

Merchant's Quay Project Limited
(A company limited by guarantee and having no share capital)

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

MERCHANT'S QUAY PROJECT LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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MERCHANT'S QUAY PROJECT 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 Padraig 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

MERCHANT'S QUAY PROJECT 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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Fundraising Sub Committee	Mr Mick Price (Chair) Mr Marcus Keane Mr Ray Langton Ms Denisa Casement Mr Tony Geoghegan
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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

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS AND OTHER INFORMATION (CONTINUED)

REGISTERED NUMBER: 176421

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

CHARITY NUMBER: CHY 10311

CRA NUMBER 20026240

BANKERS: AIB
7/12 Dame Street
Dublin 2

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

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

PLACES OF OPERATION:	24 Merchants Court Merchant's Quay Dublin 8	Riverbank House Merchant's Quay Dublin 8
	High Park Drumcondra Dublin 9	Ball Ally Lane Parnell Square Athlone Co Westmeath
	16 Ballymount Cottages Dublin 22	Irish Prison Service
	St. Francis Farm Tullow Co. Carlow	7A Dolphins Barn Dublin
	68 Easton Row Easton Meadow Estate Leixlip House Leixlip Co Kildare	1 Grattan Place Portlaoise Co Laois

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the financial year ended 31 December 2014.

COMPANY STRUCTURE

Merchant's Quay Project Ltd ("MQP") is incorporated as a Company limited by guarantee and not having share capital. It was registered on 12 July 1991 with Company number 17642. The Company is registered for the charitable purpose of promoting health and to provide the steppingstones for every point of a man's or woman's journey out of homelessness and addiction, and toward a drug free life.

The main objects of the Company are:

- (a) To promote health for the benefit of the peoples in contact with our project and in particular to relieve suffering relating to disease and conditions the transmission of which are drug related and sexual with special reference to AIDS and apparently related conditions.
- (b) To alleviate physical, mental or financial deprivation caused by and to seek to minimize the spread of such diseases or conditions.

The Company is recognised by the Revenue Commissioners as having registered charity status – registration number CHY 10311. The Charities Regulatory Authority (CRA) which was established in 2014 is Ireland's national statutory regulatory agency for charitable organisations. The Company is registered with the CRA - registration number of 20026240.

The Company is governed by its memorandum and articles.

Merchant's Quay Project 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:-

- Franciscan Social Justice Initiative Limited
- St. Francis Housing Association Limited
- Merchant's 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 MQP of which MQP 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 MQP 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.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

RESULTS FOR THE FINANCIAL YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2014

The Income and Expenditure Account and Balance Sheet are set out on page 22-23 respectively.

2014 FINANCIAL REVIEW

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

Total income for 2014 is €6.3m being an increase of 1.5% on income from 2013 (€6.2m). In order to comply with revised regulations required by Department for Social Protection ("DSP"), during the year the activities funded by the DSP were transferred into a new company, Merchant's Quay Project CE Scheme Limited ("MQPCE"). When this is factored into account the total income for continuing operations for 2014 is €6.1m being an increase of 12.2% on income from 2013 (€5.5m). This increase is largely due to the continued generosity of our donors supporting our vision.

Total expenditure for 2014 is €5.1m compared to 2013 (€5.4m). Similarly when the transfer of DSP funded activities as outlined above is factored into account the total expenditure for continuing operations for 2014 is €4.9m being an increase of 6.7% on the 2013 expenditure (€4.6m). This increase is largely due to the ongoing improvements to the core services provided and the infrastructure required to support them.

In 2014 88% 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 and catering staff. The balance of costs would be allocated to ensuring MQP has sufficient staff, administration, governance and management which 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.

2014 SERVICES

OPEN ACCESS SERVICES

Merchant's Quay Project provides a range of services which can be accessed by drug users simply by walking in from the street. For this reason we are often the first place to which drug users' turn for help. Services include:

Needle Exchange – Health Promotion Unit

This service provides drug users with information about the risks associated with drug use and the means to minimise such risks. We also offer drug users a pathway into treatment and the possibility of living life without drugs. In our needle exchange and health promotion service our main focus is on HIV and hepatitis prevention, promoting safer injecting techniques and safer sex and on providing information on overdose and other risks. We also offer early referral to drug treatment services.

In 2014 there were 26,400 visits to Drug Services and 24,266 needle exchanges, a 5% increase from 2013. 3,179 individuals used the service of which 527 were new clients.

As part of our health promotion remit, a total of 1,786 safer injecting workshops were undertaken with injecting drug users in 2014, an increase of 2% compared to 2013.

Crisis Contact Service

Many of the drug users who come to us are in crisis. Some have become homeless; others have financial problems or are in trouble with the law. Relationship or family breakdown is an issue for many people. We offer drug users practical help in getting through such difficulties – by providing counselling, advice and information, through referral to other relevant services or by providing support to people facing court action and working with people in prison.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

Intensive Engagement Service

This new service started in June 2014 which from the hours of 10:00am to 1:00pm there is intensive engagement with clients and actively supporting them in the resolution of their needs. From June to December 2014 the service engaged with 356 males and 95 females and their expressed needs in ranking order were; accommodation, social/welfare, medical, treatment/harm reduction, I.D. information, education/employment, legal/justice, social work/family issues and other (other includes support letters given, onward referrals, repatriation and form filling).

