

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

Directors' Report and Financial Statements
for the financial year ended
31 December 2014

FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED
REPORT AND FINANCIAL STATEMENTS 2014

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FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS/TRUSTEES:

Mr Mick Price (Chair)
Rev Hugh McKenna OFM
Rev Kieran Cronin OFM
Rev Patrick Lynch OFM
Mr Brian Melaugh
Dr Joanne Fenton
Mr Marcus Keane
Rev Joe Walsh OFM
Mr. Ray Langton

MEMBERS:

Rev Hugh McKenna OFM
Rev Kieran Cronin OFM
Rev Joseph MacMahon OFM
Rev Pat Lynch OFM
Rev Patrick Younge OFM
Rev Liam Kelly OFM
Rev Pdraig Breheny OFM

SECRETARY:

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

BOARD SUB-COMMITTEES:

Finance Sub Committee

Rev Kieran Cronin OFM (Chair)
Ms Tracy Comerford
Ms Jennifer Owens
Mr Tony Geoghegan
Ms Denisa Casement
Ms Mairead Divilly

Audit & Risk Sub Committee

Ms Mairead Divilly (Chair)
Rev Kieran Cronin OFM
Ms Tracy Comerford

Services & Change/Innovation Sub Committee

Mr Brian Melaugh (Chair)
Mr Mick Price
Mr Mark Kennedy
Ms Paula Byrne
Mr Tony Geoghegan
Mr Richard Cunningham
Dr Joanne Fenton

FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

DIRECTORS AND OTHER INFORMATION (CONTINUED)

| | |
|---|---|
| Governance & Nominations Sub Committee | Mr Mick Price (Chair) Mr Marcus Keane Mr Tony Geoghegan Ms Tracy Comerford |
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| HR & Remuneration Sub Committee | Mr Mick Price (Chair) Mr Marcus Keane Ms Yvonne Nolan Mr Ray Langton Ms Paula Byrne Mr Tony Geoghegan |
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| | |
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| Fundraising Sub Committee | Mr Mick Price (Chair) Mr Marcus Keane Mr Ray Langton Ms Denisa Casement Mr Tony Geoghegan |
|----------------------------------|---|

EXECUTIVE LEADERSHIP TEAM:

| | |
|---|-----------------------|
| CEO | Mr Tony Geoghegan |
| Head of Fundraising & Communications | Ms Denisa Casement |
| Head of Human Resources | Ms Paula Byrne |
| Head of Day Services | Mr Mark Kennedy |
| Head of Residential Services | Mr Richard Cunningham |

FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

DIRECTORS AND OTHER INFORMATION (CONTINUED)

COMPANY NUMBER: 280573

CHARITY NUMBER: CHY 12809

CRA NUMBER 20038335

REGISTERED OFFICE: 24 Merchants Court
Merchants Quay
Dublin 8

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

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

PLACES OF OPERATION: 24 Merchants Court
Merchants Quay
Dublin 8

Riverbank House
Merchant's Quay
Dublin 8

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

The directors present herewith the audited financial statements for the financial year ended 31 December 2014.

COMPANY STRUCTURE

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

The main objects for which the Company was established are:

- (a) To work in the inner city with people who are homeless, unemployed or otherwise marginalised in order to provide them with information, advice, referral or advocacy appropriate to their needs and to work to improve their skills and self-confidence to enable them to address their current situation effectively. For this purpose and this purpose only the Company may do or undertake any of the following : -
- (b) To provide a range of services for homeless, unemployed or marginalised persons including
 - A Citizen Advice Service
 - An Adult Literacy Service
 - A Resettlement Service for homeless persons
 - A Hospitality and Befriending Service
 - A Referral and Advocacy Service
- (c) To promote the greater co-ordination of statutory and voluntary services in the inner city for homeless persons, unemployed persons and other marginalised persons.
- (d) To work towards improving the income and quality of life for the homeless, the unemployed and marginalised.

FSJI is recognised by the Revenue Commissioners as having registered charity status – registration number CHY 12809. The Company is registered with the CRA -registration number of 20038335.

The Company is governed by its memorandum and articles.

