

Merchants Quay Ireland CLG
(A company by guarantee and having no share capital)

Directors' Report and Financial Statements
for the financial year ended
31 December 2019

MERCHANTS QUAY IRELAND CLG

**REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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MERCHANTS QUAY IRELAND CLG

DIRECTORS AND OTHER INFORMATION

DIRECTORS:

Mr Mick Price (Chair)
Rev Kieran Cronin OFM
Rev Patrick Lynch OFM
Mr Brian Melaugh
Dr Joanne Fenton
Mr Ray Langton
Dr Siobhan Garrigan
Ms Margaret Hennessy
Mr Derek Bell
Mr David Kiely
Ms Cliona Ni Cheallaigh (Appointed 26th June 2019)

MEMBERS:

Rev Kieran Cronin OFM
Rev Pdraig Breheny OFM
Rev Aidan McGrath OFM
Rev Joseph Condren OFM
Rev Stephen O’Kane OFM
Rev David Collins OFM
Rev Niall O’Connell OFM

SECRETARY:

L & P Trustee Services CLG
75 St Stephens Green
Dublin 2

BOARD SUB-COMMITTEES:

Finance Committee

Mr. Ray Langton (Interim Chair)
Ms Mairead Divilly
Mr David Kiely
Mr Jonathan Mooney

Audit & Risk Committee

Mr. Ray Langton (Chair)
Rev Kieran Cronin OFM
Ms Mairead Divilly
Mr Derek Bell

HR and Governance & Nominations Committee

Mr Mick Price (Chair)
Mr Derek Bell
Ms Fidelma Keogh
Mr David Kiely
Mr Ray Langton
Ms Margaret Hennessy

Client Services Committee

Mr Mick Price (Chair)
Mr Brian Melaugh
Dr Joanne Fenton
Dr Siobhan Garrigan
Mr Ray Langton

MERCHANTS QUAY IRELAND CLG

DIRECTORS AND OTHER INFORMATION (CONTINUED)

Fundraising & Communications Committee Mr Ray Langton (Chair)
Mr Mick Price
Ms Margaret Hennessy

EXECUTIVE LEADERSHIP TEAM:

CEO Ms Paula Byrne
Head of Human Resources & Governance Shane Doherty
Head of Finance Risk & IT Ms Jennifer Owens
Head of Fundraising and Communications Ms Carol Casey
Head of Day Services Ms Marie Lynch
Head of Recovery Services Mr Mark Kennedy

REGISTERED NUMBER: 176421

REGISTERED OFFICE: 24 Merchants Court
Merchant's Quay
Dublin 8

CHARITY NUMBER: CHY 10311

CHARITY REGULATORY AUTHORITY NUMBER: 20026240

BANKERS: AIB
7/12 Dame Street
Dublin 2

AUDITORS: Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

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

MERCHANTS QUAY IRELAND CLG

DIRECTORS AND OTHER INFORMATION (CONTINUED)

PLACES OF OPERATION:

24 Merchants Court
Merchant's Quay
Dublin 8

Riverbank House
Merchant's Quay
Dublin 8

High Park
Drumcondra
Dublin 9

Payne's Lane
Athlone
Co Westmeath

16 Ballymount Cottages
Dublin 22

Irish Prison Service

St. Francis Farm
Tullow
Co. Carlow

St John Bosco
Davitt Road
Drimnagh
Dublin 12

68 Easton Row
Easton Meadow Estate
Leixlip House
Leixlip
Co Kildare

Community
Recovery &
Integration Supports
Project
Co. Wicklow

Midlands Services
Offaly, Westmeath,
Longford & Laois

MERCHANTS QUAY IRELAND CLG

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the financial year ended 31 December 2019.

COMPANY STRUCTURE

Merchants Quay Ireland CLG ("MQI") is incorporated as a Company limited by guarantee and not having share capital. It was registered on 12 July 1991 with Company number 176421. The Company is registered for the charitable purpose of promoting health and to provide the stepping-stones for every point of a man or woman's journey out of homelessness and addiction, and toward a drug free life.

The main objects of the Company are:

- (a) The promotion of health, including the prevention or relief of sickness, disease or human suffering through the provision of services to address the health and social care needs of people affected by addiction, homelessness and other related issues in Ireland, in order to provide them with the necessary information, advice, treatment and supports to improve their quality of life.
- (b) As objects incidental and ancillary to the attainment of the Main Object, the Company shall have the following subsidiary objects:

The Company is a public benefit entity and is registered with the Charities Regulator, charity registration number 20026240, and is granted charitable tax exemption, charity tax reference number CHY 10311 with the Revenue Commissioners.

The Company is governed by its Constitution (comprising the Memorandum and Articles of Association) updated 26th June 2019.

Merchant's Quay Ireland CLG is one of three companies operating under the banner name of Merchant's Quay Ireland (MQI) carrying out activities for social justice for homeless persons and drug users on a nationwide basis. The other companies are: -

- St. Francis Housing Association CLG (SFHA)
- Merchant's Quay Project CE Scheme CLG (MQPCE)

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

PURPOSE, VALUES & MISSION

PURPOSE

To promote health, reduce the harm caused by addiction & homelessness, and support recovery.

MISSION

An inclusive society that supports the integration and well-being of all

VALUES



STRATEGY

The Strategic Plan developed in 2016/2017 for the period 2017-2020 was the basis of the core strategies for the organisation in 2019, which include:

- Cultivate an innovative mindset within MQI that is guided by an ethos of Social Justice, which reflects our foundations and values.
- Ensure that service users' voice is represented at all levels so that they are empowered to make informed choices.
- To develop a better understanding of addiction and homelessness by raising awareness through public policy and education.
- Strengthen and develop our engagement with existing and potential partners to deliver better services across the greater continuum of care to service users.
- Continuously review and develop our service models and service delivery.
- Develop our data management procedures to ensure that information gathered shapes our planning and decision making.

STRATEGY DEVELOPMENT 2020 – 2024

In order to arrive at this ambitious plan, we listened to and engaged with many voices.

We heard directly from the clients we serve about their experiences and what we could do to make it better. We asked them what life was like and what care and support they felt they needed to help them on their journey.

We listened to the voices of our funders and other stakeholders in the sector, regarding what they felt MQI should and could do to make life better for our service users.

We engaged with our staff and volunteers who shared experiences and suggestions and discussed how together, we can improve and grow our care and services for clients and their families.

A team of staff from across the organisation worked together to review the vision, mission, values and strategic themes from the consultation process. We want to acknowledge the time and commitment given by this team in the process.

The plan was further developed and reviewed by the Executive and approved by the Board of Directors.

The Strategic Plan developed in 2019 for the period 2020-2024 was the basis of the core strategies for the organisation from 2020, which include:

- To deliver high impact, high quality services
- Play a leading role in influencing policy makers and the public
- Ensure the organisation has the capacity, skills and knowledge to deliver the strategic goals
- Develop a funding strategy to ensure our sustainability and support our future direction

RESULTS FOR THE FINANCIAL YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2019

The Statement of Financial Activities and Balance Sheet are set out on page 29 and 30 respectively.

Financial Review 2019

MQI is financed by a mix of statutory and voluntary funding. In 2019 MQI raised a total income of €12.1m

This income was generated from various sources with 57% from Statutory Government funding mainly from the HSE/ DRHE and the balance raised through our fundraising activities, other small income streams, and training. Fundraising generated €5m, making up 42% of our income for 2019.

Our work would not have been possible without the continued support from our state funders and voluntary funders. We and all those we support would like to pay tribute to the generosity of all our donors.

As a result of our fundraising income and expenditure management, 2019 was a positive year financially; this will allow MQI to focus on the implementation of our strategic priorities and to ensure we give best care and service possible to our clients. We continue to commit voluntary income to all our services; the continuum of all core services remains one of our key goals.

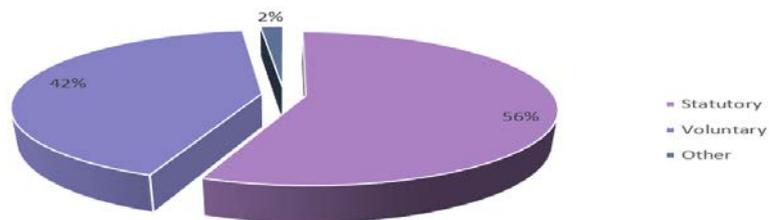
The Board of Directors also consider the need to provide against any future income shortfall and allow funds to be available to support service developments. The reserves are reviewed by the Audit & Risk Committee as part of a review and assessment of the organisation's risks.

The organisation benefits greatly from the involvement and enthusiastic support of many of its volunteers. In accordance with the Charities SORP (FRS102), the economic contribution of general volunteers is not recognised in the accounts.

Income

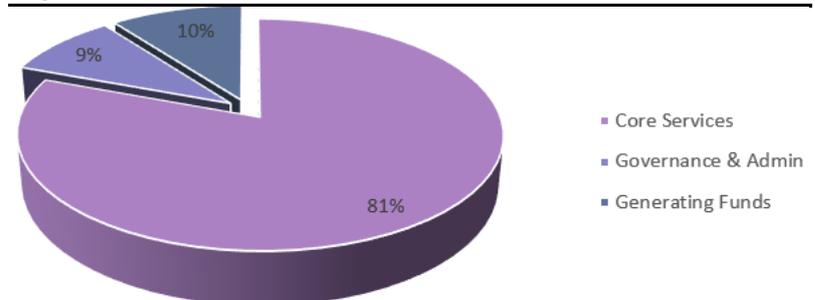
2019: €12.1m (2018: € 12.3m)

Statutory	6.9m
Voluntary	5.0m
Other	0.2m

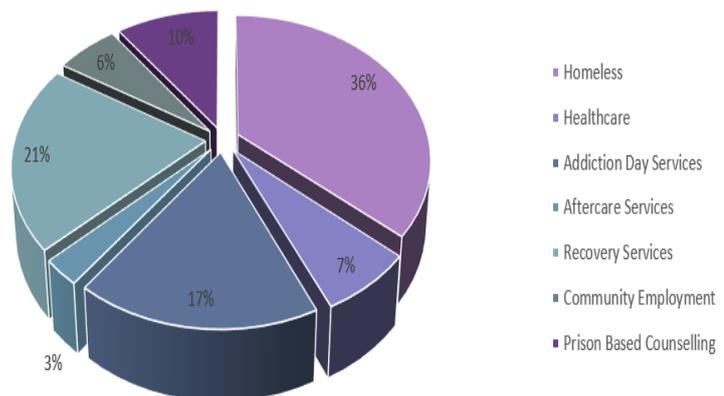


Expenditure

2019: €11.5m (2018: €10.6m)



Service Delivery Areas



CEO'S INTRODUCTION

Merchants Quay's clients are the visible face of homelessness, people for whom homelessness means daily exposure to the wet and cold, inadequate clothing, poor nutrition. Often this is compounded by addiction to drugs or alcohol and mental health issues. While clients gain respite from the streets, our service so much more than a hot meal, it is the very foundation of all our ancillary services, where staff build trusting, empathic and respectful relationships with our clients, allowing them to support the client in exploring and seeking assistance in addressing their issues and needs

Unfortunately, as we know, drug and alcohol problems are part of modern-day life. However, people can and do recover and go on to live full and active lives. Recovery relies on people having access to the supports they need when they need them. There continues to be an urgent need for investment in accessible residential & community detox services.