Outreach Service

Outreach aims to make contact with drug users not engaged with services and to make referrals to Merchant's Quay Ireland services as well as to other external agencies. The geographical area covered by the outreach service is predominantly around the Merchant's Quay area. In 2014 the Outreach team contacted vulnerable drug users on the street, collected used needles and syringes and also liaised with local community groups, the Gardaí, Dublin City Council and other drugs and homeless service providers. Outreach workers also liaised with a variety of other business, residents, individuals and services. We also engaged with tourists to make them aware of the risks in the area.

Clients were assisted with accommodation, clothing, food, showers and basic services. The service visited a number of clients in hospitals and nursing homes throughout the year. This involved working with medical staff and social workers to progress care plans. Our work involved locating clients who were not presenting to services. We also accompanied people to doctors, court and other case meetings. The service engaged with over 1,000 individuals throughout 2014, the majority of whom were homeless. In 2014 there were 413 interventions for anti-social behaviour, 310 community groups engaged with outreach and 5,576 items of drug Paraphernalia removed while on outreach.

Family Support Group

The Family Support Group meets regularly providing a forum where parents, and other close relatives and friends of drug users are offered support and advice on a range of issues. The participants provide support for each other and the group is continually open to new members. The Family Support Group is linked to the Family Support Network which offers an opportunity to raise issues at a national level.

Merchant's Quay Family Support Group in Dublin worked with 27 individuals on a weekly basis throughout 2014. The group meets up every Tuesday evening with an average attendance of 8 of the aforementioned individuals each week.

Work With Clients in Custody

Merchant's Quay Ireland endeavours to continue working with service users within the prison system. We offer support, advice and counselling with a particular focus on accessing appropriate post-release options. This process entails a close working arrangement with the Probation and Welfare Service and with members of the legal profession.

PROGRESSION PATHWAYS PROGRAMMES

These services offer the first steps away from crisis drug use and towards stability. They are aimed at people who are currently using street drugs, or those recently engaged in treatment and seeking more stability and structure in their lives. Services include:

Methadone Prescribing Treatment & Support Services

Methadone substitution therapy helps people to break their links with illegal and high-risk drug use. There were 20 service users on this programme in 2014.

Into Education & Employment

As part of our stabilisation services, Into Education and Employment offers therapeutic groups, life skills training, personal development work and pre-employment training to help drug users reintegrate into society. Links with the City of Dublin VEC allow us to include a strong educational component for this programme, which is of considerable importance in addressing the educational disadvantage experienced by so many of our service users. The Merchant's Quay Pathways Stabilisation programme had 46 participants during 2014 with most participants in the 25 – 39 age group. On average 14 participants attended per month

Gateway Programme

The Gateway Programme offers a bridge between crisis services and stabilisation services. This Programme provides one to one support linked to a range of leisure and learning opportunities. The aim is to encourage service users to examine alternatives to drug use. One of the main features of this programme is weekly acupuncture within the Open Access Service which was accessed on 179 occasions during the year and by 39 individuals. The weekly music programme at the Riverbank centre has provided another mechanism for engaging service users.

Merchant's Quay Equality For Women Programme

With Support from the Pobal Equality for Women initiative, Merchant's Quay was able to develop a range of low threshold training opportunities for women as well as a range of other supports (e.g. computer training and hairdressing skills) aimed at assisting marginalised women with a history of drug use to move towards further training employment. Training inputs provided included information and communications technology, literacy, personal development, personal grooming and presentation, hair care and holistic therapies.

In 2014, a total of 331 women participated in this programme, with a total of 608 visits. The project functions for the women, when addiction, poverty or mental health is playing a significant role in their lives, by providing them with structure. One of the main achievements of the project has been to carve out a specific niche for women attending our service.

PRIMARY HEALTH CARE SERVICES

Merchant's Quay is working in partnership with the 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 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 they have lost contact with. Referrals to tertiary services such as A & E and other hospital services and advocacy form a large part of the nursing role. The citywide Safetynet Primary Health Care Service, of which the Merchant's Quay 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).

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

GP 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).

Mental health Services

This new service commenced in 2014 with the recruitment of a Psychiatric nurse. During 2014 the psychiatric nurse has worked with 195 clients (144 male and 51 female), the majority of clients are in the age group 30 – 40 years old.

EXTENDED DAY SERVICE

This service was established in 2013 to meet the evening time needs of homeless people and rough sleepers in partnership with Focus Ireland. During the year between 80 – 140 people used the service each night. During 2014 there were 16,357 visits recorded, with an average of 1,363 visits a month. 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.

AFTERCARE SERVICES

Drug-Free Day Programme

Our Drug-Free Day Programme based in Dolphins Barn, Dublin, is part of Merchant's Quay Aftercare Services and is targeted at clients exiting our residential rehab services at High Park and St Francis Farm. The programme is 6-months in duration and provides 1-1 care planning, support groups and education sessions aimed at assisting clients reintegrate into society. Demand for the service was high during 2014 with 19 clients admitted to the service. Of the 20 clients who left the service during 2014, 55% of them completed the programme.

