

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

Directors' Report and Financial Statements
for the financial year ended
31 December 2017

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

REPORT AND FINANCIAL STATEMENTS 2017

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FRANCISCAN SOCIAL JUSTICE INITIATIVES 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

MEMBERS:

Rev Hugh McKenna OFM (resigned 29 June 2017)
Rev Kieran Cronin OFM
Rev Joseph MacMahon OFM (resigned 29 June 2017)
Rev Patrick Lynch OFM (resigned 29 June 2017)
Rev Patrick Younge OFM (resigned 29 June 2017)
Rev Liam Kelly OFM (resigned 29 June 2017)
Rev Padraig Breheny OFM
Rev Aidan McGrath OFM (appointed 29 June 2017)
Rev Joseph Condren OFM (appointed 29 June 2017)
Rev Stephen O'Kane OFM (appointed 29 June 2017)
Rev David Collins OFM (appointed 29 June 2017)
Rev Niall O'Connell OFM (appointed 29 June 2017)

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

Governance & Nominations Committee

Mr Mick Price (Chair)
Mr Derek Bell
Ms Fidelma Keogh
Mr David Kiely

Client Services Committee

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

HR & Remuneration Committee

Mr Mick Price (Chair)
Mr Ray Langton
Mr Brian Melaugh
Ms Margaret Hennessy
Mr David Kiely

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

DIRECTORS AND OTHER INFORMATION (CONTINUED)

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

EXECUTIVE LEADERSHIP TEAM:

CEO	Mr Tony Geoghegan
Head of Human Resources & Governance	Ms Stella O Sullivan
Head of Finance Risk & IT	Ms Jennifer Owens
Head of Fundraising and Communications	Ms Carol Casey
Head of Day Services	Ms Paula Byrne
Head of Residential Services	Mr Mark Kennedy

COMPANY NUMBER: 280573

CHARITY NUMBER: CHY 12809

**CHARITY REGULATORY
AUTHORITY 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 Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

DIRECTORS' REPORT

The directors present herewith the audited financial statements for the financial year ended 31 December 2017.

COMPANY STRUCTURE

Franciscan Social Justice Initiatives CLG ("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 a public benefit entity and is recognised by the Revenue Commissioners as having registered charity status – registration number CHY 12809. The Company is registered with the Charity Regulatory Authority - registration number of 20038335.

The Company is governed by its Constitution (comprising the Memorandum and Articles of Association).

Franciscan Social Justice Initiatives CLG 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 Ireland CLG
- St. Francis Housing Association CLG
- Merchants Quay Project CE Scheme CLG

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. In 2017 the decision was made to merge the companies known as FSJI and MQI into one company as the objects of both companies were similar.

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 Merchant's Quay Ireland.

VISION

We are committed to creating an inclusive society that supports the integration and wellbeing of all.

VALUES

Passion: We are committed to supporting and empowering all people who use our services
Openness: We believe in each person's unique potential and welcome all regardless of circumstances
Excellence: We continue to develop our resources to deliver the highest standards
Collaboration: We recognise that we are stronger when we work collectively; we are committed to developing partnerships to deliver our vision
Adaptability: An openness to change allows us to find solutions to emerging challenges
Integrity: We act with personal responsibility, we treat everyone with dignity and respect

MISSION

We work as a collaborative community to reduce the harm caused by addiction and homelessness.

STRATEGY

The Strategic Plan developed in 2016/2017 for the period 2017-2020 was the basis of the core strategies for the organisation in 2017 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.

RESULTS FOR THE FINANCIAL YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2017

The Statement of Financial Activities and Balance Sheet are set out on pages 17 and 18 respectively.

Financial Review 2017

FSJI is financed by a mix of statutory and voluntary funding. In 2017 FSJI raised a total income of €4.5m up from €3.6m in 2016.

This income was generated from various sources with 59% from Statutory Government funding mainly from the DCC and Homeless Agency and the balance raised through our fundraising activities and training. Fundraising generated €1.8m, up from €1.04m in 2016 making up 41% of our income for 2017.

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.