A continuing theme raised by our clients is a lack of housing for people exiting treatment. Aftercare and support are vital to allow people to maintain and build on the positive gains they have made while becoming drug-free. Many clients on completion of treatment, are unable to access suitable accommodation and as a result, they often end up back in emergency accommodation or on the streets, which is putting their recovery at risk.

Within the national drug strategy, it is acknowledged that 'Women can experience barriers to engaging and sustaining involvement with treatment and rehabilitation services. We secured funding through the South Inner-City Drugs & Alcohol Task Force to undertake action research, which was conducted by Dr Sarah Morton, Director of Community Partnership Drug Programmes in UCD, to explore the challenges surrounding access to homeless, addiction and health services for women. We believe that this research will contribute significantly to how we engage with women in services going forward. Funding is needed to develop this initiative further.

On Christmas Eve, An Bord Pleanála announced that planning permission was granted for the Medically Supervised Injecting Facility. A service providing a vital link to services including health, detox and rehabilitation which will save lives that could otherwise be lost to overdose. We acknowledge the support of the Minister for Health, Simon Harris and his colleague Minister of State, Catherine Byrne. I would also like to thank those who supported our social media campaign to raise awareness of this vital service and it would be remiss of me not to mention Brendan Courtney, a neighbour, who played a major part in this campaign.

Let us not forget the many families affected by addiction across the country, 112 people accessed our family support services in Dublin & the Midlands. These services provide support and advice on how to deal with the trauma associated with having a loved one caught in addiction.

As we know, the shame and stigma around addiction can be powerful silencers, MQI collaborated with Dr. Maria Quinlan and Patrick Bolger, on a photovoice project involving our clients and members of our Dublin family support group. Thus, allowing them to tell their stories in a safe space and to share their lived experience of addiction. Our hope is that these powerful stories will deepen our understanding and increase compassion and empathy for everyone who is affected by addiction. I would like to thank all those who courageously participated in this project and to extend our gratitude to Maria and Patrick for facilitating this project with such compassion, understanding and integrity.

Finally, I want to thank you and our dedicated staff for your support which enables us to meet the needs of people who often have nowhere else to go, this work couldn't happen without you.

Merchant's Quay Ireland has always sought to meet people where they are at, and that is what we will continue to do. Everyone knows the challenges are great. We certainly see that in our services each day. But equally, we see people who have come from incredibly difficult circumstances and are now thriving. We know that challenges can be overcome with the right supports – access to services across the continuum of care (from initial contact to detox & rehab), to health and housing.



Paula Byrne, CEO

ACHIEVEMENTS AND PERFORMANCE

We have all seen the visible signs of the homeless crisis on our streets, but there is so much more we do not see, so much hidden tragedy. Homelessness is itself a traumatic experience: the longer people are trapped in homelessness, the more their physical and mental health deteriorates. With that comes increased risk of addiction. This trauma, unseen but profound, should deeply concern us.

However, the homeless crisis is continuing to have a wide impact on society.

- We saw 546 of our young people were homeless, 153 came out of state care.
- Women make up a far higher percentage of the homeless population in Ireland than they do in other European Countries (Research carried out by Paula Mayock and her colleague in 2017) – 128 women attended our services.
- We saw an increase in older people attending our services with over 6041 people aged between 25 & 55 and 524 people over 55.
- 1,417 of those accessing the services were from foreign nationals, from both the EU and farther afield.

In total, we had 6,037 people through the doors of our Riverbank centre for a wide range of supports whether it is a hot meal, housing support, a hot shower or more specialised support services. In 2019, we provided 109,010 hot and cold meals, and clients availed of hot showers on 6,377 occasions. Our crisis case-management team support people in accessing accommodation, healthcare, drug treatment and training, as well as providing welfare and benefits advice. In 2019, the team provided a total of 9,164 interventions, an increase on 8,147 in 2018.

The South Inner-City Drug and Alcohol Task Force identified a gap in service user support for areas such as Basin Lane, James Street and Thomas Street area which led to the creation of an MQI Targeted Intervention role in September 2019. Primarily, the aim of the role is to support established groups in the listed area, signposting additional resources that would be available and have knowledge of what services are required and the gaps in the sector. This role will work in conjunction with MQI Assertive Outreach and In-reach initiatives.

Our help for Dublin's most vulnerable went beyond the doors of Riverbank, our Assertive Outreach team who link in with clients who are; entrenched rough sleepers and who are unable or unwilling to access support services. In 2019, MQI supported 295 clients.

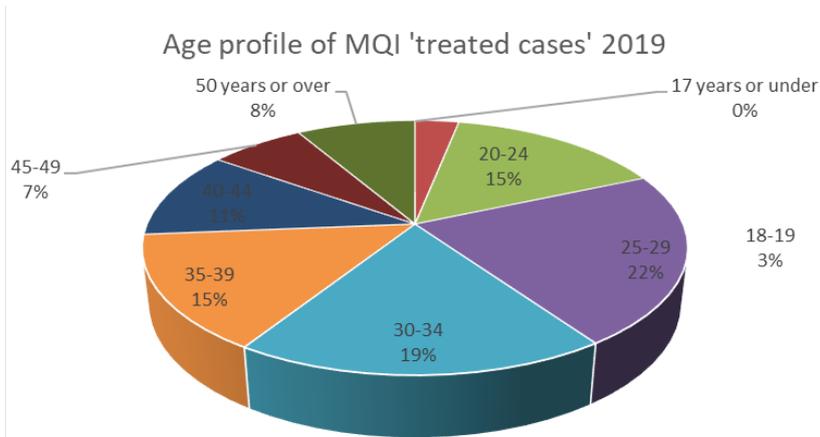
MQI Assertive In-Reach position works with the South Inner-City Drug and Alcohol Task Force to directly support clients in the community that require support with their substance misuse including accessing detox & residential treatment. In 2019, MQI supported 83 clients in the local community.

MQI developed a Youth Support Service, to support clients between the ages of 18-25 so they can address the core problems in their lives, link in with training, education and employment services, make a swift exit from homeless services, and move forward with a new purpose. Each year, MQI continues to see an increase of homelessness and addiction amongst this demographic age group. The number of clients aged 18-25 who engaged with our Young Person Support Workers (YPSW) increased from 207 in 2018 to 546 in 2019.

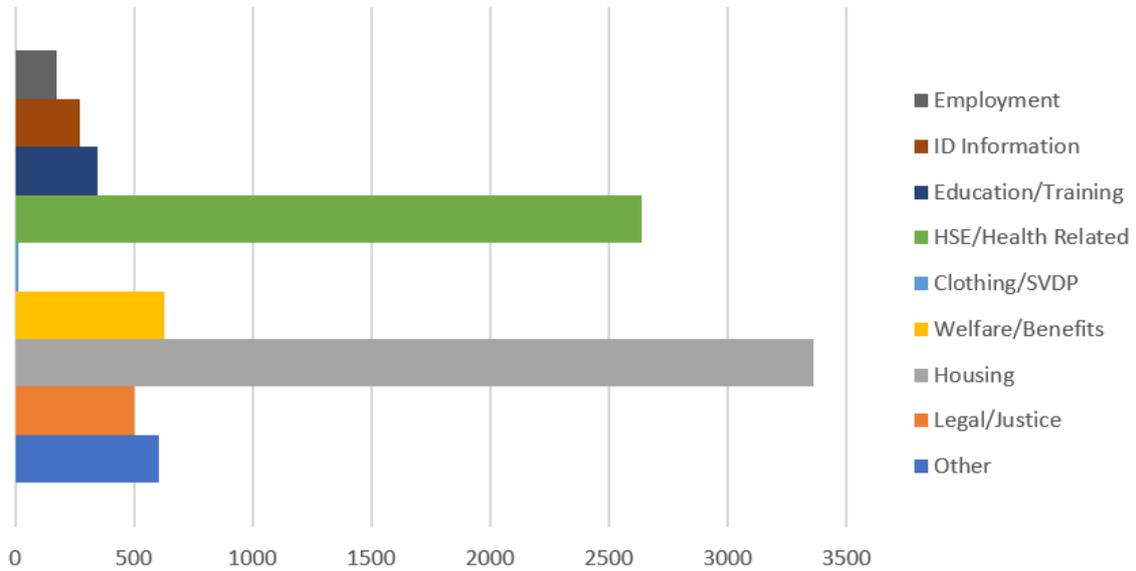
As well as shelter, the Night Café provides services including hot showers, fresh clothes, toiletries, information, and advice. The facility also offers one to one intervention on addiction, mental health, housing, and drug treatment options. In 2019, we had 16,652 attendances to our night café in 2019. Compared to 2018 we had an increase of single clients of 1,677 using our night café. We were notified on the 25th March 2020 by the Dublin Regional Executive, that the night café was being reallocated on a permanent basis effective the 31st March 2020.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