Weekly Aftercare Support Group

The Weekly Aftercare Support Group is also targeted at clients exiting our residential rehab services at High Park and St Francis Farm. Demand for the service was exceptionally high and consistent through 2014, with 22 clients admitted to the service. Of the 27 clients who left the service during the year 52% of them completed the programme. Given the increasing demand for access to the Aftercare Support Group, during 2014 Merchant's Quay Ireland plans to increase the level of the service from one to two group sessions per week.

Transitional Housing Service – Ballymount and Leixlip

Finding accommodation for the large proportion of clients leaving our residential services who are effectively homeless has been an increasing challenge in recent years. Merchant's Quay operates two short-term transitional housing services. One is located in Ballymount, Dublin, developed with the support of one of the organisation's donors. The other in Leixlip, Co Kildare, has been developed in partnership with Respond Housing Association. Both services provide a combined capacity of 9 accommodation units.

Demand for the Ballymount and Leixlip Transitional Housing services was exceptionally high during 2014, with 19 clients admitted during the year. Of the 18 clients who left the service during 2014, 67% of them completed the programme. Occupancy of the 9 units was 84% during this period.

Training & Work Programmes DSP – Community Employment

Merchant's Quay works in partnership with the Department of Social Protection ("DSP") to provide hands on training for prospective drugs workers, clients and post treatment service users. Training and work programmes are carried out through a number of Community Employment ("CE") projects based in our services. CE projects provide participants with skills that enable them to access permanent employment. In many cases our CE projects have often provided service users with their first experience of paid employment. In 2014 a total of 52 persons participated in CE programmes at Merchant's Quay Ireland. From March 23rd 2014 this project was transferred to a separate company (Merchant's Quay Project CE Scheme Ltd).

MIDLANDS SERVICES

With support and funding from the Midlands Regional Drugs Task Force ("MRDTF") and the Health Services Executive ("HSE"), Merchant's Quay Ireland provides much needed services in the four Midlands counties of Laois, Longford, Offaly and Westmeath. The Merchant Quay Family Support and Community Harm Reduction Team was established in late 2008 and provides dedicated outreach services for individuals actively using drugs. Family Support Services focused on the needs of the families of active drug users.

Athlone Open Door Centre

Since 2011 Merchant's Quay has undertaken responsibility for the Athlone Open Door Centre previously operated by Westmeath Community Development. It provides a range of services for drug users in Athlone including a Drop-in Centre offering hospitality and crisis support, vocational training initiatives and support towards rehabilitation and reintegration. These services offer progression pathways for clients and are operated in partnership with the DSP, HSE, VEC, GP's and other inter-agency partners.

As part of the harm reduction and rehabilitation process the Open Door team have been working closely with a group of 144 individuals many of whom attended on a regular basis throughout 2014. This group make use of the facilities within the centre such as; food, training, computers, washing and laundry as well as the one to one counselling sessions with the project workers. The Open Door team develop therapeutic relationships with clients through a focused non-judgemental approach to their work. During 2013, there were 2,835 visits to the project. Interventions included providing 2,315 meals, 172 showers, 195 laundry services and 2,741 advice and support sessions.

Midlands Family Support Services

This involves the provision of services and interventions that support families in coping with addiction related issues. Such services often concern counselling, guidance and advice. Under the National Drugs Strategy, family support is seen as increasingly important in the areas of drug treatment and prevention.

The Family Support Service assists families to:

- deal with the trauma associated with discovering their loved one is involved in drug use
- work with vulnerable families in the area of drugs prevention
- act as a reliable source of information and advice on drug use and related issues
- deal with the reaction of neighbours and others
- overcome self-blaming responses
- create positive coping strategies that will help parent and the drug user make positive decisions
- build their capacity to respond
- set rules of behaviour for those living in their house
- challenge views that they caused the problem, can control it, or can cure it.

We also provide one to one support by appointment for parents and other close relatives seeking advice and support. We work to proactively link people with other support or treatment services that may be relevant to their needs. The main goal of family support is to work with the families of active drug users and to act as a reliable source of support, information and advice on drug use and related issues. In 2014 the family support project supported 143 individuals, provided 302 support phone calls and facilitated 212 family support groups and 994 one to one sessions.

Midlands Community Harm Reduction Services

We are aware that most local people and organisations are very concerned about the level of public and community harm associated with drug use in their communities as well as the risks that drug users may expose themselves to. They are also very worried about the risks that drug users may expose themselves to.

The aims of this service are to:

- Act as a resource for community groups, in the target areas, in their efforts to minimise the impact of problem drug use on their communities.
- Reduce the level of individual and community harm experienced in local communities as a result of drug use in the target areas.
- Reduce the associated level of public health risk experienced in the designated areas.
- Provide harm reduction and crisis support services to local drug users in places and at times where such services are unavailable.
- Ensure that problems associated with drug use are minimised.
- Promote a partnership model between Residents Associations, Estate Management Committees, Community Policing Services and Midlands Outreach Service in tackling the drugs issue at local level.