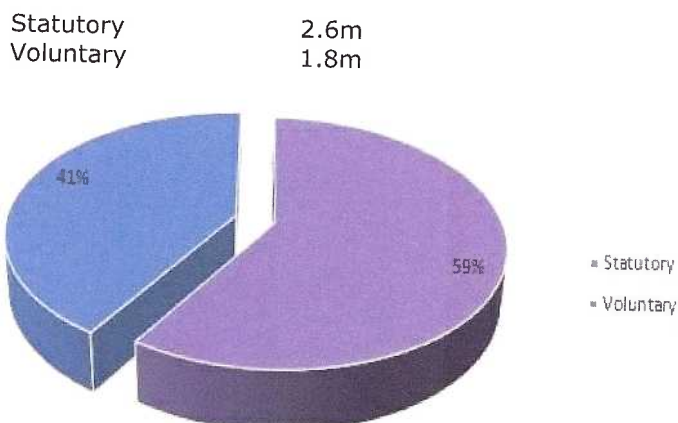
As a result of an increase in our fundraising and expenditure management, 2017 was a positive year financially, this will allow FSJI to focus on the implementation of our strategic priorities and to ensure we give best care and service possible to our clients. We continue to commit voluntary income to all our services, the continuum of all core services remains one of our key goals.

The Board of Directors also considers 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 organisations 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.

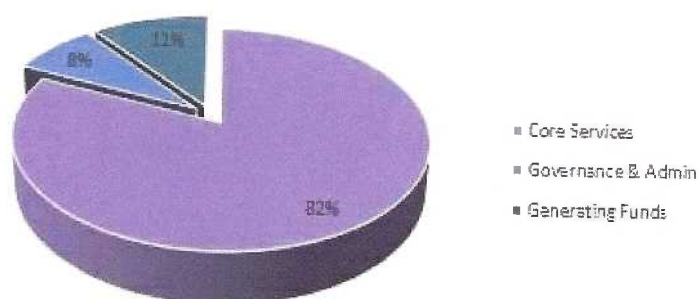
Income

2017: €4.5m (2016: €3.6m)

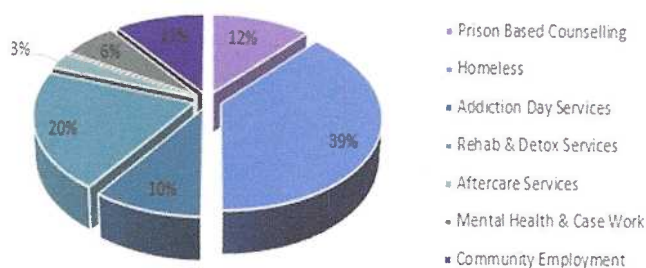


Expenditure

2017: €4.2m (2016: €3.67m)