OPEN ACCESS SERVICE, AGE BREAKDOWN

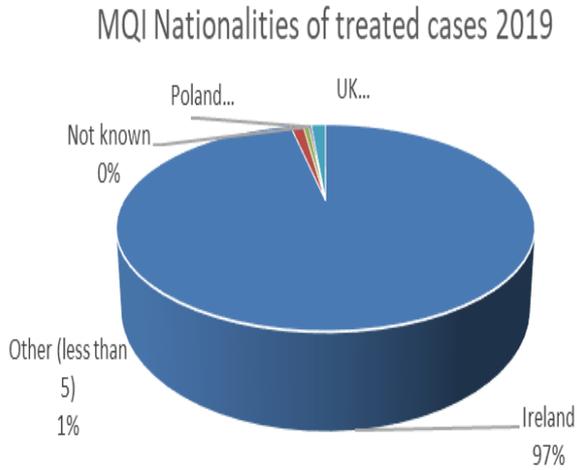


Advocacy Work

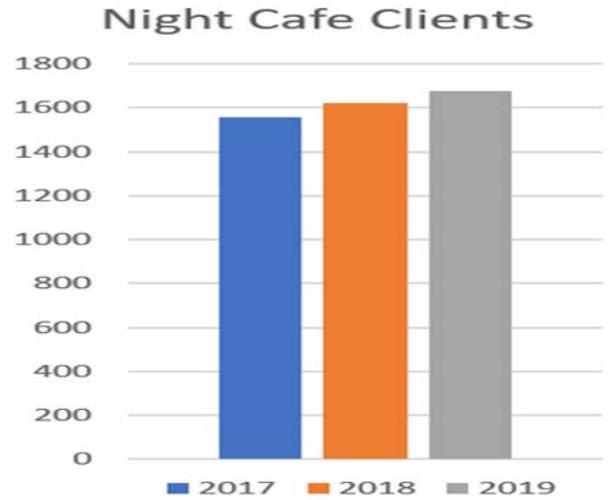


ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

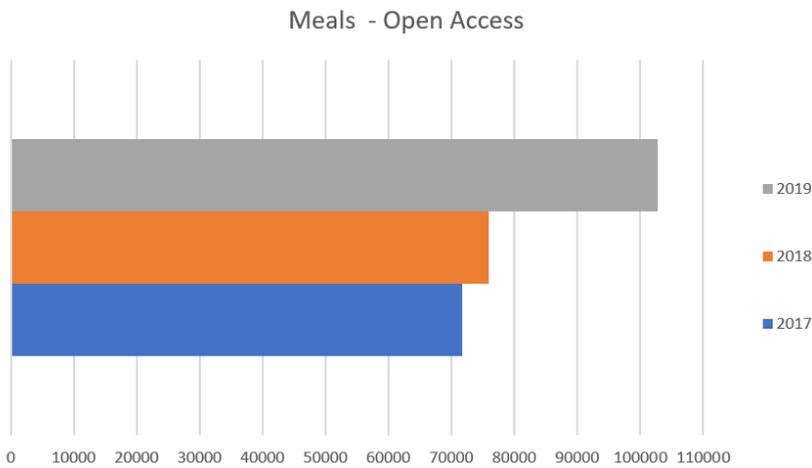
NATIONALITY, OPEN ACCESS CLIENTS



NIGHT CAFÉ CLIENT NUMBERS, BY YEAR



FOOD SERVICE - OPEN ACCESS



ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Healthcare Services

Our primary health services are accessible to everyone, including people with complex needs. From the provision of primary care to positive steps in the safeguarding of mental health, we take a holistic approach to supporting individuals.

Therefore, at our Riverbank Centre, we provide a range of services to marginalised people who would otherwise struggle to access healthcare, including doctor, nurse, dentist, mental health care, chiropody, and counselling.

Merchants Quay Ireland hosts a multi-disciplinary team in our Riverbank centre on a weekly basis, which includes staff from our own primary healthcare service, St. James Hospital, and other statutory and voluntary agencies. The aim of this team is to ensure that the best and most effective health care plan is in place for people with the most complex, wide-ranging mental and physical health needs.

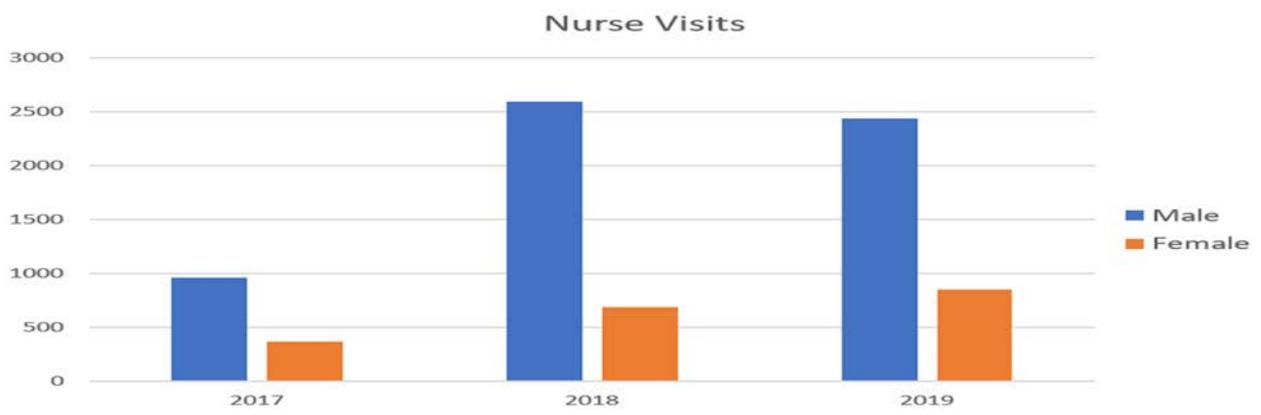
In 2019, there were

- 8,644 primary health care attendances by 1,936 unique clients.
- 5,070 visits to our GP service by 1,467 unique clients.
- 412 dental appointments, an increase of almost 50% on last year's 253.

Homelessness can also exacerbate and lead to mental health issues such as anxiety, fear, depression, and problematic substance use. Someone who is homeless and suffering poor mental health can access mental health services immediately. In 2019, we delivered 2,663 mental health interventions and 1,544 mental health interventions from our nurses on site. This is a considerable increase from 2018's 2,662, which again was an increase from 2017. The need for mental health support continues to rise.

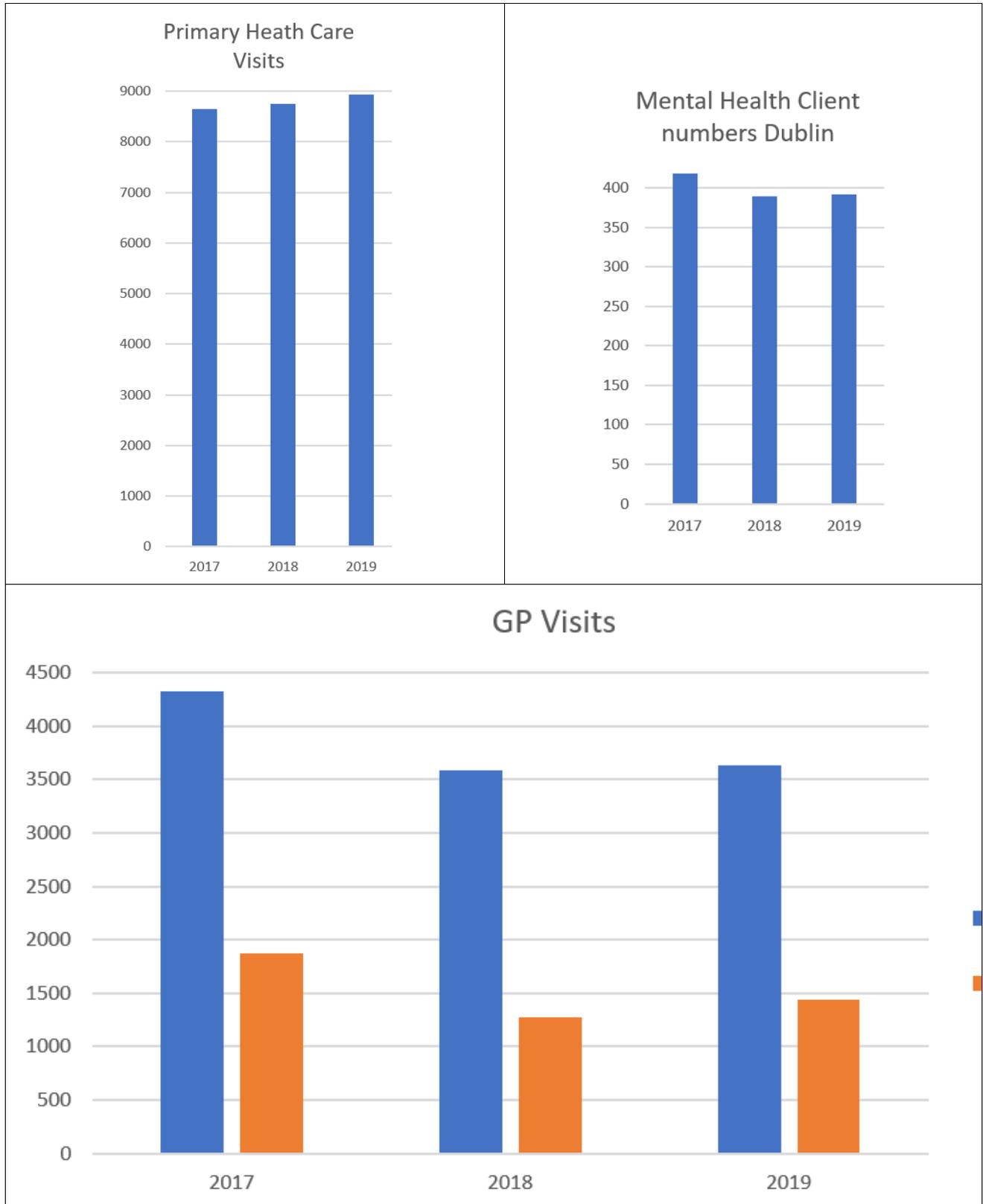
We have been working closely with Prof. Bergin, Dr. Cliona Ní Cheallaigh, Consultant Physician and the GUIDE & Hepatology teams to improve client engagement in Hep C Testing & Treatment. This engagement has culminated in nurses from the Guide Clinic engaging with our clients and nursing teams across the organisation and our participation in Hepatitis C Outcomes and Research Network. Patient testing was carried out as part of the ICORN (Irish Hepatitis C Outcomes and research network) & NVRL (National Virus Reference Laboratory) "Seek and Treat Point of Care Simplification Initiative Study" which aims to simplify screening and treatment of HCV infection in hard-to-reach groups. The ICORN-NVRL Seek & Treat Nurse Panel was established (with nominees from SJH and the Mater Hospital) to perform the test in MQI - 126 clients were tested in the last quarter of 2019.

These partnerships are vitally important for our clients and I have no doubt that our partnership with St. James's Hospital will continue to develop into the future, giving clients access to the specialist health services they need.



ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Healthcare Services



ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Addiction Services

Ireland faces significant challenges when it comes to addiction. We had 736 drug-related deaths in 2016 – the fourth highest in Europe. Existing treatment options are limited. While we strongly support the Government's National Drugs Strategy, there needs to be significant investment to fulfil the strategy's promise.