Sadly, overdose is a daily reality for many of our service users. Nationally, 365 people lost their lives in 2011 (Heath Research Board, 2014) due to drug or alcohol poisoning. In the Midlands Region, our harm reduction service worked with 255 clients during 2014, providing 2,603 harm reduction interventions. The service facilitated an average of 217 needle exchanges each month and operated in close partnership with the pharmacy needle exchange scheme.

The harm reduction outreach team are focused on on-going support for clients. The workers are outcome focused through the use of motivational interviewing, Cognitive Behaviour Therapy ("CBT") and care planning. Merchant's Quay works on supporting clients in the 'pre-entry' phase before admission to residential rehab and detox. Twenty-four outreach clients entered residential treatment during the course of 2013. Merchant's Quay is also focused on supporting clients in meeting the entry criteria for the Community Detox. Having both the residential and Community Detox options maximises the choice available to clients.

The team adopts an inter-agency case management approach to working with all agencies (Probation, HSE, Homeless Action Teams and voluntary providers) in the area in order to maximise multi-disciplinary support available for clients.

Midlands Rehabilitation & Aftercare Service

Merchant's Quay Ireland, with the support of the Midlands Regional Drugs Task Force ("MRDTF") and the HSE established a Rehabilitation and Aftercare Service in September 2010, targeting clients from the region including those exiting drug treatment or exiting prison. This involves assisting clients in the process of regaining their capacity for daily life free from the impact of problem drug use and enabling their re integration into their community.

The role of our Rehabilitation and Aftercare Worker service is to provide case management for clients with a view to ensuring that all have their needs assessed, and have the opportunity to participate in developing a care plan offering a pathway towards rehabilitation. The service also provides psychosocial support for persons leaving drug treatment or released from prison via one to one support and aftercare group work.

The service worked with 76 individuals in 2014. The team liaise closely with interagency partners in order to address underlying issues of addiction, accommodation, healthcare and abuse. Service users are both supported and challenged in terms of meeting their care plan goals and have a structure including both group support and one to one interventions where required in order to address issues. There were 422 one to one sessions and 99 groups facilitated in 2014.

NATIONAL PRISON BASED ADDICTION COUNSELLING SERVICE

In partnership with the Irish Prison Service, Merchant's Quay Ireland delivers a national prison based addiction counselling service. This service operates in 13 prisons throughout the country and provides structured assessments, one-to-one counselling, therapeutic group work and multidisciplinary care and release planning interventions with clearly defined treatment plans and goals.

The Merchant's Quay Ireland Addiction Service also co-ordinated and contributed to the delivery of a structured, multi-agency 8-week Drug Treatment Programme (DTP) in the Mountjoy Medical Unit. The programme assists prisoners to detox from methadone and benzodiazepines.

During August 2014 Merchants Quay Ireland successfully tendered for the contract to deliver the National Prison based Addiction Counselling Service for the next 3 years

Services offered include

- Brief interventions,
- Motivational Interviewing and Motivational Enhancement Therapy
- 12-step facilitation programme
- Relapse Prevention
- Cognitive Behavioural Therapy which also includes problem solving approaches and the development of alternative coping strategies in relation to anxiety, stress management and anger management.
- Harm Reduction Approaches
- Individual Care Planning and Release Planning

Referrals to Addiction Services

There were 3,267 prisoners referred to the Merchant Quay addiction services during 2014, a 7% increase in demand for access to addiction services since 2013.

Counselling Sessions

During 2014 there were 11,225 counselling sessions delivered to prisoners by the Merchant's Quay Ireland prison based Addiction Counselling service.

Group Work Attendance

Group work figures refer to the number of attendances at therapeutic and psycho-educational group sessions facilitated by the addiction counsellors. During 2014 there were 4,273 attendances at group-work sessions.

DRUG FREE TREATMENT & REHABILITATION SERVICES

Our Drug Free Treatment Services aim to provide easily accessible treatment for drug users who wish to become drug free. Service users can self-refer or may be referred from a wide variety of agencies across the country.

High Park Residential Programme

This is a 17 week fully residential programme designed to help participants to become and remain drug free. The programme is a low threshold programme that seeks to attract service users who might not otherwise engage in drug free treatment such as homeless drug users and female drug users. The emphasis is on assisting service users to gain insight into the issues which underpin their drug use and developing realistic measures to prevent relapse.

High Park Residential Programme (Continued)

The High Park programme offers individual care plans, one-to-one counselling, group therapy, psycho-educational groups, fitness-gym activities, outdoor pursuits and recreational activities and where necessary in-house detoxification in partnership with community GPs.

In 2014 there were 297 clients referred to the High Park service, a 6% increase compared to the number of referrals received in 2013. Of the referrals 44 clients (32 men and 12 women) were admitted to the High Park programme during the year which has the capacity for 30 full residential programmes a year. During 2014 58% of clients were homeless on admission.

St. Francis Farm Residential Rehabilitation Programme

This is a therapeutic facility with a 14 weeks rehabilitation programme set on a working farm. The service has a 13 bed capacity. At St. Francis Farm we provide a safe drug free environment where service users can adjust to life without drugs and make positive choices about their future. We also afford service users the opportunity to explore the reasons for their drug use and to learn more effective coping mechanisms.