Franciscan Social Justice Initiatives Limited is one of four companies operating under the banner name of Merchant's Quay Ireland carrying out activities for social justice for homeless persons and drug users on a nationwide basis. The other companies are:-

- Merchant's Quay Project Limited
- St. Francis Housing Association Limited
- Merchants Quay Project CE Scheme Ltd

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

OBJECTIVES AND ACTIVITIES

VISION, VALUES & MISSION

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

VISION

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

VALUES

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

MISSION

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

STRATEGY

The Strategic Plan developed in 2013 for the period 2013-2016 was the basis of the core strategies for the organisation in 2014 which include:

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

The Statement of Financial Activity and Balance Sheet are set out on pages 16 and 17 respectively.

2014 FINANCIAL REVIEW

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

Total income for 2014 is € 2.23m an increase of 17% over 2013 (€1.89m). This increase is due to the continued generosity of our donors supporting our vision. In 2014 State income increased by 1.2% on 2013.

In 2013 FSJI successfully conducted a specific appeal in order to recruit a much needed psychiatric nurse to deal with the growing need for such services among drug users and homeless persons. This was received by the company in 2014.

Total expenditure for the financial year was €1.84m a small increase compared to 2013 (€1.73m).

In 2014 92% of all costs were directly spent on the core service workers dealing with clients and the core objectives of the company, these include counsellors, project workers, outreach workers, nurses, catering staff, food and homeless resources services as detailed below. Allocating sufficient expenditure to staff, administration and management is essential to ensure that all resources, including donations, are used to greatest effect for public benefit and that the highest standards are maintained at all times.

LOOKING BACK 2014

In the Riverbank building on Merchants Quay over the course of the financial year we provided more than 79,636 meals for homeless people across our day and evening services. We continue to offer meals at our Day Centre and through our Extended Day (Evening) Service, which is operated in conjunction with Focus Ireland.

THE DROP-IN CENTRE FOR PEOPLE WHO ARE HOMELESS

The aim of the Drop-in Service is to provide a "one stop shop" offering a range of interlinked services meeting the key daytime needs of homeless persons with the twin purpose of minimising harm associated with life on the streets and offering clear pathways towards settlement and reintegration. In 2014 our drop-in centre is open Monday to Friday from 7:30am to 4:30pm and on Sunday from 7:15am to 1:30pm. Below are some of the services provided for from this centre.

Information, Advice and Crisis Support Service

The drop-in service includes assessment of service users' needs, advice and information on health, social welfare, emergency accommodation, long-term housing and other issues. In 2014 we recorded 5,623 supportive interventions with service users of our homeless service. Interventions include key working sessions, referrals to emergency accommodation, social work services, medical services and social welfare services, help in contacting friends or family, access to drug treatment and support in a variety of other matters.

In partnership with Dublin Regional Homeless Executive, the Housing First team and other statutory and non statutory partners, we support clients who have been sleeping rough on the streets and ensure that they find and maintain a place to live. Project workers help homeless people from a variety of settings - rough sleeping, hostels, B&B's, short-term arrangements with friends/families and transitional and supported accommodation. Our staff aim to assist those who are homeless to link in with short term crisis accommodation, with the eventual goal of helping clients into more stable long term housing.

Homeless persons are offered two meals a day (breakfast and lunch) at the Riverbank centre. A total of 63,279 meals were provided in 2014 (this figure excludes the Evening Service). Sunday remained our busiest day with more than 168 persons attending for breakfast or lunch each Sunday.

Primary Health Care Services

We are working in partnership with the Health Services Executive ("HSE"), the Dublin Regional Homeless Executive and Safetynet in providing a primary health care service for homeless people. The service has General Practitioners, a Dentist, Nurse and a Counsellor. In total there were 5,329 health care interventions during the financial year (an increase of 16% compared to 2013).

Nursing

In 2014 there were a total of 1,804 nursing interventions, or 150 per month. The drop-in nurse led clinic provides a full range of primary health care services such as wound care management, blood testing, sexual health, medication management, and women's and men's health issues. Mental health presentations range from acutely suicidal clients to those who need to be referred back to services with where they have lost contact. Referrals to tertiary services such as A & E and other hospital services and advocacy are a large part of the nursing role. The citywide Safetynet Primary Health Care Service, of which the medical unit is part, is still developing and provides for consistency and continuity of care between those homeless services involved.

Counselling

Homelessness is often associated with severe stresses and difficulties in life. The Counselling Service for homeless people works at two levels – firstly providing a brief crisis counselling service targeted at service users in distress and secondly offering medium to long-term counselling relating to issues such as relationships and bereavement as well as issues of drugs and homelessness. In addition we provide group support for homeless service users attending our day programmes. We provided 811 counselling sessions in 2014 (an increase of 3% compared to 2013).