There was an increase in people accessing the Health Promotion Unit in our Riverbank centre. In 2018, there were 30,068 visits to our needle exchange in Dublin, which is a 31% increase over the last five years. In 2019, this rose again to 30,644 sessions with 3,140 unique clients. For those using the service, heroin continued to be the most used drug (79.7%) of clients, followed by crack cocaine (7.8%) of clients and methadone (2.3 % of clients).

In 2019, MQI's Community Engagement Team, which operates in the area immediately around Merchants Quay, conducted 1569 patrols to build a safer community for all. The team engaged with local businesses, performed client advocacy work, attended community events, and collected safely disposed of drug paraphernalia. In 2019, staff collected 4,458 needles, 137 crack pipes and 24kgs of drug litter.

MQI Midlands Drug & Alcohol Treatment Supports provides a community-based drug and alcohol treatment support service for individuals over 18 years and their families in the Midlands area (Longford, Westmeath, Laois, and Offaly). In November, this year, we were advised that following the successful application under strand 2 funding to the Drugs Policy Unit, Department of Health, the Midlands Regional Drugs and Alcohol Task Force & HSE CADS were awarded additional funding to support MQI employing a Rehabilitation & Aftercare Worker. The person appointed to this role, will provide a range of rehabilitation and aftercare supports targeting service users from the region including those exiting drug and/or alcohol treatment programmes or exiting prison. In 2019, a total of 787 clients accessed this service with the team providing 13,000 interventions. The team carried out 619 harm reduction interventions with 112 unique clients; 79 interventions were carried out on 9 unique clients under the age of 25.

MQI East Coast Community Recovery and Integration Supports (CRIS) provides supports, including key working, case management, and links with external support, for people experiencing alcohol and/ or drug addictions. In 2019, we supported 139 clients. Preparations are being in place for two new service developments for 2020 – a Family Support Service and In Reach service into Newcastle Mental Health Services.

MQI opened a new part-time service (3 days a week) in late 2019, funded by the HSE, based in the North East of the country providing harm reduction, individual supports, and links with treatment to people in active addiction. This service will cover Navan, Drogheda, and Dundalk. The fixed site service has kindly been facilitated by Louise and her team in the Red Door in Drogheda. This service will further develop as a mobile service in 2020.

Women's Services

Through the joint In-Reach Service operated with Coolmine Therapeutic Communities, it was noted that female clients were disengaging from services and harder to connect into services. Following a submission to the South Inner-City Drugs & Alcohol Task Force, MQI secured funding to look at ways of engaging with women and/or doing some research in relation to the specific needs of women. The aim of this project was also to create and implement initiatives that would improve access and ultimately outcomes for women experiencing multiple levels of disadvantage or exclusion.

Clients who attended our female only service user fora throughout the year shared their views and experiences of accessing mixed gender low threshold services. Factoring in the range of services as well as the diverse target group accessing our daytime facility within Open Access Services, the following initiatives were put in place Women Specific Celebrations e.g. International Women's Day - a total of 44 women attended this event. In addition, 16 attended our female only Guided Mindfulness Group and 68 women accessed our hairdressing service. All these initiatives have proved successful in engaging with women who are homeless and/or in active addiction.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Recovery Services

In 2019, there was high demand for recovery services with High Park, St Francis Farm Rehab and MQI Detox services all oversubscribed with referrals – in 2019 we received 359 referrals for High Park (annual capacity 52), 285 for St Francis Farm Rehab (annual capacity 52) and 319 for MQI Detox (annual capacity 60). The total number of admissions across High Park and St. Francis Farm was 181, with 84 completing the treatment.

This year also saw suboxone detox being offered to our clients accessing the detox service in St. Francis Farm for the first time. As clients present with increasingly complex addiction issues, it is vital that MQI continually improve our service by providing as many options for clients as possible. We have introduced a nursing clinic in High Park to assist with complex medical admissions.

We have responded to changing needs regarding treatment and recovery, by incorporating treatment interventions such as ACT, CBT, mindfulness, peer empowerment as part of our programme together with a therapeutic horticulture and art therapy programme.

Overall, 68% of clients reported positive outcomes following detox and treatment including – 39% remain drug free, 14% reduced drug /alcohol use (14%) and 12% have abstained from alcohol.

We listened closely to the concerns of clients seeking residential treatment and in collaboration with the clients at St Francis Farm we produced an information video (available at <https://mqi.ie/help/sff-rehab/>) to address the major concerns clients have about accessing residential drug treatment at MQI.

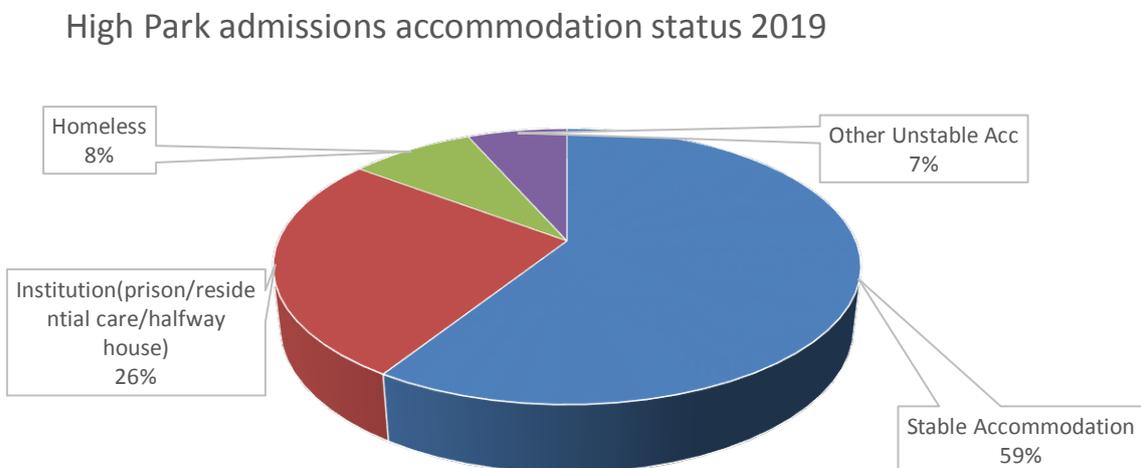
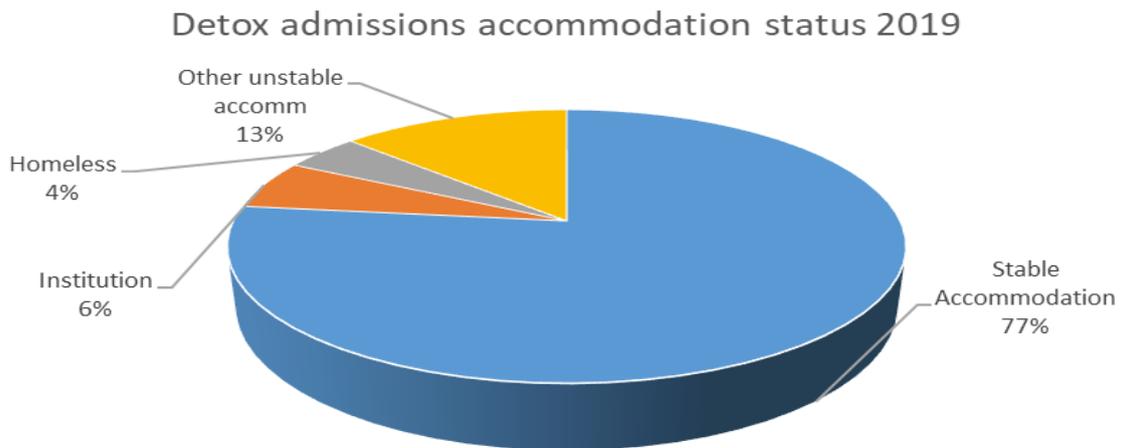
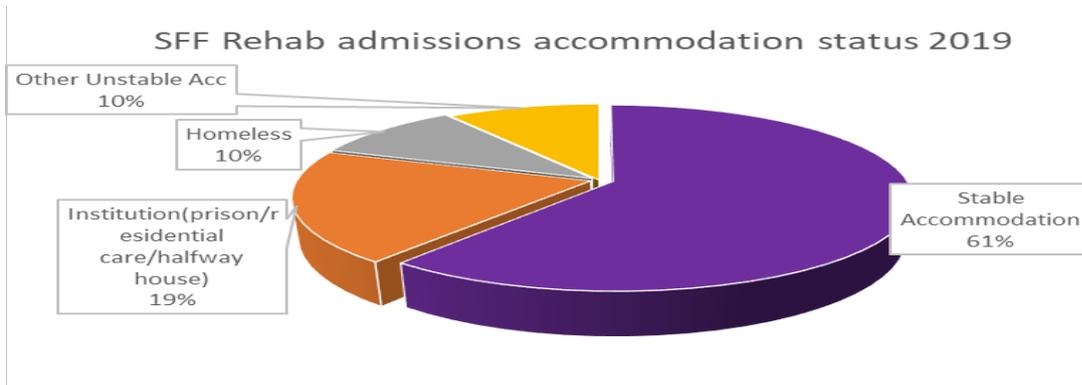
In listening to clients and their families, we have involved families more in our services at every stage from initial phone call through to assessment, detox, and residential treatment. Having the support of family at every stage of recovery is critical to our client's success.

Our addiction-based counselling service operating in 11 prisons across Ireland provided counselling to a total of 2,371 unique clients in 2019, a rise from 2,149 in 2018. 83% of clients reported positive outcomes including – remaining drug free (50%), reduced drug use (16%) and abstaining from alcohol (15%). The number of admissions to residential treatment has increased from 53 in 2018 to 60 in 2019. This represents an average of five admissions from prison to residential treatment each month.

Securing accommodation for people who are leaving detox and residential treatment continues to be very challenging. and the constant insecurity and worry about living arrangements after completion of the rehabilitation programme often detracts from the individual's focus on treatment.