Service Delivery Areas - MQI



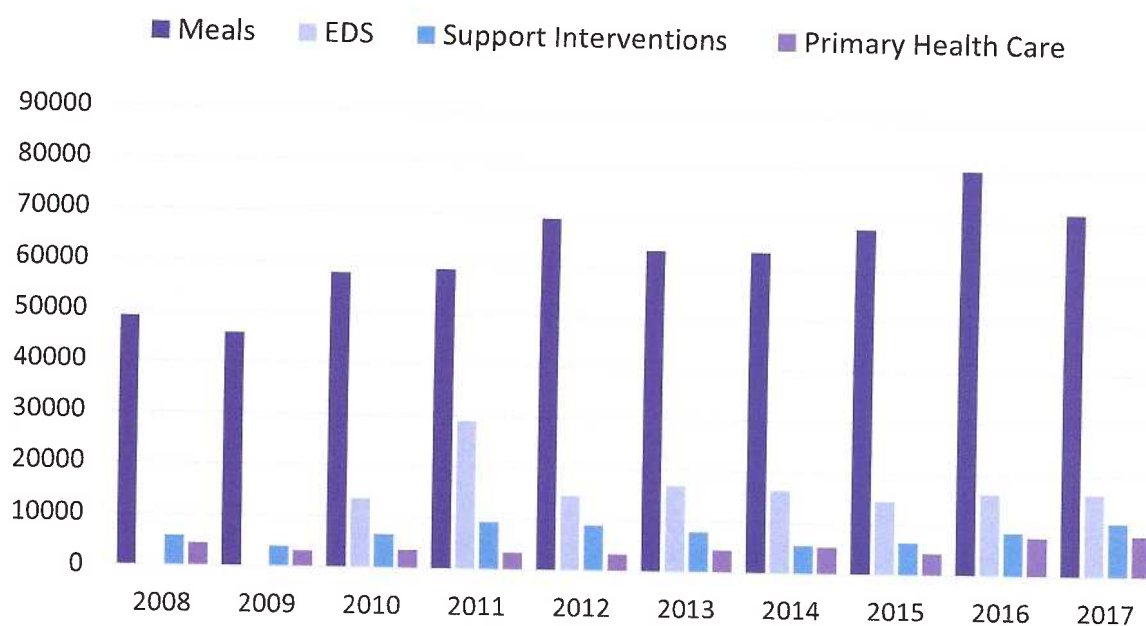
ACHIEVEMENTS AND PERFORMANCE

HOMELESS SERVICES

Homeless people come from many settings, including rough sleeping, hostels, B&Bs, couch-surfing with friends or family, and transitional and supported accommodation. Staff and volunteers help each person as best they can – the goal being to get clients into long-term housing and independent living. But homelessness is hard, and coaxing a frightened client in for breakfast can take as much work as getting someone into accommodation. In cases where the person is unable or not yet ready to engage with us, or wants to continue living on the streets, we reduce associated harms where possible. We also support people who are not yet homeless but are at risk of losing their accommodation.

Drop-in service: The Drop-in service at the Riverbank centre offers homeless people breakfast and lunch six days a week and in 2017 served 107,504 meals. While these clients gain respite from the streets, the Drop-in Service is so much more than a hot meal. The service provides supports to people who have been experiencing hard times, striving to empower and assist them to find accommodation and to get their lives on the road to a better place. The service also supports service users in contacting friends or family, and accessing drug treatment. Linking men and women to health, social welfare and emergency accommodation, in 2017, we recorded 13,301 supportive interventions with service users at Riverbank, an increase of 9% on 2016.

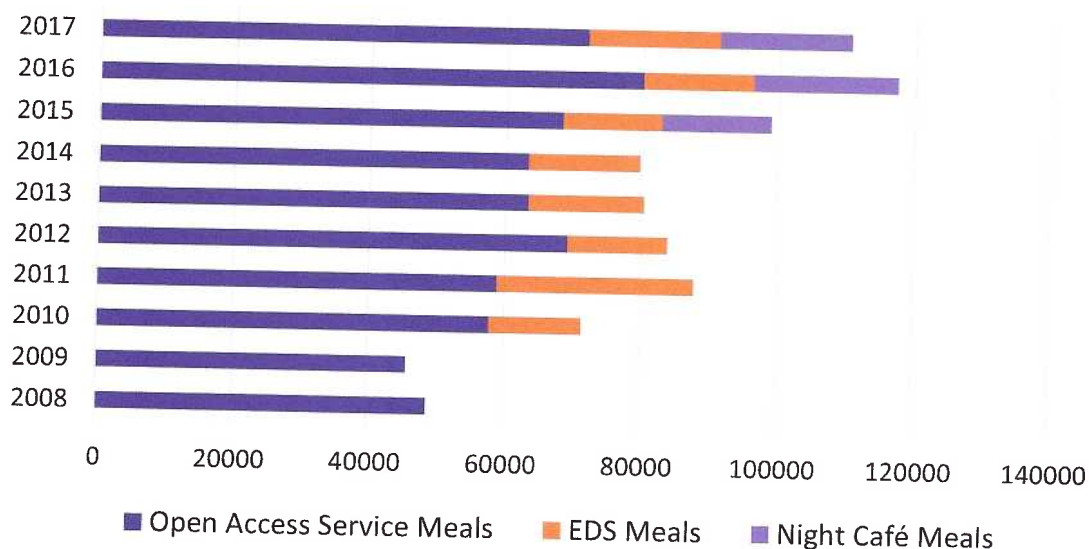
Homeless Drop-In Services, 2008 - 2017



Extended Day Service (EDS): The EDS service offers evening meals, crisis support, information, advice and assistance to people who are homeless and rough sleepers between 5.30pm and 8.30pm. The service provided 16,372 meals in 2017 and between 80 and 120 people used the service each evening. The EDS ensures there is a continuum of care, and that there is support available to clients when other services are closed.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Riverbank Meals, 2008 - 2017