The programme covers areas of relapse prevention, one to one counselling care planning, group therapy, self-esteem seminars, assertiveness training, anger management and farm work training. Service users also receive training in Emergency First Aid and in life skills and budgeting. What makes St. Francis Farm unique is the fact that our programme is situated in a working farm environment. Service users gain work experience in animal care, vegetable production, and in general farming. The food produced at the farm is used to supply the kitchens in our various centres, feeding up to three hundred people every day.

There were 359 clients referred to the St. Francis Farm Residential Rehabilitation service during 2014, a 14% increase compared to 2013 referral levels. Of these referrals 46 individuals were admitted to the service during the year which has the capacity for 45 full rehabilitation programmes a year. Of those admitted 30 were men and 16 were women. In addition, 63% of clients were homeless at admission.

St. Francis Farm Residential Detox

The Merchant's Quay Ireland new 10-bed capacity national residential detoxification service at St Francis Farm delivers 3 detoxification types, namely methadone detox, combined methadone & benzodiazepine detox and benzodiazepine detox. The programme at the unit includes individual care planning, therapeutic group work, psycho-educational workshops, fitness-gym and farm work activities.

During 2014, the service's third full year of operation, St. Francis Farm Residential Detox received 298 referrals, a 27% increase in the previous year's referral levels. Of these referrals 64 individuals were admitted for detox during the year, the service has the capacity for approximately 80 full rehabilitation programmes a year. Of those admitted 50 were men and 14 were women. Admissions originated from 19 counties, with just 44% coming from the HSE South and South East region.

THE FUTURE

We are currently experiencing a severe housing crisis, particularly in the greater Dublin area where we have approximately 1,600 people living in various types of emergency accommodation including hostels and basic bed and breakfast provision and up to 140 people sleeping rough on the streets every night. It is the people at the margins of society that feel the impact of this crisis most deeply and clients at Merchants Quay are severely affected. Access to secure housing is a major stumbling block on the road to recovery for so many clients who have successfully completed our residential detoxification and rehabilitation programmes and with no access to accommodation find themselves back again in emergency homeless hostels surrounded by the very environment that exacerbates the occurrence of relapse. Last year alone, nearly fifty per cent of people accessing our High Park Residential Service were homeless.

We currently have a small number of social housing units under our remit but unfortunately the demand for housing far outstrips what is currently available. It is in this regard that our focus for 2014 will be on developing our aftercare and social housing support services. Through our engagement with the four Dublin Local Authorities and our colleagues in the Voluntary Approved Housing Bodies we will seek to maximise access to secure accommodation for clients completing residential drug treatment. Our Aftercare and Social Housing service will seek to develop a range of initiatives including providing additional supports for agencies offering tenancies for this client group, partnering with other social housing providers and increasing the number of units directly under our remit.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

GOVERNANCE AND MANAGEMENT

DIRECTORS/TRUSTEES AND SECRETARY

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 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.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

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.

Transition to SORP

In order to provide information relevant to understanding the performance and financial position of the Charity, in 2014 Merchants Quay Project Limited has prepared its financial statements in accordance with the formats provided for in the Accounting and Reporting for Charities: Statement of Recommended Practice (SORP) and has restated its comparative prior year amounts for SORP adoption.

Changes for SORP adoption

Monies received in prior years in respect of which the related expenditure had not been incurred was not recognised in the financial statements as income but included as deferred income in the balance sheet. Under the requirements of the SORP, such monies are now recognised as incoming resources in the period in which the charity becomes entitled to these amounts and where the fulfilment of conditions attached to such monies are within the control of the charity.

Comparatives 2013	As previously Reported under Irish GAAP €	Transition to SORP €	As Restated under SORP €
Income	6,097,322	122,149	6,219,471
Creditors-Deferred income	828,298	287,167	541,131
Total Funds	531,282	338,890	870,172

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

GOVERNANCE AND MANAGEMENT (CONTINUED)

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 has adopted the standards contained within Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland ("the Code") and is currently on the journey to being fully compliant. This involves a thorough review and assessment of policies procedures and governance structures at Merchant Quay Project.

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

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

RESERVES POLICY

Reserves of the Company are required to meet the on-going working capital requirements of the Company. The Directors of MQP 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 Company's 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 held by the Company should be 6 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

At the date of signing the Company has not been notified of any significant reductions in income that would impact on the service the Company provides however, should there be any reductions in 2015 it may necessitate 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, Merchant's Quay, Dublin 8.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

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.

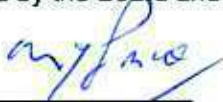
Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Accounting Standards issued by the Financial Reporting Council, and promulgated by the Institute of Chartered 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 income and expenditure 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:

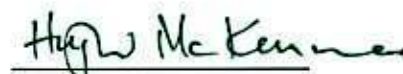
- select suitable accounting policies for the Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, identify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

3.9.2015

Date

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCHANT'S QUAY PROJECT LIMITED

We have audited the financial statements of Merchant's Quay Project 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 18. 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 Directors' Report 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MERCHANT'S QUAY PROJECT LIMITED**

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.

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.

A handwritten signature in black ink, appearing to read "T. M. Cassin".