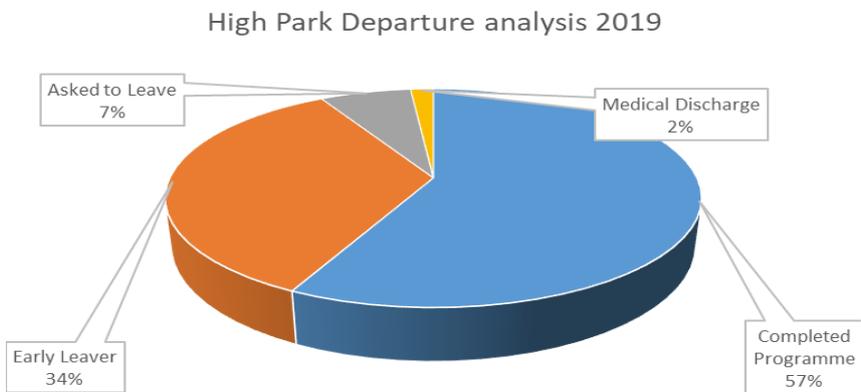
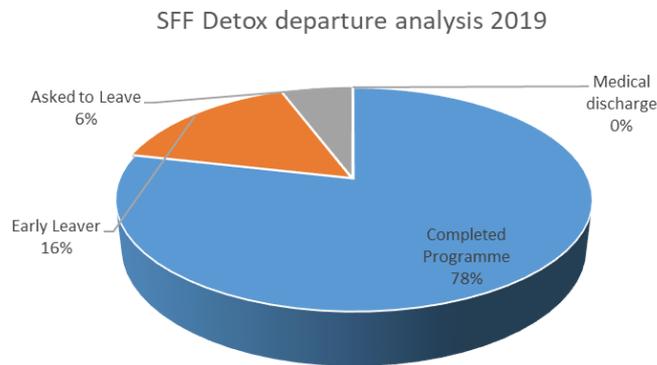
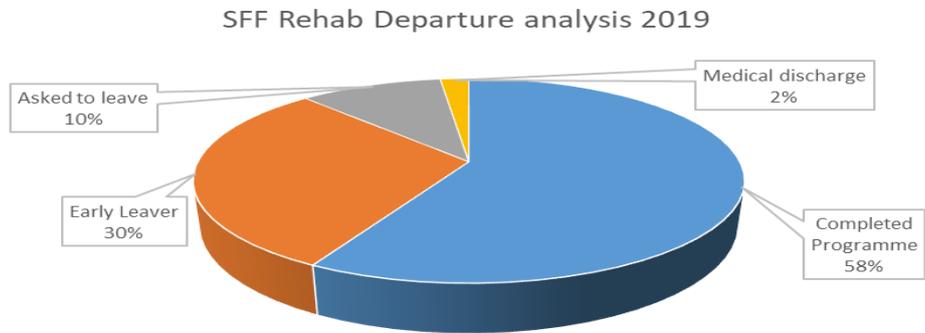
ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

ACCOMMODATION STATUS ON ADMISSION, AS A %



ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

DETOX AND REHAB COMPLETION RATES



ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

CLIENT

GENDER



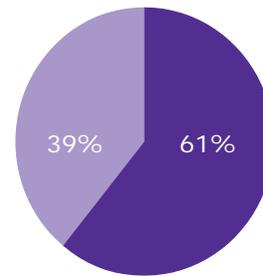
High Park
 Male 82% | Female 18



St. Francis Farm
 Male 74% | Female 26%



St. Francis Farm Detox
 Male 74% | Female 26%



■ Stable
 ■ Unstable

Aftercare

Merchants Quay Ireland offers supportive aftercare housing to people in recovery who find themselves homeless after completing residential rehabilitation treatment. Finding accommodation is difficult to find as we know, to this end MQI has continued to forge link with housing associations and peer networks.

MQI's Drug-Free Day Programme is six months in duration and provides one-to-one care in the areas of planning, support groups and education sessions aimed at assisting clients reintegrate into their community. The programme is targeted at clients exiting our residential rehabilitation services at High Park and St. Francis Farm and those who reside in our short-term transitional housing in Dublin & Kildare which accommodate 12 clients.

A review of statistics for aftercare from 2010 to 2019 shows outcomes broken down between the main goal of abstinence (42%), controlled drug use (8%), relapse (12%) and unknown (35%). Sadly, six clients of the service are recorded as deceased during that period. The evidence of outcomes in the addiction field indicate that the longer clients remain in treatment the better the outcomes. 54% of clients stayed for the full duration of the aftercare program.

The outcomes for those who complete the aftercare program are improved in comparison to the outcomes for those who do not complete the program. 70% of those who complete the program report being either abstinent (60%) or using drugs on a controlled basis (10%). Only 26% of those who do not complete the program report being either abstinent (20%) or using drugs on a controlled basis (6%).

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Family Support Services

Families in addiction are often isolated and struggle to speak about the challenges of supporting someone in addiction while maintaining the family unit. Family members can often experience a wide range of fears and feel that they have little control over many of the situations arising from the effects of drug use by a family member. They may also be wary of the irrational and unreasonable behaviour displayed by the person and fear harassment, threats, intimidation, and violence. They also worry about the impact on other members of the family – siblings, children etc.

Family Support Services provide support, advice, and guidance to deal with the trauma and issues associated with having a loved one caught in addiction. The participants in the group share their experiences and offer peer support on how best to navigate the challenges presented by addiction.

MQI have two Family Support Services, one service in Riverbank (Dublin) and the other service in the Midlands which is available across the four counties and is accessible to families who are engaging with the Under 18s service operated by Extern. A total of 112 people accessed these services through individual or group support. Plans are in place in our East Coast Service (MQI CRIS) to provide family support in 2020.

As we know silence and stigma around addiction is real and as part of raising awareness, MQI commissioned a Photovoice Project which was facilitated by Dr. Maria Quinlan and Patrick Bolger. Members of our Dublin family support group shared their stories and their lived experience of addiction with them and I would like to thank them for courageously participating in this project. We hope, by sharing these stories with the wider public, it will deepen peoples' understanding and increase empathy for everyone who is affected by addiction.

GOVERNANCE AND MANAGEMENT

Directors/Trustees and Secretary

The current directors are listed on page 2. The directors/trustees, who served at any time during the financial year except as noted, were as follows:

Directors/Trustees:

Mr Mick Price (Chair)
Rev Kieran Cronin OFM
Rev Patrick Lynch OFM
Mr Brian Melaugh
Dr Joanne Fenton
Mr Ray Langton
Dr Siobhan Garrigan
Ms Margaret Hennessy
Mr Derek Bell
Mr David Kiely
Ms Cliona Ni Cheallaigh (Appointed 26th June 2019)

Secretary:

L & P Trustee Services Limited

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 of the Irish Franciscan Province.

The term of office of a director shall be three years and directors may be reappointed.

The composition of the Board shall be not more than twelve persons and not less than five. The quorum for meetings is four. All directors are chosen based on their willingness to serve, their ability, governance experience and support of the ethos and mission of the Company. The Board is committed to ensuring it has the necessary mix of skills and expertise and where necessary, seeks professional advice.

The Board meets formally at least six times a year. During 2019, the Board met 8 times.

Directors are required to undergo an induction programme to ensure that collectively they have the necessary oversight for the appropriate governance of the organisation. Training is arranged when a need is identified. Except for necessitous 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 financial year 2019 (2018: €nil).

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

GOVERNANCE AND MANAGEMENT (CONTINUED)

There are currently five sub-committees of the Board

1. The Finance Committee is responsible for overseeing the Board's financial responsibilities and ensuring that effective systems, financial controls and procedures are in place to enable the organisation to operate in an orderly and efficient manner, and to report and make recommendations to the Board thereon.
2. The Audit & Risk Committee is responsible for the monitoring and review of the organisation's financial performance and financial controls, including the organisation's internal audit function, making recommendations to the Board about the appointment and remuneration of the external auditor and all matters relating to the external audit process, and overseeing, reviewing and monitoring the risk management framework within the organisation.
3. The Client Services Committee is responsible for overseeing the services and operations of the organisation. 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. The Committee is also responsible for considering the impact of any new Client Service proposals in line with the strategic plan, opportunities and considering the challenges which may arise in any change process.
4. The Governance & Nominations and HR & Remuneration Committees amalgamated in October 2018. This Committee is responsible for ensuring that best practice is adhered to regarding governance and to assist the Board in fulfilling its governance obligations by providing an independent review of its legal and regulatory responsibilities through the provision of adequate systems, policies and procedures. It is responsible for ensuring that adequate Board succession planning, induction and training for is in place for the Board to ensure that the organisation is well governed and run effectively, and appropriately to its aims, size, its beneficiaries' needs and overall strategic objectives. It also oversees the overarching strategic and operational human resource issues including employment practices, pay and pay structures and organisational restructuring, ensuring that there is compliance with the relevant HR legal and regulatory requirements.
5. The Fundraising and Communications Committee is responsible for ensuring that best practices are adhered to regarding Fundraising practice and oversight and to make recommendations to the Board regarding the Fundraising strategy.

MANAGEMENT

The Company is led and controlled by a Board of Directors ("the Board") which is collectively responsible for ensuring the 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.

All of the above form the key management team.

RISK ASSESSMENT

The Board of Directors & the Executive Leadership Team is committed to maintaining a strong risk management framework. The objective of the risk management is to ensure that the organisation is equipped to monitor and manage its key risks in line with good practice and to ensure that the Company makes every effort to manage risk appropriately by maximising its potential opportunities to mitigate risk, while also minimising the adverse effects of risk.

GOVERNANCE AND MANAGEMENT (CONTINUED)

RISK ASSESSMENT (CONTINUED)

The Executive leadership team along with the relevant committees will be responsible for executing and maintain the organisation's Risk Management program.

The principal risks and uncertainties that the trustees see as facing the charity are:

- Health & Safety Risks for staff and clients
- Reputational Risks
- Compliance & Legal Risks - Risk of Litigation
- Training Inefficiencies
- Legislation Changes / Regulations

The Company has appropriate insurance and business policies to limit the risks associated with its activities and the Audit & Risk Committee reporting to the Board of Directors reviews, assesses and monitors the organisation's control and risk management systems, its Risk Register and Risk Appetite Statement.

The Board have considered the impact COVID-19 on both the organisation itself and its Financial Statements. They are confident at this time that the Business Continuity Planning and the company's reserves are currently sufficient to considered the impact COVID-19.

COMMITMENT TO BEST PRACTICE IN CORPORATE GOVERNANCE

The Company is compliant with the *Governance Code: A Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland* ("the Code"). The process involved a thorough review and assessment of the organisation's policies, procedures, structures and values to ensure that the Company was run as effectively as possible, with a focus on increasing transparency and a reassurance to all stakeholders that funds and donations are being well managed.