The Night Café: Opened to help some of Ireland's most forgotten men and women, MQI's Night Café provided emergency shelter for 1,912 individuals in 2017. Rough sleepers are referred to the service by calling the homeless 'Freephone' or through the Housing First outreach team operating on the streets at night. These two services do everything possible to get people into a hostel or other emergency accommodation for the night. For those who don't make it into, or are afraid to access, emergency accommodation, the Night Café is the last resort.

Merchants Quay Ireland is adamant that resting on yoga mats on a floor is far from the dignity human beings deserve. But as a fully waking service with staff to supervise, the Night Café is a safe place off the streets where people can rest, have a bite to eat, and get help finding a place to live.

Throughout the night, the team offer a range of supports for people who are homeless, including hot showers and dry clothes, information and advice. Open between 11pm and 7:30am every night of the week for up to 70 rough sleepers, yoga mats were rolled out 19,368 times in 2017.

PRIMARY HEALTHCARE SERVICES

Mental Health Service: Demands for mental health services continued to increase in 2017. Last year, 419 people were supported by our mental health team, a 33% increase on 2016. There were 2,580 interventions provided, of which significant crisis support was required on 243 occasions. Having the mental health team means that clients no longer have to wait for hours in A&E and can get their issues addressed before they turn into full-blown crises. Only 4% of people presenting in crisis were referred to A&E in 2017, compared with 19% in 2016.

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

DIRECTORS' REPORT (CONTINUED)

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
Rev Joe Walsh OFM (Resigned 8th February 2018)
Mr. Ray Langton
Dr Siobhan Garrigan
Ms Margaret Hennessy
Mr Derek Bell

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 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, 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 2017, the Board met seven 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. With the exception of 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 (2016: €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 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 Risk within the organisation.
3. The Client Services 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 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 Committee is responsible for ensuring that best practice is adhered to regarding governance, accountability and transparency, monitoring and reviewing adherence to relevant Voluntary Codes and Statutory Guidelines and making recommendations on nominations for Board membership, ensuring that the organisation has sufficient resourcing with the correct skills and expertise in place to achieve its strategic objectives.
5. The HR & Remuneration Committee is responsible for overseeing employment practices, pay and pay structures and to consider, advise and recommend on organisational restructuring.
6. 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.

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

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.

COMMITMENT TO BEST PRACTICE IN CORPORATE GOVERNANCE

The Company is on the journey towards being compliant with the *Governance Code: A Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland* ("the Code") and it became fully compliant with the Code by March 2017. 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.

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

DIRECTORS' REPORT (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.

EVENTS SINCE THE FINANCIAL YEAR END

As at 1 January 2018 FSJI transferred its activities over to the company operating under the banner name MQI with formerly named Merchants Quay Project CLG now operating as Merchants Quay Ireland CLG.

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.

Approved by the Board and signed on its behalf by:

Mick Price
Director



Ray Langton
Director



Date 18 June 2018

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

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 ("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 surplus or deficit 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 Director's report complies with the Companies Act 2014 and enable the financial statements to be audited. It is 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 Franciscan Social Justice Initiatives CLG

Report on the audit of the financial statements

Opinion on the financial statements of Franciscan Social Justice Initiatives CLG (the 'company')

In our opinion the company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2017 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 19, 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" ("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 Accounting and Auditing 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.

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Independent auditor's report to the members of Franciscan Social Justice Initiatives CLG

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 2017, 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.

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.

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Independent auditor's report to the members of Franciscan Social Justice Initiatives CLG

Auditor's responsibilities for the audit of the financial statements (Continued)

- 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.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

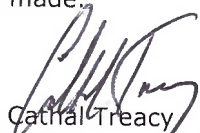
Based solely on the work undertaken in the course of the audit, we report that:

- 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.