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

3 September 2015

MERCHANT'S QUAY PROJECT 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 €	Total Funds 2013 €
Incoming Resources						
Income Resources from						
Charitable Activities	2	-	-	3,498,382	3,498,382	4,164,460
Donations		-	2,418,565	60,618	2,479,183	1,662,213
Other Incoming Resources	3	-	331,788	-	331,788	392,798
Total Incoming Resources		-	2,750,353	3,559,000	6,309,353	6,219,471
Resources Expended						
Charitable Activities	4	-	947,414	3,562,260	4,509,674	4,787,181
Fundraising Expenses and other costs		-	564,010	-	564,010	569,283
Governance Costs		-	19,876	967	20,843	15,082
Total Resources Expended		-	1,531,300	3,563,227	5,094,527	5,371,546
Net income/(Expenditure) for the financial year		-	1,219,053	(4,227)	1,214,826	847,925
Taxation	15	-	-	-	-	-
Net income/(Expenditure) after taxation for the financial year		-	1,219,053	(4,227)	1,214,826	847,925
Actuarial (Loss)/Gain in respect of the Pension scheme	13	-	(33,111)	-	(33,111)	81,716
Transfer of funds		1,001,278	(1,001,278)	-	-	-
Total Funds as at 1 January 2014		531,282	6,761	332,129	870,172	(59,469)
Total Funds as at 31 December 2014	14	1,532,560	191,425	327,902	2,051,887	870,172

All activities relate to continuing operations.

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

MERCHANT'S QUAY PROJECT LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014 €	2013 €
Fixed assets			
Tangible assets	6	70,240	74,433
Current assets			
Debtors	7	470,607	751,227
Cash at bank and in hand		2,751,805	1,308,718
		<u>3,222,412</u>	<u>2,059,945</u>
Creditors: Amounts falling due within one year	8	(1,147,822)	(1,170,148)
Net current assets		<u>2,074,590</u>	<u>889,797</u>
NET ASSETS EXCLUDING PENSION LIABILITY		2,144,830	964,230
Net pension liability	13	(92,943)	(94,058)
NET ASSETS INCLUDING PENSION LIABILITY		<u>2,051,887</u>	<u>870,172</u>
Charity Funds:			
Restricted Funds	14	327,902	332,129
Unrestricted Fund	14	191,425	6,761
Designated Funds	14	1,532,560	531,282
		<u>2,051,887</u>	<u>870,172</u>

The financial statements were approved and authorised for issue by the Board of Directors on 31.12.14 and signed on its behalf by:

Mick Price
Director


Hugh McKenna
Director

MERCHANT'S QUAY PROJECT LIMITED

**CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	<i>Notes</i>	2014 €	2013 €
Cash inflow from operating activities	9	1,465,057	761,491
Capital expenditure and financial investment		(21,970)	(974)
Increase in cash	11	<u>1,443,087</u>	<u>760,517</u>

MERCHANT'S QUAY PROJECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

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

Basis of Preparation of Accounts

(i) Format of financial statements

Merchants Quay Project 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 Merchants Quay Project 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 Merchants Quay Project Limited.

In order to provide information relevant to understanding the stewardship of the directors and the performance and financial position of the Charity, Merchants Quay Project 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.

This is the first year in which the financial statements have been prepared under Charities SORP.

MERCHANT'S QUAY PROJECT LIMITED

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

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.

Category	Basis	Rate per annum
Improvements to premises	Straight line	2% - 20%
Equipment	Straight line	15%
Furniture and fittings	Straight line	12.5%
Motor vehicles	Straight line	20%

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

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.

Investment Income is recognised on a receivable basis. Training Income is deferred over the term of the training course provided.

Expenditure

Expenditure is analysed between charitable activities, costs of generating voluntary income, and governance costs. Support costs are allocated to the activities of the company on a reasonable basis so that the total cost of activities can be disclosed in the Statement of Financial Activities.

Pensions

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

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

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

MERCHANT'S QUAY PROJECT LIMITED

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

1. ACCOUNTING POLICIES (CONTINUED)

Debtors

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

Leasing Commitments

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

Fund Accounting

The following funds are operated by the Charity

General Funds - unrestricted

General Funds represent amounts which are expendable at the discretion of the Board of Directors in furtherance of the objective of the charity which have not been designated for other purposes. Such funds may be held in order to finance working capital or capital expenditure.

Designated Funds

Designated funds are unrestricted funds earmarked by the Board of Directors for particular purposes.

Restricted Funds

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

Foreign Currencies

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

Taxation

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

MERCHANT'S QUAY PROJECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

2. INCOME	Unrestricted Funds 2014 €	Restricted Funds 2014 €	Total Funds 2014 €	Total Funds 2013 €
Drug treatment services	-	1,927,500	1,927,500	1,942,468
Counselling and support	-	1,396,522	1,396,522	1,471,372
Sub-Total for Continuing Activities	-	3,324,022	3,324,022	3,413,840
Community employment - Discontinued	-	174,360	174,360	750,620
Total Income	-	3,498,382	3,498,382	4,164,460
3. OTHER INCOMING RESOURCES	Unrestricted Funds 2014 €	Restricted Funds 2014 €	Total Funds 2014 €	Total Funds 2013 €
Diploma & certificate fees	148,897	-	148,897	164,029
Client contributions	141,914	-	141,914	143,893
Bank interest received	1,100	-	1,100	1,558
Sundry	39,877	-	39,877	83,318
	331,788	-	331,788	392,798
4. EXPENDITURE BY CHARITABLE ACTIVITIES	Unrestricted Funds 2014 €	Restricted Funds 2014 €	Total Funds 2014 €	Total Funds 2013 €
Drug treatment services	497,986	2,110,245	2,608,231	2,087,522
Counselling and support	283,175	1,277,764	1,560,939	1,690,655
University diplomas & certificate	166,253	-	166,253	251,137
Sub-Total for Continuing Activities	947,414	3,388,009	4,335,423	4,029,314
Community employment - Discontinued	-	174,251	174,251	757,867
Total Expenditure	947,414	3,562,260	4,509,674	4,787,181