The Company recognises that organisations have a responsibility to follow a code of good practice when it comes to how their organisations are run. The aim of the Code is to determine and formulate standards of best practice in corporate governance applicable across the areas of leadership, control, transparency, 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 Guidelines for Charitable Organisations Fundraising from the Public (the Guidelines). The Guidelines are intended to assist trustees of a charity to run the charity effectively, avoid difficulties in respect of fundraising activities and comply with their legal duties.

The Guidelines- and Merchants Quay's fundraising practice - are built around the principles of:

- Respect,
- Honesty and integrity,
- Transparency and accountability.

The Guidelines were issued in September 2017 by The Charities Regulatory Authority and were based on the 2008 Statement of Guiding Principles on Charitable Fundraising which was formally discussed and adopted at a meeting of the Board. The Board meets regularly to discuss plans for funding, including any shortfall or excess and allocation of funds.

MERCHANTS QUAY IRELAND CLG
DIRECTORS' REPORT (CONTINUED)

GOVERNANCE AND MANAGEMENT (CONTINUED)

RESERVES POLICY

The Directors have examined the Company's requirements for reserves in light of the main risks of the organisation. The Board is working to achieve a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the Company should be six months of the current expenditure.

TAXATION STATUS

The Company has been granted charitable tax status by the Revenue Commissioners. The company currently holds a valid tax clearance certificate.

EVENTS SINCE THE FINANCIAL YEAR END

Subsequent to the financial year end, Ireland has been impacted by the global COVID-19 virus pandemic. This pandemic has created uncertainties regarding the company's future income-generating capabilities and an increase in our costs to mitigate the risks of Covid-19 on our service users and staff. At the financial year end 31 December 2019 there were no impacts on the recognition and measurements of assets and liabilities as this pandemic impact was considered to be a non-adjusting event. The COVID-19 pandemic is a significant economic event and its effects are subject to unprecedented levels of uncertainty, with the full range of possible effects and outcomes currently unknown. It is not possible to reliably estimate the impact of COVID-19 on the financial position and results of Merchant's Quay Ireland for future periods as of the date of approval of financial statements.

In March 2020 MQI were informed of the permanent relocation of the Night Café out of MQI.

There were no other subsequent events since the financial year end.

ACCOUNTING RECORDS

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 24 Merchants Court, Merchant's Quay, Dublin 8.

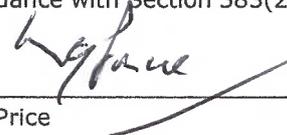
DISCLOSURE OF INFORMATION TO AUDITORS

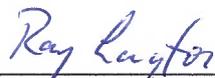
In the case of each of the persons who are directors at the time the directors' report and financial statements are approved:

- A) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- B) Each director has taken all steps that ought to have been taken by the director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm continue in office in accordance with Section 383(2) of the Companies Act 2014.


Mick Price
Director


Ray Langton
Director

Date: 15/06/2020

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council* ("relevant financial reporting framework"). 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 as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

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;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCHANTS QUAY IRELAND LIMITED CLG
(A COMPANY BY GUARANTEE AND HAVING NO SHARE CAPITAL)**

Report on the audit of the financial statements

Opinion on the financial statements of Merchants Quay Ireland Limited (A Company Limited by Guarantee and having no Share Capital) (the 'company')

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 2019 and of its incoming resources and application of resources, including its income and expenditure for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Financial Activities.
- the Balance Sheet.
- the Statement of Cash Flows; and
- the related notes 1 to 21 including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

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 described below 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 the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, 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

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements for the financial year ended 31 December 2019, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCHANTS QUAY IRELAND LIMITED CLG
(A COMPANY BY GUARANTEE AND HAVING NO SHARE CAPITAL)**

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

This 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCHANTS QUAY IRELAND LIMITED CLG
(A COMPANY BY GUARANTEE AND HAVING NO SHARE CAPITAL)**

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- 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.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Margarita Martin

Margarita Martin
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

24 June 2020

MERCHANTS QUAY IRELAND CLG
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Designated Funds	Unrestricted Funds	Restricted Funds	Total Funds	Designated Funds	Unrestricted Funds	Restricted Funds	Total Funds
	Notes	2019	2019	2019	2019	2018	2018	2018	2018
		€	€	€	€	€	€	€	€
Income from:									
Charitable activities	4	-	-	6,858,000	6,858,000	-	-	6,488,532	6,488,532
Donations and legacies	5	-	4,546,403	489,657	5,036,060	-	4,299,107	243,655	4,542,762
Other incoming resources	6	-	180,516	-	180,516	-	836,944	435,722	1,272,666
Total Income		-	4,726,919	7,347,657	12,074,576	-	5,136,051	7,167,909	12,303,960
Expenditure on:									
Charitable activities	7	-	2,549,438	7,492,748	10,042,186	-	2,589,668	6,777,559	9,367,227
Raising funds	8	-	1,466,696	-	1,466,696	-	1,267,346	-	1,267,346
Total Expenditure		-	4,016,134	7,492,748	11,508,882	-	3,857,014	6,777,559	10,634,573
Net income/ (expenditure) before taxation and transfers	10	-	710,785	(145,091)	565,694	-	1,279,037	390,350	1,669,387
Taxation	18	-	-	-	-	-	-	-	-
Transfer between funds	17	590,000	(590,000)	-	-	1,520,139	(1,345,707)	(174,432)	-
Net income/(expenditure) Other recognised gains		590,000	120,785	(145,091)	565,694	-	1,279,037	390,350	1,669,387
Actuarial gain in respect of the pension scheme	16	-	29,390	-	29,390	-	109,574	-	109,574
Net movement in funds		590,000	150,175	(145,091)	595,084	1,520,139	42,904	215,918	1,778,961
Reconciliation of funds:									
Total funds brought forward	17	4,642,214	350,001	749,738	5,741,953	3,122,075	307,097	533,820	3,962,992
Total funds carried forward	17	5,232,214	500,176	604,647	6,337,037	4,642,214	350,001	749,738	5,741,953

The Statement of Financial Activities includes all gains and losses recognised in the financial year.

MERCHANTS QUAY IRELAND CLG

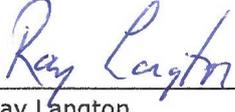
**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	<i>Notes</i>	2019 €	2018 €
Fixed assets			
Tangible assets	11	8,939	12,288
Current assets			
Debtors	12	544,851	659,414
Cash at bank and in hand		6,332,509	5,836,368
		6,877,360	6,495,782
Creditors: Amounts falling due within one year	13	(791,302)	(974,858)
Net current assets		6,086,058	5,520,924
NET ASSETS EXCLUDING PENSION ASSET			
Net pension asset	16	242,040	208,741
NET ASSETS INCLUDING PENSION ASSET		6,337,037	5,741,953
Funds of the charity:			
Restricted funds	17	604,647	749,738
Unrestricted fund	17	500,176	350,001
Designated funds	17	5,232,214	4,642,214
		6,337,037	5,741,953

The financial statements were approved and authorised for issue by the Board of Directors on and signed on its behalf by:



 Mick Price
 Director



 Ray Langton
 Director

Date: 15th June 2020

MERCHANTS QUAY IRELAND CLG

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

RECONCILIATION OF NET INCOME TO CASH USED IN CHARITABLE ACTIVITIES

	2019 €	2018 €
Net income for the financial year	565,694	1,669,387
Depreciation	3,349	3,346
Decrease/(increase) in debtors	114,563	(160,004)
(Decrease)/increase in creditors	(183,556)	122,978
Defined benefit pension scheme costs	(3,909)	(39,152)
Net Cash Flow from charitable activities	496,141	1,596,555
	2019 €	2018 €
Cash flows from charitable activities		
Net cash flows from charitable activities	496,141	1,596,555
Net increase in cash and cash equivalents in the reporting year	496,141	1,596,555
Cash and cash equivalents in the beginning of the reporting year	5,836,368	4,239,813
Cash and cash equivalents at the end of reporting year	6,332,509	5,836,368

Net debt

The company had no borrowings or obligations under finance leases as at 31 December 2019 (2018: none).

1. ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" in accordance with the Financial Reporting Standard applicable in the UK (which has been recognised as best practice for financial reporting by charities in Ireland) and Republic of Ireland (FRS 102), issued by the Financial Reporting Council, and the Companies Act 2014.

Merchant's Quay Ireland CLG is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office is 24 Merchants Court, Merchant's Quay, Dublin 8. The nature of the company's operations and its principal activities are set out in the Directors Report on pages 5 to 22. In accordance with Section 1180(8) of the Companies Act, 2014, the company is exempt from including the word "Limited" in its name. The company is limited by guarantee and has no share capital. In prior years, companies not trading for gain for the members were not within the scope of company law requirements with regard to format and content of financial statements which applied to for profit companies thus permitting the adoption of a format appropriate to a charity. Accordingly, the Society adopted and reported its performance in accordance with the format provided for in the Charities SORP and in particular reports its performance for the financial year in the format of the SORP's Statement of Financial Activities (SOFA).

The financial statements are presented in euro.

Going Concern

The financial statements are prepared on a going concern basis and further detail is included in note 2 of the financial statements.

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:

Category	Basis	Rate per annum
Motor vehicles	Straight line	20%

A full month's depreciation is charged in the month of purchase. No depreciation is charged in the month of sale.

1. ACCOUNTING POLICIES (CONTINUED)

Income

- (i) Income from voluntary donations and similar income is recognised when received.
- (ii) Grants from the government and other agencies have been included as income from activities in furtherance of the charity's objects and accounted for on a receivable basis.
- (iii) Legacies are included when the amount is to be received is probable and can be measured with certainty.
- (iv) Interest and tax relief on qualifying donations income is recognised on a receivable basis.
- (v) Revenue refunds in respect of tax relief on voluntary donations are recognised on a receivable basis in so far as the receivable can be measured reliably.
- (vi) Other income reflects money received from training and any voluntary contributions made by the users of the service on a cash received basis.

Expenditure

Charitable activities comprises expenditure incurred that are directly related to the implementation of programmes and the activity of the company. Expenditure is recognised in the period to which it relates. Expenditure incurred but unpaid at the balance sheet date is included in accruals and other creditors.

Expenditure on raising funds comprise all expenditure incurred by Merchant's Quay Ireland on raising funds for the organisation's charitable activities.

Gifts In Kind

Gifts in kind which are deemed non-material are not included in the financial statements. Gifts in kind that can be valued with reasonable confidence will be included in the financial statements.