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

Date: 18 June 2018

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	Note	Designated Funds 2017 €	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	Designated Unrestricted Funds 2016 €	Restricted Funds 2016 €	Total Funds 2016 €
Income from:								
Charitable activities	3	-	-	2,619,441	2,619,441	-	2,570,711	2,570,711
Donations and legacies	4	-	1,610,619	228,131	1,838,750	-	347,427	1,035,046
Other incoming resources	5	-	302	-	302	-	-	675
Total income		-	1,610,921	2,847,572	4,458,493	-	2,918,138	3,606,432
Expenditure On:								
Charitable activities	6	-	737,052	2,937,571	3,674,623	-	2,837,611	3,386,565
Raising funds	7	-	525,868	-	525,868	-	-	287,387
Total Expenditure		-	1,262,920	2,937,571	4,200,491	-	2,837,611	3,673,952
Net income/(expenditure) for the financial year	9	-	348,001	(89,999)	258,002	(148,047)	80,527	(67,520)
Taxation	17	-	-	-	-	-	-	-
Net movement in funds		-	348,001	(89,999)	258,002	-	80,527	(67,520)
Transfer between funds	14	430,000	(430,000)	-	-	(150,000)	-	-
Net income/(expenditure) after transfers		430,000	(81,999)	(89,999)	258,002	(150,000)	-	-
Total funds at 1 January 2016		244,415	91,035	525,720	861,170	394,415	80,527	(67,520)
Total funds at 31 December 2017	14	674,415	9,036	435,721	1,119,172	244,415	525,720	861,170

On 1 January 2018 the activities of the entity were transferred to MQI and all of the above activities relates to discontinued operations for accounting purposes. The statement of financial activities includes all gains and losses recognised in the financial year.

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

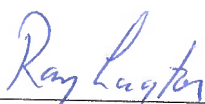
**BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Notes	2017 €	2016 €
Fixed Assets			
Tangible assets	10	-	-
Current Assets			
Debtors	11	281,584	62,219
Cash at bank and in hand		931,196	1,124,612
		1,212,780	1,186,831
Creditors: Amounts falling due within one year	12	(93,608)	(325,661)
NET ASSETS		1,119,172	861,170
Charity Funds			
Restricted funds	14	435,721	525,720
Unrestricted funds	14	9,036	91,035
Designated funds	14	674,415	244,415
		1,119,172	861,170

The financial statements were approved and authorised for issue by the Board of Directors on 18 June 2018 and signed on its behalf by:



Mick Price
Director



Ray Langton
Director

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

RECONCILIATION OF NET INCOME/ (EXPENDITURE) TO CASH USED IN CHARITABLE ACTIVITIES

	2017 €	2016 €
Net income/ (expenditure) for the financial year	258,002	(67,520)
Decrease/(increase) in debtors	(219,365)	90,522
Increase/(decrease) in creditors	(232,053)	187,834
Net Cash Flow from Charitable Activities	(193,416)	210,836
	2017 €	2016 €
Cash flows from Charitable Activities		
Net Cash used in Charitable Activities	(193,416)	210,836
Cash and cash equivalents at the beginning of the reporting year	1,124,612	913,776
Cash and cash equivalents at the end of the reporting year	931,196	1,124,612

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 (SORP 2015)) "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.

Franciscan Social Justice Initiatives is a company incorporated in Ireland under the Companies Act 2014. The address of the registered office is Merchants Court, 24 Merchant's Quay, Dublin 8. The nature of the company's operations and its principal activities are set out in the report of the directors on pages 4 to 12. 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 formats 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

As explained in note 19, the company has transferred over all its activities to MQI since the balance sheet date. The organisation's forecast and projections, taking account of reasonable possible changes in performance, show that the organisation will be able to operate within the level of its current cash and investment resources. The Board have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Thus they have continued to adopt the going concern basis of accounting in preparation of the annual 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:

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

1. ACCOUNTING POLICIES (CONTINUED)

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.