G.P Service

Our GP service dealt with 1,985 consultations or 165 per month (an increase of 25% compared to 2013). The service is used by clients with a variety of acute and chronic illnesses. In 2014, 1,008 unique clients used the GP service (an increase of 22% compared to 2013).

Extended Day Service

The service was established to meet the evening time needs of homeless people and rough sleepers in partnership with Focus Ireland continued throughout 2014. During the financial year between 80 - 140 people used the service each night. An estimated 16,387 visits were recorded in 2014.

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

New Communities Support Service

A substantial portion of visits to the service were made by people from new communities living in Ireland, especially from Eastern Europe. Several of our project workers are fluent in English and a number of Eastern European languages and we provide a range of supports including advice and information, referral and advocacy for these service users.

In 2014 the New Communities service provided one to one support to an estimated 250 service users. The greatest number were from Eastern European countries (the majority of whom were Polish). The services provided to new community clients are:

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

Holistic Treatments

The new Wednesday morning Dublin based acupuncture group began in early 2013 and has been well received by the 39 service users who accessed the service 179 times in 2014. The group provides a drug free alternative to alleviating anxiety, pain and insomnia.

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

Housing First

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

Graduate GP scheme

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

NEW DEVELOPMENTS IN 2014

Mental Health Specific Services

As a result of specific donor campaign a pilot project was started in 2014 for an on-site mental health nurse for our clients. A psychiatric nurse was recruited January 2014. The psychiatric nurse worked with 195 clients (144 Male & 51 Female), the majority of the clients (77) are in the age group 30 – 40 years. At the end of 2014 35% (68 clients) either failed to disengage or failed to engage.

Intensive Engagement Service (10am – 1pm service)

June – December 2014

452 (356 Male and 95 Females) clients visited service.

The asserted Contact needs, in order of frequency are; 1). Accommodation, 2). Social Welfare/Finance, 3). Medical, 4). Treatment/Harm Reduction, 5). I.D. Information, 6). Education/Employment, 7). Legal/Justice, 8). Social Work/Family Issues, and 9). Other (other includes Support Letters given, PPSN, Onward Referrals, Repatriation and Form Filling).

GOVERNANCE AND MANAGEMENT

DIRECTORS AND SECRETARY

The directors, who served at any time during the financial year except as noted, were as follows:

Directors/Trustees:

Mr Mick Price (Chair)
Rev Joseph MacMahon OFM (retired 11/07/2014)
Rev Hugh McKenna OFM
Rev Kieran Cronin OFM
Rev Niall O'Connell OFM (retired 25/07/2014)
Rev Patrick Lynch OFM
Rev Brendan McGrath OFM
(appointed 25/07/2014, retired 27/11/2014))
Mr Brian Melaugh
Dr Joanne Fenton
Mr Marcus Keane
Rev Joe Walsh OFM (appointed 27/11/2014)
Mr. Ray Langton (appointed 18/06/2015)

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 in Ireland.

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 ten persons and not less than five. The quorum for meetings is four. All Directors are chosen on the basis of their willingness to serve, ability, governance, experience, and support of the ethos, mission and philosophy of the Company. In line with this policy the Board enhanced its membership post year end with the appointment of Mr. Ray Langton on the 18 June 2015. The Board is committed to ensuring it has the necessary mix of skills and expertise at all times and where necessary seeks professional advice.

The Board meets formally at least 6 times a year. During 2014 the Board met seven times.

During their term the Directors are required to undergo an induction programme to ensure that collectively they have the overview necessary for the proper governance of the organisation. Ongoing training is arranged when a need is identified. With the exception of necessarily incurred expenses Directors are not remunerated for their work on the Board nor can they be appointed to any salaried position of the Company. No expenses were paid to Directors during the financial year (2013: €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 six sub-committees of the Board:

1. The Finance Committee is responsible for overseeing the effective financial management of the Company including the raising, collection, investment, borrowing and outlay of all monies required to fund its activities, and to report and make recommendations to the Board thereon.
2. The Audit & Risk Committee is responsible for making recommendations to the Board about the appointment and remuneration of the external auditor, approve the terms of engagement of the external auditor, to monitor and review the external auditor's independence and the effectiveness of the audit process and also for monitoring and reviewing risk for the organisation.
3. The Services & Change/Innovation Sub Committee is responsible for overseeing the services and operations of the Company. It is also responsible for assisting the Board in the planning and development of new services, the development and implementation of appropriate quality standards, compliance reporting to stakeholders and the clinical governance of the services such as supervision, good quality standards and best practice. The Committee is also responsible for considering the impact of any new proposals in line with the strategic plan, opportunities and considering the challenges which may arise in any change process.
4. Governance & Nominations Sub Committee is responsible for ensuring that best practices are adhered to regarding governance, accountability and transparency and for making recommendations to the Board and Members with regards to nominations for Board membership.
5. HR & Remuneration Sub Committee is responsible for reviewing any proposals regarding pay and pay structures and advising the Board in relation to same.
6. Fundraising Sub Committee – is responsible for ensuring that best practices are adhered to regarding the governance of fundraising and to make recommendations to the Board regarding the nature of fundraising being undertaken. This committee was established post year end.

MANAGEMENT

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

Day-to-day management of the organisation is delegated to the Chief Executive Officer and the Executive Leadership Team.

RISK ASSESSMENT

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

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

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

COMMITMENT TO BEST PRACTICE IN CORPORATE GOVERNANCE

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

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

COMMITMENT TO STANDARDS IN FUNDRAISING PRACTICE

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

The purpose of the statement is to:

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

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

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

RESERVES POLICY

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

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

TAXATION STATUS

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

EVENTS SINCE THE FINANCIAL YEAR END

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

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, Merchants Quay, Dublin 8.

AUDITORS

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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 Accounting Standards issued by the Financial Reporting Council, and promulgated by the Institute of Chartered Accountants in Ireland for periods beginning before 1 January 2015 ("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:

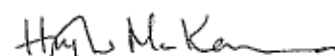
- select suitable accounting policies for the Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, identify 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.

Approved by the Board and signed on its behalf by:



Mick Price
Director



Hugh McKenna
Director

03/09/2015
Date

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

We have audited the financial statements of Franciscan Social Justice Initiatives Limited for the financial year ended 31 December 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 14. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and Accounting Standards issued by the Financial Reporting Council, and promulgated by the Institute of Chartered Accountants in Ireland for periods beginning before 1 January 2015 ("relevant financial reporting framework").

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements for the financial year ended 31 December 2014 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2014 and of the result 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.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies 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.



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

3 September 2015

FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014


| | Note | Designated Fund 2014 € | Unrestricted Funds 2014 € | Restricted Funds 2014 € | Total Funds 2014 € | Funds 2013 € |
|--|------|---------------------------------|------------------------------------|----------------------------------|-----------------------------|--------------------|
| Incoming Resources | | | | | | |
| Income resources from charitable activities | - | - | - | 1,431,671 | 1,431,671 | 1,414,172 |
| Donations | - | - | 583,963 | 205,311 | 789,274 | 480,092 |
| Other incoming resources | - | - | 4,470 | - | 4,470 | 5,631 |
| Total incoming resources | | - | 588,433 | 1,636,982 | 2,225,415 | 1,899,895 |
| Resources expended | | | | | | |
| Charitable activities | - | - | 213,827 | 1,492,327 | 1,706,154 | 1,602,957 |
| Fundraising expenses and other costs | - | - | 135,135 | - | 135,135 | 125,323 |
| Governance costs | - | - | 4,676 | - | 4,676 | 4,676 |
| Total resources expended | | - | 353,638 | 1,492,327 | 1,845,965 | 1,732,956 |
| Net income for the financial year | | - | 234,795 | 144,655 | 379,450 | 166,939 |
| Taxation | 12 | - | - | - | - | - |
| Net income after tax for the financial year | | - | 234,795 | 144,655 | 379,450 | 166,939 |
| Transfer of funds | | 200,000 | (200,000) | - | - | - |
| Total funds at 1 January 2014 | | 150,000 | 63,405 | - | 213,405 | 46,466 |
| Total funds at 31 December 2014 | 6 | 350,000 | 98,200 | 144,655 | 592,855 | 213,405 |