Retirement benefits

Defined benefit pension scheme assets are measured at fair value. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit method. The excess of scheme liabilities over scheme assets is presented on the balance sheet as a liability net of related deferred tax. The defined benefit pension charge to operating profit comprises the current service cost and past service costs. The excess of the expected return on scheme assets over the interest cost on the scheme liabilities is presented in the income and expenditure account as other finance income. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the statement of total recognised gains and losses for the financial year in which they occur.

The fair value of quoted securities held as scheme assets was determined using the year-end bid price.

The defined contribution pension charge to the income and expenditure account comprises the contribution payable to the scheme for the year.

1. ACCOUNTING POLICIES (CONTINUED)

Debtors

Known bad debts are written off and specific provision is made for any amount, the collection of which is considered doubtful.

Leasing Commitments

Operating lease costs are charged to the statement of financial activities as 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.

Restricted Funds

Restricted funds represent income, which has been received and recognised in the financial statements, which is subject to specific conditions imposed by the donors on grant making institutions.

Reserves Policy

In order to secure the long term viability of Merchant's Quay Ireland CLG and to maintain the smooth operation of the organisation, it is critical to ensure that the organisation has adequate reserves.

The level of reserves is required to cover the following activities of the organisation:

- Provide funding for sustainable programmes.
- Meet contractual liabilities such as lease agreements, statutory staff payments and payments to creditors.
- Working Capital Requirements.
- Maintain a required level of funding available for programmes during times of financial difficulty where fundraising income is diminished.
- Meet unanticipated expenses such as repairs and maintenance, currency variances and legal costs.
- Cover day to day expenditure of Merchant's Quay Project.
- Ensure there is adequate funding should any winding up costs ever arise.
- Provide for any other unanticipated expenditure of significance.

The board has adopted a reserves policy based on foreseeable expenditure and in particular, long-term commitments. In 2019 the designated reserves are at €5.2m which has been set aside towards the reserves policy goal of €5.6m which would allow operation of the organisation for 6 months, based on historical running costs and programme expenditure.

1. ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are recognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the entity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Foreign Currencies

Transactions are recorded at the rates of exchange ruling at the date of transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses are dealt with in the statement of financial activities in the financial year in which they occur.

Taxation

The company has been granted charitable status by the Revenue Commissioners and is therefore exempt from taxation.

2. GOING CONCERN

The financial statements have been prepared on a going concern basis. Since March 2020 and with the arrival of the Global pandemic (COVID-19) the organisation along with its staff and government bodies has worked tirelessly to ensure the safe continuity of client services insofar as possible. This pandemic has created certain uncertainties regarding its future income-generating capabilities as described above in the Director's Report (Risks and Uncertainties section). In particular, the Board recognises the organisation's dependence on statutory funding, fundraising and other grants in order to deliver its core services. At this time the Board have received no indications of a reduction in statutory funding.

The directors have considered the COVID-19 impact on the company. Given the company's main sources of income are currently from statutory sources and fundraising activities, there may be a possibility that the company's operation could be affected if its incoming resources are disrupted should the pandemic continue for an indefinite duration. The company had net current assets of €6.086m (2018: €5.520m), including €6.332m (2018: €5.836m) in cash at bank.

Over the last number of years the board have worked to ensure the organisation has sufficient reserves following guidance in the governance code, due to these efforts the reserves position at year end means that there is no immediate threat to the going concern status of the company, provision of services remains reliant on funding from statutory sources continuing at the same or enhanced levels in the future.

Management and the Board have reviewed the organisation's forecasts and projections, taking account of the anticipated impact and uncertainties of Covid19. The Board consider that the forecasts and projections, together with the reserves held, demonstrate that the Board has a reasonable expectation that the company has adequate resources to operate within the level of its current cash flows and reserves for the foreseeable future (at least twelve months from the date of approval of these financial statements).

Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Defined Benefit Pension Scheme Obligation

The organisation has a defined benefit pension scheme in operation. There are estimates with respect to certain key assumptions made in calculating the actuarial accrual relating to the scheme including the discount rate and inflation rate as disclosed in note 16.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

4. CHARITABLE ACTIVITIES	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total Funds 2019 €	Total Funds 2018 €
Drug treatment services	-	3,096,333	3,096,333	2,859,944
Counselling and support	-	3,761,667	3,761,667	3,628,588
Total Income	-	6,858,000	6,858,000	6,488,532

The Department of Justice and Equality through the Probation Service provided current funding in the amount of €183,000 (€183,000 in 2018). Funding is granted for a 12 month period and is restricted in accordance with the terms and conditions, including schedule 1, of the funding agreement. Funds are for the provision of addiction treatments services and costs apply to all payroll, administration, direct and indirect costs. There has been no difference in the grant taken to income and the cash received in the period.

ANALYSIS OF GOVERNMENT GRANT INCOME

	2019 €	2018 €
Health services executive	2,173,356	2,301,042
Irish prison services	1,052,761	1,041,686
Department of justice and equality through the probation service	183,000	183,000
South inner city local drugs task force	81,392	56,392
South east regional drugs task force	158,452	158,452
Midlands regional drug task force – health services executive	338,252	424,983
Dublin City Council –Dublin Regional Homeless Executive *	2,627,955	2,185,689
East Coast Regional Drugs Task Force	193,269	110,288
Tusla	27,000	27,000
North East Regional Drugs & Alcohol Task Force	22,563	-
	6,858,000	6,488,532

*This figure includes €1.5m relating to discontinued operations of the Night Café which ceased its operations within MQI from March 2020.

5. DONATIONS AND LEGACIES	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total Funds 2019 €	Total Funds 2018 €
Individual giving	3,903,337	403,891	4,307,228	4,002,494
Legacies	531,985	-	531,985	270,892
Corporates and trusts	39,649	85,766	125,415	246,875
Other	71,433	-	71,433	22,501
	4,546,403	489,657	5,036,060	4,542,762

Please refer to note included on the Directors Report page 8 for more details.

MERCHANTS QUAY IRELAND CLG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

6. OTHER INCOMING RESOURCES	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2019	2019	2019	2018
	€	€	€	€
Diploma & certificate fees *	18,770	-	18,770	11,870
Client contributions	130,136	-	130,136	131,729
Bank interest received	381	-	381	507
Sundry income**	31,229	-	31,229	1,128,560
	<u>180,516</u>	<u>-</u>	<u>180,516</u>	<u>1,272,666</u>

*This income has discontinued as at 31st December 2019.

** Included in 2018 sundry income is a once off gift of €1.12m received from Franciscan Social Justice Initiatives CLG on 1st January 2018 as part of the transfer of assets agreement.

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
	2019	2019	2019	2018
	€	€	€	€
Drug treatment services	1,122,137	3,426,707	4,548,844	4,222,636
Counselling and support *	1,371,501	4,066,041	5,437,542	5,094,576
University diplomas & certificate	55,800	-	55,800	50,015
Total Expenditure	<u>2,459,438</u>	<u>7,492,748</u>	<u>10,042,186</u>	<u>9,367,227</u>

The total support costs for MQI for 2019 were €331,904, these have been apportioned across the above charitable activities in the following methods:

- Per the agreement in the SLA relating to that service
- The balance has been allocated as a portion of state funded expenditure per service against total state funded expenditure.

*This figure includes €1.5m relating to discontinued operations of the Night Café which ceased its operations within MQI from March 2020.

8. RAISING FUNDS

	Campaign	Staffing	Overheads	Total	Total
	Costs	Costs	Costs	Costs	Costs
	2019	2019	2019	2019	2018
	€	€	€	€	€
Individual Giving	1,026,051	273,080	109,071	1,408,202	1,204,166
Legacies	-	20,160	9,087	29,247	31,590
Corporates and Trusts	-	20,160	9,087	29,247	31,590
	<u>1,026,051</u>	<u>313,400</u>	<u>127,245</u>	<u>1,466,696</u>	<u>1,267,346</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

9. EMPLOYEES

	2019 Number	2018 Number
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Number of employees

The average numbers of employees during the financial year were:

Administration and social workers	201	200
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The number of employees whose ongoing emoluments (including allowances but excluding any employer pension contributions) that were greater than €60,000 is as follows:

	2019 Number	2018 Number
€60,000 - €70,000	1	1
€70,001 - €80,000	1	1
€80,001 - €90,000	3	2
€90,001+	1	2
	6	6

No basic salaries are paid in excess of €100,000.

Directors are not remunerated for their work on the Board nor can they be appointed to any salaried position at the company. No expenses were paid to Directors during the financial year.

The key management personnel at the company comprises of the Directors and the executive team. The total remuneration costs for the organisation of the key management personnel were €562,432 (2018: €599,004) which included salaries, PRSI, pension and allowances.

	2019 €	2018 €
Employment costs		
Wages and salaries	6,568,070	6,036,929
Social welfare costs	681,278	637,215
Defined benefit pension costs	-	73,942
Defined contribution pension costs (Note 16)	110,581	37,615
Death in service costs	41,087	42,624
	7,401,016	6,828,325

Included in the above costs is €105,050 (2018: €58,316) in relation to redundancies during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

10. NET INCOME

	2019	2018
	€	€
Net income is stated after charging:		
Directors' remuneration	-	-
Depreciation	3,349	3,346
Operating leases	177,675	197,345
	<u> </u>	<u> </u>

11. TANGIBLE ASSETS

	Motor Vehicles €	Total €
Cost		
At 1 January and 31 December 2019	75,049	75,049
Depreciation		
At 1 January 2019	62,761	62,761
Charge for the financial year	3,349	3,349
At 31 December 2019	<u>66,110</u>	<u>66,110</u>
Net book values		
At 31 December 2019	<u>8,939</u>	<u>8,939</u>
Net book values		
At 31 December 2018	<u>12,288</u>	<u>12,288</u>

MERCHANTS QUAY IRELAND CLG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. DEBTORS	2019	2018
	€	€
Amounts falling due within one year:		
Other debtors (Note 14)	396,376	408,148
Prepayments	148,475	251,266
	<u>544,851</u>	<u>659,414</u>

13. CREDITORS:	2019	2018
	€	€
Amounts falling due within one year		
Trade creditors	305,841	466,698
Accrued expenses	209,114	256,096
Deferred Income**	100,000	252,064
Creditors PAYE/PRSI	164,679	-
Amount due to St Francis Housing Association CLG (Note 15)	11,668	-
	<u>791,302</u>	<u>974,858</u>

**Deferred income relates to income with performance related conditions applied for 2020.

14. FINANCIAL INSTRUMENTS	2019	2018
	€	€
Financial Assets:		
Measured at undiscounted amounts receivable		
Debtors (Note 12)	<u>396,376</u>	<u>408,148</u>
Financial Liabilities:		
Measured at undiscounted amounts payable		
Creditors (Note 13)	405,841	718,762
Amount due to St Francis Housing Association CLG (Note 13)	11,668	-
	<u>582,188</u>	<u>718,762</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

15. RELATED PARTY TRANSACTIONS

The Directors of the Company are also Directors of St Francis Housing Association (SFHA). The Directors of the Company along with additional Directors are also Directors of Merchants Quay Project CE Scheme Ltd (MQPCE). The Members on behalf of the Order of The Friars Minor have effective control over all three companies.