- (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 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 established with a reasonable amount of accuracy.
- (vi) Other income reflects bank interest received.

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.

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.

1. ACCOUNTING POLICIES (CONTINUED)

Reserves Policy

In order to secure the long term viability of Franciscan Social Justice Initiatives and to maintain the smooth operation of the organisation, it is critical to ensure that the organisation has adequate reserves.

The board has adopted a reserves policy based on foreseeable expenditure and in particular, long-term commitments. In addition, a general reserve of €674k has been set aside towards the reserves policy goal of €2.1m which would allow operation of the organisation for 6 months, based on historical running costs and programme expenditure.

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.
- Operating
- Maintain a required level of funding available for programmes during times of financial difficulty where fundraising income is diminished.
- Working Capital Requirements.
- Meet unanticipated expenses such as repairs and maintenance, currency variances and legal costs.
- Cover day to day expenditure of Franciscan Social Justice Initiatives.
- Ensure there is adequate funding should any winding up costs ever arise.
- Provide for any other unanticipated expenditure of significance.

Retirement benefits

The company operates an employer sponsored, defined contribution pension schemes. The assets of the schemes are held separately from those of the charity, in an externally managed fund. The company's annual contributions are charged to the Statement of Financial Activities.

Taxation

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

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.

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.

2. 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.

The directors do not consider there are any critical judgements or sources of estimation requiring disclosure.

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

3. CHARITABLE ACTIVITIES	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	Total Funds 2016 €
Homeless services	-	2,619,441	2,619,441	2,570,711
ANALYSIS OF GOVERNMENT GRANT INCOME				
			2017 €	2016 €
Health services executive			501,260	501,260
Dublin City Council			961,646	912,916
Dublin City Council Night Café			1,156,535	1,156,535
			2,619,441	2,570,711
4. DONATIONS AND LEGACIES	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	Total Funds 2016 €
Individual Giving	1,573,831	106,528	1,680,359	1,035,046
Legacies	23,466	-	23,466	-
Corporates and Trusts	-	121,603	121,603	-
Other	13,322	-	13,322	-
	1,610,619	228,131	1,838,750	1,035,046

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

5. OTHER INCOMING RESOURCES	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	Total Funds 2016 €
Bank interest received	302	-	302	675

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	Total Funds 2016 €
Homeless services	737,052	2,937,571	3,674,623	3,218,337
Counselling and support	-	-	-	168,228
Total Expenditure	737,052	2,937,571	3,674,623	3,386,565

The total support costs for FSJI for 2017 were € 104,046 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.

7. RAISING FUNDS

	Campaign Costs 2017 €	Staffing Costs 2017 €	Overheads Costs 2017 €	Total Costs 2017 €	Total Costs 2016 €
Individual Giving	349,042	112,847	36,401	498,290	267,089
Legacies	-	10,149	3,640	13,789	10,149
Corporates and Trusts	-	10,149	3,640	13,789	10,149
	349,042	133,145	43,681	525,868	287,387

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

8. EMPLOYEES

**2017
Number**

**2016
Number**

The average weekly number of employees during the financial year were:

Project workers

82

81

No basic salaries are paid in excess of €60,000

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 charged to FSJI for the key management personnel was €127,999 (2016:€110,549) which included salaries, PRSI, and allowances.

As the key management team work across MQI a portion of the salaries that arise within Merchant's Quay Project CLG that are attributable to the work of Franciscan Social Justice Initiatives CLG are transferred over to this Company. The total remuneration costs charged across the companies is €571,522 (2016: €522,445)

Employment costs:

**2017
€**

**2016
€**

Wages and salaries

2,670,542

2,476,615

Employers' PRSI

277,992

259,660

Retirement benefit costs (Note 15)

46,437

30,106

2,994,971

2,766,381

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

9. NET INCOME/(EXPENDITURE)

**2017
€**

**2016
€**

Net income/ (expenditure) is
stated after charging:

Directors' remuneration

-

-

Depreciation

-

-

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

10. TANGIBLE ASSETS	Improvements to premises €	Fixtures and fittings €	Total €
Cost			
At 1 January 2017	243,097	94,603	337,700
Disposals	(243,097)	(94,603)	(337,700)
At 31 December 2017	-	-	-
Accumulated depreciation			
At 1 January 2017	243,097	94,603	337,700
Disposals	(243,097)	(94,603)	(337,700)
At 31 December 2017	-	-	-
Net book amounts			
At 31 December 2017	-	-	-
Net book amounts			
At 31 December 2016	-	-	-

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

11. DEBTORS

	2017 €	2016 €
Other debtors		
Amounts due from MQP CLG (Note 16)	225,607	62,219
	55,977	-
	<u>281,584</u>	<u>62,219</u>

12. CREDITORS:

Amounts falling due within one year	2017 €	2016 €
Amounts due to MQP CLG (Note 16)	-	240,287
Accruals	93,608	85,374
	<u>93,608</u>	<u>325,661</u>

13. FINANCIAL INSTRUMENTS

	2017 €	2016 €
Financial Assets:		
Measured at undiscounted amounts receivable		
Other debtors (Note 11)	225,607	62,219
Amounts due from MQP CLG (Note 11)	55,977	-
	<u>281,584</u>	<u>62,219</u>
Financial Liabilities:		
Measured at undiscounted amounts payable		
Creditors and accruals (Note 12)	93,608	85,374
Amounts due to MQP CLG (Note 12)	-	240,287
	<u>93,608</u>	<u>325,661</u>

FRANCISCAN SOCIAL JUSTICE INITIATIVES CLG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

14. A. RECONCILIATION OF MOVEMENT IN FUNDS

	Unrestricted funds €	Designated funds €	Restricted funds €	Total €
Balance at 1 January 2017	91,035	244,415	525,720	861,170
Net income	348,001	-	(89,999)	258,002
Transfer from unrestricted to designated fund	(430,000)	430,000	-	-
Balance at 31 December 2017	9,036	674,415	435,721	1,119,172

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 €2.1 m.

In 2017 the board designated a transfer of €430,000 from unrestricted funds into Designated funds in order to work on reaching its reserves policy.

In respect of prior financial year:

	Unrestricted funds €	Designated funds €	Restricted funds €	Total €
Balance at 1 January 2016	89,082	394,415	445,193	928,690
Net income	(148,047)	-	80,527	(67,520)
Transfer from unrestricted to designated fund	150,000	(150,000)	-	-
Balance at 31 December 2016	91,035	244,415	525,720	861,170

B. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds €	Designated Funds €	Restricted Funds €	Total 2017 €	Total 2016 €
Tangible fixed assets	-	-	-	-	-
Current assets	102,644	674,415	435,721	1,212,780	1,186,831
Current liabilities	(93,608)	-	-	(93,608)	(325,661)
	9,036	674,415	435,721	1,119,172	861,170

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

15. RETIREMENT BENEFITS

The pension entitlements of eligible employees that arise under the defined benefit scheme is borne by Merchants Quay Project CLG. 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 €46,437 (2016: €30,106). There are no amounts outstanding at the financial year end (2016: €Nil).

16. RELATED PARTY TRANSACTIONS

The Directors of the company are also Directors of Merchants Quay Ireland CLG (MQI). The Members have effective control over both companies.

The balance owed from Merchants Quay Ireland CLG at 31 December 2017 was €55,977. (2016: owed to MQI €240,287).

The transactions during the financial year were as follows:		
	2017	2016
		€
Repayments to MQP		
Expenses paid by MQP on behalf of FSJI	(304,843)	289,286
	8,579	52,199

17. TAXATION

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

18. ULTIMATE CONTROLLING PARTY

The members and directors of the Company at 31 December 2017 apart from Mr Mick Price, Mr Brian Melaugh, Dr Joanne Fenton, Mr Ray Langton, Mr Derek Bell, Ms Margaret Hennessy and Dr Siobhan Garrigan are members of the Order of Friars Minor.

19. SUBSEQUENT EVENTS

As at 1 January 2018 FSJI transferred its activities over to the company operating under the banner name MQI with formerly named Merchants Quay Project CLG now operating as Merchants Quay Ireland CLG.