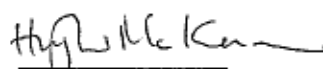
FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2014

| | Notes | 2014 € | 2013 € |
|---|-------|------------------|------------------|
| Fixed Assets | | | |
| Tangible assets | 3 | - | 328 |
| Current Assets | | | |
| Debtors | 4 | 64 | 3,017 |
| Cash at bank and in hand | | 767,549 | 784,641 |
| | | <u>767,613</u> | <u>787,658</u> |
| Creditors: Amounts falling due within one year | 5 | (174,758) | (574,581) |
| NET ASSETS | | 592,855 | 213,405 |
| Charity Funds | | | |
| Restricted funds | 6 | 144,655 | - |
| Unrestricted funds | 6 | 98,200 | 63,405 |
| Designated funds | 6 | 350,000 | 150,000 |
| | | <u>592,855</u> | <u>213,405</u> |

The financial statements were approved and authorised for issue by the Board of Directors on 23/01/2015 and signed on its behalf by:


Mick Price
Director


Hugh McKenna
Director

FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

| | <i>Notes</i> | 2014 € | 2013 € |
|---|--------------|------------------|----------------|
| Cash (outflow)/inflow from operating activities | 7 | (17,092) | 213,890 |
| Capital expenditure and financial investment | | - | - |
| (Decrease)/increase in cash | 9 | <u>(17,092)</u> | <u>213,890</u> |

1. ACCOUNTING POLICIES

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

Basis of Preparation

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

Basis of Preparation of Accounts

(i) Format of financial statements

Franciscan Social Justice Initiatives Limited is constituted under Irish company law as a company limited by guarantee and is a registered charity. In prior years, company law scoped out companies not trading for gain for the members from the requirements with regard to formats and content of financial statements which applied to for profit companies thus permitting the adoption of a format appropriate to a charity. Accordingly, from 2014 Franciscan Social Justice Initiatives Limited has 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 2013 figures have been restated as comparatives in accordance with the format provided for in the Charities SORP.

The Companies Act 2014 became effective in law on 1 June 2015 and from that date applies the format and content of financial statements requirements appropriate for a company trading for the profit of its members to a company that is a not for profit organisation such as Franciscan Social Justice Initiatives Limited.

In order to provide information relevant to understanding the stewardship of the directors and the performance and financial position of the Charity, Franciscan Social Justice Initiatives Limited has prepared its financial statements in accordance with the formats provided for in the Charities SORP and has restated its prior year comparatives accordingly.

Had the Companies format and content of financial statements requirements suitable for a company trading for the profit of its members been presented instead, a profit and loss account with related notes showing items such as Turnover and Cost of Sales would have been reported along with a "profit" on ordinary activities before taxation.

(ii) Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts 2014 as applied in accordance with the Statement of Recommended Practice (SORP) (revised 2005) "Accounting and Reporting by Charities" as published by the Charity Commission for England and Wales, who are recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK. Financial reporting in line with the SORP is considered best practice for charities in Ireland. As noted above, the directors consider the adoption of the SORP requirements is the most appropriate accounting to properly reflect and disclose the activities of the organisation.

The financial statements are presented in euro.

1. ACCOUNTING POLICIES (CONTINUED)

Tangible Fixed Assets

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

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

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

Income

Grant Income is recognised on a receivable basis in the Statement of Financial Activities. Donations and similar income are recognised in the Statement of Financial Activities when received.

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.

Going Concern

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

Pensions

The costs arising in respect of the defined contribution scheme are recognised in the statement of financial activities in the period in which they are incurred.

Taxation

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

FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

| 2. EMPLOYEES | 2014 Number | 2013 Number |
|--|----------------|----------------|
| The average weekly number of employees during the financial year were: | | |
| Project workers | 35 | 31 |
| | | |
| | 2014 € | 2013 € |
| Employment costs: | | |
| Wages and salaries | 1,289,670 | 1,165,579 |
| Employers' PRSI | 134,473 | 103,439 |
| Staff pension costs | 15,513 | 14,693 |
| | 1,439,656 | 1,283,711 |