MERCHANT'S QUAY PROJECT LIMITED

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

5. EMPLOYEES

**2014
Number**

**2013
Number**

Number of employees

The average numbers of employees (including the Directors) during the financial year were:

Administration and social workers

94

90

The number of employees whose emoluments (including allowances but excluding any employer pension contributions) that were greater than €70,000 is as follows:

**2014
Number**

**2013
Number**

€70,000 - €80,000

1

2

€80,001 - €90,000

2

2

€90,001+

1

1

4

5

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

**2014
€**

**2013
€**

Employment costs

Wages and salaries

2,633,395

2,614,399

Social welfare costs

279,573

160,767

Defined benefit pension costs

23,512

22,883

Defined contribution pension costs

53,792

60,765

Death in service costs

32,873

26,955

Redundancy costs

31,727

63,734

3,054,872

2,949,503

It should be noted that a portion of the salaries that arise within Merchant's Quay Project Ltd that are attributable to the work of Franciscan Social Justice Initiatives Limited are transferred over to this Company and excluded from the above.

MERCHANT'S QUAY PROJECT LIMITED

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

6. TANGIBLE ASSETS

	Improvements to premises €	Equipment €	Furniture and fittings €	Motor vehicles €	Total €
Cost					
At 31 December 2013	330,095	398,749	269,181	68,767	1,066,792
Additions	-	20,575	1,395	-	21,970
Disposal	-	(147,642)	-	-	(147,642)
At 31 December 2014	330,095	271,682	270,576	68,767	941,120
Depreciation					
At 31 December 2013	330,095	386,093	238,290	37,881	992,359
Charge for the financial year	-	6,489	8,014	11,660	26,163
Disposal	-	(147,642)	-	-	(147,642)
At 31 December 2014	330,095	244,940	246,304	49,541	870,880
Net book values					
At 31 December 2014	-	26,742	24,272	19,226	70,240
At 31 December 2013	-	12,656	30,891	30,886	74,433

In respect of prior financial year:

	Improvements to premises €	Equipment €	Furniture and Fittings €	Motor vehicles €	Total €
Cost					
At 31 December 2012	330,095	397,325	269,631	68,767	1,065,818
Additions	-	1,424	(450)	-	974
At 31 December 2013	330,095	398,749	269,181	68,767	1,066,792
Depreciation					
At 31 December 2012	330,095	377,120	228,548	24,946	960,709
Charge for the year	-	8,973	9,742	12,935	31,650
At 31 December 2013	330,095	386,093	238,290	37,881	992,359
Net book values					
At 31 December 2013	-	12,656	30,891	30,886	74,433
At 31 December 2012	-	20,205	41,083	43,821	105,109

MERCHANT'S QUAY PROJECT LIMITED

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

7. DEBTORS	2014 €	2013 €
Amounts falling due within one year:		
DSP debtors	65,251	53,745
Other debtors	195,075	94,430
Prepayments	135,986	130,701
Merchant Quay Project CE Ltd (Note 12)	51,650	-
	<u>447,962</u>	<u>278,876</u>
Amounts falling due after more than one year:		
Franciscan Social Justice Initiative (Note 12)	22,645	472,351
	<u>470,607</u>	<u>751,227</u>
8. CREDITORS:		
Amounts falling due within one year	2014 €	2013 €
Other creditors	2,048	3,473
Trade creditors	138,262	120,132
Taxation and social insurance	94,144	6,898
Accrued expenses	564,923	498,514
Deferred Income	348,445	541,131
	<u>1,147,822</u>	<u>1,170,148</u>

MERCHANT'S QUAY PROJECT LIMITED

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

9. CASH INFLOW FROM OPERATING ACTIVITIES	2014 €	2013 €
Operating surplus	1,214,826	847,925
Depreciation	26,163	31,650
Decrease in debtors	280,620	201,817
Decrease in creditors	(22,326)	(303,785)
Pension Movement	(34,226)	(16,116)
Cash inflow from operating activities	<u>1,465,057</u>	<u>761,491</u>

10. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2014 €	2013 €
Increase in cash in the financial year	1,443,087	760,518
Net funds at beginning of financial year	1,308,718	548,200
Net funds at 31 December 2014	<u>2,751,805</u>	<u>1,308,718</u>

11. 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	<u>1,308,718</u>	<u>1,443,087</u>	<u>2,751,805</u>

12. RELATED PARTY TRANSACTIONS

The Directors of the Company are also Directors of Franciscan Social Justice Initiative Limited (FSJI) and St Francis Housing Association (SFHA). The Members on behalf of the Order of The Friars Minor have effective control over both companies.