The balance owed to MQPCE at 31 December 2019 was €Nil (2018: €Nil). During the year MQI loaned MQPCE funds due to a timing difference of income receipt from the Department of Social Protection, these amounts were refunded in full.

The balance owing to St Francis Housing Association at 31 December 2019 was €11,668 and relates to a transfer of the client contributions less expenditure for the operation of housing (2018: €Nil).

The transactions during the financial year were as follows:	2019	2018
		€
Payments to FSJI	-	55,977
Gift from FSJI in transfer of assets (Note 6)	-	(1,120,856)
Repayments from MQPCE	28,261	-
Loans to MQPCE	(28,261)	-
Amounts owed to SFHA	11,668	-
	_____	_____

16. RETIREMENT BENEFIT SCHEME

The pension entitlements of eligible employees arise under a defined contribution and a defined benefit scheme. The pension entitlements under the defined benefit scheme are based on final pensionable pay and are secured by contributions by the Company to a separately administered group pension fund operated by the Order of Friars Minor in Ireland. The scheme's actuary has split the assets and liabilities of the scheme between the various participating entities, for the financial year ended 31 December 2019. It is on this basis that the pension liability has been recognised in the financial statements of Merchant's Quay Ireland CLG.

The assets of the defined benefit pension scheme are held separately from those of the Company. The scheme provides retirement benefits on the basis of the member's final salary. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. On 1 January 2006 the scheme was closed to new entrants. As this scheme was closed it has an age profile that is rising and therefore under the projected unit method the current service cost will increase as the member of the scheme approaches retirement.

The most recent valuation was at 30 December 2018 and is available for inspection by the scheme members but not for public inspection. The last triennial funding valuation was carried out at 30 June 2016.

The Company also operates a defined contribution scheme to provide benefits for new employees. Contributions made to the defined contribution scheme during the financial year amounted to €110,581 (2018: €37,615). The contributions in relation to the two schemes payable at the financial year-end was €Nil (2018: €Nil).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

16. RETIREMENT BENEFIT SCHEME (CONTINUED)

The actuarial valuation as at 31 December 2019 was prepared for by a qualified independent actuary, using the projected unit method. The main financial assumptions used in the valuation were:

Basis of expected rate of return on scheme assets

The overall expected return on assets was derived as follows:

- Bonds: The return available on the ML > 5 year Euro Government Bond Index at 31 December 2019 of 1.20%.
- Equities: The return available on the ML > 10 year Euro Government Bond Index at 31 December 2019 plus an equity risk premium of 4.80%.
- Property: The return available on the ML > 10 year Euro Government Bond Index at 31 December 2019 plus a property risk premium of 4.30%.
- Other: The ECB interest rate, 0% at 31 December 2019.

The main financial assumptions used in the valuation of the scheme liabilities are:

	2019	2018
	%	%
Rate of increase in salaries		n/a
Rate of increase in pension payment	0.0%	0.0%
Discount rate of scheme liabilities	1.2%	2.0%
Inflation assumption	1.1%	1.3%

Mortality assumptions

Assumptions regarding future mortality are set based on advice from published statistics and experience. The average life expectancy in years for a pensioner retiring aged 65 is as follows:

	2019	2018
Retiring at 31 December 2019		
Male	21.6	21.5
Female	24.1	24.0
Retiring in 20 years		
Male	24.1	24.0
Female	26.1	26.0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

16. RETIREMENT BENEFIT SCHEME (CONTINUED)

Risks and rewards arising from the assets

At 31 December 2019 the scheme assets were invested in a diversified portfolio that consisted primarily of equities and bonds.

The market value of the scheme assets and the expected long term return therein are as follows:

	Rates at 31-Dec 2019 %	At 31-Dec 2019 €	Rates at 31-Dec 2018 %	At 31-Dec 2018 €
Equities	4.8%	348,150	4.8%	331,486
Bonds	1.2%	118,775	1.2%	74,139
Property	4.3%	61,208	4.3%	62,466
Other	0.00%	236,896	0.00%	227,601
Total market value of assets		<u>765,029</u>		<u>695,692</u>

The following amounts were measured at 31 December 2019:

	2019 €	2018 €
The amounts recognised in the balance sheet are as follows:		
Fair value of scheme assets	765,029	695,692
Present value of scheme liabilities	(522,989)	(486,951)
Pension asset in the balance sheet	<u>242,040</u>	<u>208,741</u>
Net pension asset	<u>242,040</u>	<u>208,741</u>

The amounts recognised in the Statement of Financial Activities ("SOFA") are as follows:

	2019 €	2018 €
Interest cost	(9,732)	(13,397)
Expected return on scheme assets	13,641	14,934
Other finance costs	<u>3,909</u>	<u>1,537</u>
Current service cost – included in other operating costs	-	-
	<u>3,909</u>	<u>1,537</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

16. RETIREMENT BENEFIT SCHEME (CONTINUED)

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 €	2018 €
Actual return less expected return on pension scheme assets	82,940	(28,912)
Experience gains and losses arising on the scheme liabilities	(4,398)	135,470
Changes in assumptions underlying the present value of the scheme liabilities	(49,152)	3,016
Actuarial gain recognised in the statement of financial activities	<u>29,390</u>	<u>109,574</u>

	Pension assets €	Pension liabilities €	Pension surplus €
Movement in scheme assets and liabilities			
At 1 January 2019	695,692	(486,951)	208,741
Current service cost	-	-	-
Interest on scheme liabilities	-	(9,732)	(9,732)
Expected return on scheme assets	13,641	-	13,641
Actual less expected return on scheme assets	82,940	-	82,940
Experience gains on liabilities	-	(4,398)	(4,398)
Contributions by employer	-	-	-
Changes in assumptions	-	(49,153)	(49,153)
Benefits Paid	(27,244)	27,244	-
At 31 December 2019	<u>765,029</u>	<u>522,990</u>	<u>242,040</u>

The best estimate of employer contributions expected to be paid to the scheme in the next financial year is €Nil (2018: €Nil).

In respect of prior financial year:

	Pension assets €	Pension liabilities €	Pension surplus €
Movement in scheme assets and liabilities			
At 1 January 2018	822,055	(762,040)	60,015
Current service cost	-	-	-
Interest on scheme liabilities	-	(13,397)	(13,397)
Expected return on scheme assets	14,934	-	14,934
Actual less expected return on scheme assets	(28,912)	-	(28,912)
Experience gains on liabilities	-	135,470	135,470
Contributions by employer	37,615	-	37,615
Changes in assumptions	-	3,016	3,016
Benefits Paid	(150,000)	150,000	-
At 31 December 2018	<u>695,692</u>	<u>(486,951)</u>	<u>208,741</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

17. A. RECONCILIATION OF MOVEMENTS IN FUNDS

	Unrestricted Funds €	Designated Funds €	Restricted Funds €	Total €
Balance as at 1 January 2019	350,001	4,642,214	749,738	5,741,953
Net income	710,785	-	(145,091)	565,694
Other recognised income	29,390	-	-	29,390
Transfer of funds	(590,000)	590,000	-	-
Balance as at 31 December 2019	500,176	5,232,214	604,647	6,337,037

The current balance in the designated fund comprises of amounts set aside by the Board of Directors to establish minimum reserves equivalent to at least 6 months expenses in accordance with the reserves policy. The current reserves objective is €5.6m.

In 2019 the board designated a transfer of €590,000 from unrestricted reserves into designated reserved in order to work on compliance with this policy and towards projects in line with the organisations strategic objectives.

In respect of prior financial year:

	Unrestricted Funds €	Designated Funds €	Restricted Funds €	Total €
Balance as at 1 January 2018	307,097	3,122,075	533,820	3,962,992
Net income	1,279,037	-	390,350	1,669,387
Other recognised income	109,574	-	-	109,574
Transfer of funds	(1,345,707)	1,520,139	(174,432)	-
Balance as at 31 December 2018	350,001	4,642,214	749,738	5,741,953

B. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds €	Designated Funds €	Restricted Funds €	Total 2019 €	Total 2018 €
Tangible fixed assets	8,939	-	-	8,939	12,288
Current assets	1,040,499	5,232,214	604,647	6,877,360	6,495,782
Current liabilities	(791,302)	-	-	(791,302)	(974,858)
Long term asset	242,040	-	-	242,040	208,741
	500,176	5,232,214	604,647	6,337,037	5,741,953

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

18. TAXATION

The Company received Charitable Tax Status in September 1992 consequently no provision for corporation tax is necessary.

The Company is compliant with all other taxes and held a valid tax clearance certificate for the year 2019.

19. ULTIMATE CONTROLLING PARTY

The members and directors of the Company at 31 December 2019 apart from Mr Mick Price, Mr Brian Melaugh, Dr Joanne Fenton, Mr Ray Langton, Mr Derek Bell, Mr David Kiely, Ms Margaret Hennessy, Dr Siobhan Garrigan and Ms Cliona Ni Cheallaigh are members of the Order of Friars Minor.

20. COMMITMENTS

	2019	2018
	€	€
Total future minimum lease payments under non-cancellable operating leases as follows:		
Leasehold Premises		
Within one year	177,675	197,345
In two to five years	543,303	630,533
More than five years	250,411	405,000
	<u>971,389</u>	<u>1,232,878</u>

21. SUBSEQUENT EVENTS

Subsequent to the financial year end, Ireland has been impacted by the global COVID-19 virus pandemic. At the financial year end 31 December 2019 there were no impacts on the recognition and measurements of assets and liabilities as this pandemic impact was considered to be a non-adjusting event. The COVID-19 pandemic is a significant economic event and its effects are subject to unprecedented levels of uncertainty, with the full range of possible effects and outcomes currently unknown. It is not possible to reliably estimate the impact of COVID-19 on the financial position and results of Merchant's Quay Ireland for future periods as of the date of approval of financial statements.

In March 2020 MQI were informed of the permanent relocation of the Night Café out of MQI.

There were no other subsequent events since the financial year end.