During 2013 a new chairman Mr. Mick Price was elected to the Board and the previous Chairperson Rev. Hugh McKenna OFM remained on the Board of Directors.

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. Post year end the Board enhanced its membership further with the appointment 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 four 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 the strategy on change and innovation in the Company. It is also responsible considering opportunities and challenges to the 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.

ST. FRANCIS HOUSING ASSOCIATION 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 profits 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 regularly review, reassess and proactively limit the associated risks insofar as possible.

The Board of Directors are 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. This involves a thorough review and assessment of policies, procedures and governance structures at St. Francis Housing Association Limited and with the intention that St. Francis Housing Association Limited will have confirmed its adoption of the principles by 31 December 2014.

The aim of the Code is to determine and formulate standards of best practice in corporate governance applicable including areas like 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 or excess and allocations of funds. SFHA is in the process of implementing a formal written funding policy.

TAXATION STATUS

The company was granted charitable tax status by the Revenue Commissioners on the 20 May 2008.

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 Quay, 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.

ST. FRANCIS HOUSING ASSOCIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

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



Director

Date: 25 July 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. FRANCIS HOUSING ASSOCIATION LIMITED

We have audited the financial statements of St. Francis Housing Association Limited for the year ended 31 December 2013 which comprise the Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 13. 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 result 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/

/continued from previous page

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST. FRANCIS HOUSING ASSOCIATION 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.

M. M. Cassin

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

Date: *25 July 2014*

ST. FRANCIS HOUSING ASSOCIATION 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.

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

INCOME

Income represents amounts received and receivable during the year.

EXPENDITURE

Some costs are borne by Merchants Quay Project Limited.

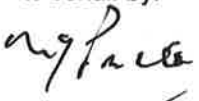
ST. FRANCIS HOUSING ASSOCIATION LIMITED

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<i>Notes</i>	2013 €	2012 €
Income		29,103	539,440
Expenditure		-	(568,543)
SURPLUS/(DEFICIT) FOR THE YEAR BEFORE INTEREST		29,103	(29,103)
Interest received		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		29,103	(29,103)
Accumulated result at the beginning of the year		(29,103)	-
ACCUMULATED RESERVES AT 31 DECEMBER 2013	9	-	(29,103)

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

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



Director



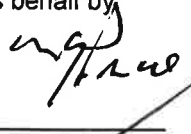
Director

ST. FRANCIS HOUSING ASSOCIATION LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2013**

	Notes	2013 €	2012 €
CURRENT ASSETS			
Cash at bank		-	345,572
CREDITORS: (Amounts falling due within one year)	3	-	(374,675)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>-</u>	<u>(29,103)</u>
CREDITORS: (Amounts falling due after more than one year)	4	-	-
TOTAL NET LIABILITIES		<u>-</u>	<u>(29,103)</u>
CAPITAL AND RESERVES			
Income and expenditure account		-	(29,103)
TOTAL RESERVES	9	<u>-</u>	<u>(29,103)</u>

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



Director



Director

ST. FRANCIS HOUSING ASSOCIATION LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	<i>Notes</i>	2013 €	2012 €
Cash (outflow)/inflow from operating activities	6	(345,572)	47,036
(Decrease)/Increase in cash	8	<u>(345,572)</u>	<u>47,036</u>

ST. FRANCIS HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. TANGIBLE FIXED ASSETS

The company did not beneficially own any assets at 31 December 2013.

2. EMPLOYEES

**2013
Number**

**2012
Number**

The average weekly number of employees during the year were:

Project workers - 2

**2013
€**

**2012
€**

Employment costs:

Wages and salaries - 111,580
Employers' PRSI - 10,355

- 121,935

3. CREDITORS: (Amounts falling due within one year)

**2013
€**

**2012
€**

Accruals - 3,075
Amounts due to Merchants Quay Project Limited (Note 9) - 371,600

- 374,675

4. CREDITORS: (Amounts falling due after more than one year)

**2013
€**

**2012
€**

Deferred income - -

ST. FRANCIS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

5. RECONCILIATION OF OPERATING DEFICIT TO OPERATING CASH FLOW	2013 €	2012 €
Operating surplus/(deficit)	29,103	(29,103)
(Decrease)/Increase in creditors	(374,675)	76,139
Net cash (outflow)/inflow from operating activities	<u>(345,572)</u>	<u>47,036</u>

6. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2013 €	2012 €
(Decrease)/Increase in cash in the year	(345,572)	47,036
Net funds at beginning of year	345,572	298,536
Net funds at 31 December 2013	<u>-</u>	<u>345,572</u>

7. ANALYSIS OF CHANGES IN NET FUNDS DURING THE YEAR	Balance at 31 December 2012 €	Cash flows €	Balance at 31 December 2013 €
Cash at bank and in hand	345,572	(345,572)	<u>-</u>

8. RELATED PARTY TRANSACTIONS

The Directors of the company are also Directors of Merchants Quay Project Limited (MQP) and the Franciscan Social Justice Initiative Limited (FSJI). The Members have effective control over all three companies.

The balance owing to the Merchants Quay Project Limited at 31 December 2013 was €Nil.

RECONCILIATION RELATED PARTY TRANSACTIONS- MQP	2013 €
Opening Balance	371,600
Repayments to MQP	(342,497)
Amounts due to MQP written off in the year	(29,103)
Closing Balance	<u>-</u>

ST. FRANCIS HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. RECONCILIATION OF MOVEMENTS IN RESERVES	2013	2012
	€	€
Opening accumulated balance as previously stated	(29,103)	-
Net result for year	29,103	(29,103)
Closing reserves	<u>-</u>	<u>(29,103)</u>

10. GUARANTEES AND SECURITIES

The company has issued no guarantees and has pledged no securities.

11. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

12. ULTIMATE CONTROLLING PARTY

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