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

FRANCISCAN SOCIAL JUSTICE INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

| 3. | TANGIBLE ASSETS | Improvements to premises € | Fixtures and fittings € | Total € |
|----|--|----------------------------------|-------------------------------|-------------------|
| | Cost | | | |
| | At 31 December 2013 | 243,097 | 94,603 | 337,700 |
| | At 31 December 2014 | 243,097 | 94,603 | 337,700 |
| | Accumulated depreciation | | | |
| | At 31 December 2013 | 243,097 | 94,275 | 337,372 |
| | Charge for the financial year | - | 328 | 328 |
| | At 31 December 2014 | 243,097 | 94,603 | 337,700 |
| | Net book amounts | | | |
| | At 31 December 2014 | - | - | - |
| | At 31 December 2013 | - | 328 | 328 |
| | In respect of prior financial year: | | | |
| | | Improvements to premises € | Fixtures and fittings € | Total € |
| | Cost | | | |
| | At 31 December 2012 | 243,097 | 94,603 | 337,700 |
| | At 31 December 2013 | 243,097 | 94,603 | 337,700 |
| | Accumulated depreciation | | | |
| | At 31 December 2012 | 243,097 | 88,575 | 331,672 |
| | Charge for the financial year | - | 5,700 | 5,700 |
| | At 31 December 2013 | 243,097 | 94,275 | 337,372 |
| | Net book amounts | | | |
| | At 31 December 2013 | - | 328 | 328 |
| | At 31 December 2012 | - | 6,028 | 6,028 |
| 4. | DEBTORS | | 2014 € | 2013 € |
| | Other debtors | | 64 | 3,017 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

5. CREDITORS:

| Amounts falling due within one year | 2014 € | 2013 € |
|-------------------------------------|----------------|----------------|
| Trade creditors | 498 | 827 |
| Taxation and social insurance | 29,655 | - |
| Merchants Quay Project (Note 11) | 22,644 | 472,351 |
| Accruals | 121,961 | 101,403 |
| | <u>174,758</u> | <u>574,581</u> |

6. RECONCILIATION OF MOVEMENT IN FUNDS

| | Unrestricted funds € | Designated funds € | Restricted funds € | Total € |
|---|----------------------------|--------------------------|--------------------------|-----------------------|
| Balance at 1 January 2014 | 63,405 | 150,000 | - | 213,405 |
| Net income | 234,795 | - | 144,655 | 379,450 |
| Transfer between unrestricted to designated fund | (200,000) | 200,000 | - | - |
| Balance at 31 December 2014 | <u>98,200</u> | <u>350,000</u> | <u>144,655</u> | <u>592,855</u> |

7. CASH (OUTFLOW)/INFLOW FROM OPERATING
ACTIVITIES

| | 2014 € | 2013 € |
|--|------------------------|-----------------------|
| Operating surplus | 379,450 | 166,939 |
| Depreciation | 328 | 5,700 |
| Decrease/(increase) in debtors | 2,953 | (3,017) |
| (Decrease)/increase in creditors | (399,823) | 44,268 |
| Cash (outflow)/inflow from operating activities | <u>(17,092)</u> | <u>213,890</u> |

8. RECONCILIATION OF NET CASH TO MOVEMENT IN
NET FUNDS

| | 2014 € | 2013 € |
|---|-----------------------|-----------------------|
| (Decrease)/increase in cash in the financial year | (17,092) | 213,890 |
| Net funds at beginning of financial year | 784,641 | 570,751 |
| Net funds at 31 December 2014 | <u>767,549</u> | <u>784,641</u> |

9. ANALYSIS OF CHANGES IN NET FUNDS DURING THE FINANCIAL YEAR

| | Balance at 31 December 2013 € | Cash flows € | Balance at 31 December 2014 € |
|--------------------------|--|--------------------|--|
| Cash at bank and in hand | 784,641 | (17,092) | 767,549 |
| | <u>784,641</u> | <u>(17,092)</u> | <u>767,549</u> |

10. PENSIONS

The pension entitlements of eligible employees that arise under the defined benefit scheme is borne by Merchants Quay Project Limited. The defined benefit scheme has been closed to new entrants for a number of years. The company also operates a defined contribution scheme for eligible employees. Contributions made to the defined contribution scheme during the financial year amounted to €15,513 (2013: €14,693).

11. RELATED PARTY TRANSACTIONS

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

The balance owing to the Merchants Quay Project Limited at 31 December 2014 was € 22,644 (2013: €472,351).

The transactions during the financial year were as follows:

| | 2014 € |
|--|---------------|
| Repayments to MQP | 475,192 |
| Expenses paid by MQP on behalf of FSJI | <u>25,486</u> |

12. TAXATION

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

13. COMPARATIVE AMOUNTS

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

14. ULTIMATE CONTROLLING PARTY

The members and Directors of the Company at 31 December 2014 apart from Mr. Mick Price, Mr. Brian Melaugh and Dr. Joanne Fenton are members of the Order of Friars Minor.