The balance owing from the FSJI at 31 December 2014 was € 22,645 (2013: €472,351). The balance owing from the MQPCE at 31 December 2014 was €51,650 (2013: €nil).

The transactions during the financial year were as follows:

	2014 €
Repayments to MQP by FSJI	475,192
Repayments to MQP by SFHA	-
Expenses paid by MQP on behalf of FSJI	25,486
Amounts due from SFHA written off in the financial year	-

13. PENSIONS

The pension entitlements of eligible employees arise under a defined contribution and a defined benefit scheme. The pension entitlements under the defined benefit scheme are based on final pensionable pay and are secured by contributions by the Company to a separately administered group pension fund operated by the Order of Friars Minor in Ireland. The scheme's actuary has split the assets and liabilities of the scheme between the various participating entities, for the financial year ended 31 December 2014. It is on this basis that the pension liability has been recognised in the financial statements of Merchant's Quay Project Limited.

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

The most recent valuation was at 31 December 2014 and is available for inspection by the scheme members but not for public inspection.

The Company also operates a defined contribution scheme to provide benefits for new employees. Contributions made to the defined contribution scheme during the financial year amounted to €53,792. (2013: €60,765). The contributions in relation to the two schemes payable at the financial year-end was €56 (2013: €Nil).

Financial Reporting Standard 17 'Retirement Benefits' disclosures

The actuarial valuation as at 31 December 2014 was prepared for Financial Reporting Standard 17 disclosure purposes by a qualified independent actuary, using the projected unit method. The main financial assumptions used in the valuation were:

Basis of expected rate of return on scheme assets

The overall expected return on assets was derived as follows:

- Bonds: The return available on the ML > 5 year Euro Government Bond Index at 31 December 2014 of 1.20%.
- Equities: The return available on the ML > 10 year Euro Government Bond Index at 31 December 2014 plus an equity risk premium of 4.80%.
- Property: The return available on the ML > 10 year Euro Government Bond Index at 31 December 2014 plus a property risk premium of 4.30%.
- Other: The ECB interest rate, 0% at 31 December 2014.

The main financial assumptions used in the valuation of the scheme liabilities under FRS 17 are:

	2014 %	2013 %	2012 %
Rate of increase in salaries	3.40%	4.00%	4.00%
Rate of increase in pension payment	0.00%	0.00%	0.00%
Discount rate of scheme liabilities	2.20%	3.80%	4.00%
Inflation assumption	1.40%	2.00%	2.00%

MERCHANT'S QUAY PROJECT LIMITED

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

13. PENSIONS (CONTINUED)

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

	2014	2013	2012
Male	22.2	22.2	22.2
Female	23.8	23.8	23.8

Risks and rewards arising from the assets

At 31 December 2014 the scheme assets were invested in a diversified portfolio that consisted primarily of equities and bonds.

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

	Rates at 31-Dec 2014 %	At 31-Dec 2014 €	Rates at 31-Dec 2013 %	At 31-Dec 2013 €	Rates at 31-Dec 2012 %	At 31-Dec 2012 €
Equities	4.80%	-	6.50%	311,275	6.30%	259,966
Bonds	1.20%	-	2.80%	84,292	2.70%	132,941
Property	4.30%	-	6.00%	13,180	5.80%	22,636
Other	0.00%	560,269	0.00%	37,930	0.00%	37,580
Total market value of assets		<u>560,269</u>		<u>446,677</u>		<u>453,123</u>

The following amounts at 31 December 2014 were measured in accordance with the requirements of Financial Reporting Standard 17:

	2014 €	2013 €	2012 €
The amounts recognised in the balance sheet are as follows:			
Fair value of scheme assets	560,269	446,677	453,123
Present value of scheme liabilities	(653,212)	(540,735)	(645,011)
Pension deficit in the balance sheet	<u>(92,943)</u>	<u>(94,058)</u>	<u>(191,888)</u>
Net pension liability	<u>(92,943)</u>	<u>(94,058)</u>	<u>(191,888)</u>

MERCHANT'S QUAY PROJECT LIMITED

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

13. PENSIONS (CONTINUED)

Risks and rewards arising from the assets (Continued)

	2014 €	2013 €
The amounts recognised in the Statement of Financial Activities ("SOFA") are as follows:		
Interest cost	(20,995)	(20,136)
Expected return on scheme assets	24,796	21,238
Other finance costs	3,801	1,102
Current service cost – included in other operating costs	(23,512)	(22,883)
	<u>(19,711)</u>	<u>(21,781)</u>

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

Actual return less expected return on pension scheme assets	34,859	33,898
Experience gains and losses arising on the scheme liabilities	22,111	62,292
Changes in assumptions underlying the present value of the scheme liabilities	(90,081)	(14,474)
Actuarial gain/(loss) recognised in the statement of Financial Activities	<u>(33,111)</u>	<u>81,716</u>

The cumulative actuarial gain recognised in the statement of Financial Activities is €58,494. 2009 was the first year that the actuary was able to split the assets and liabilities of the scheme between the various participating entities.

The actual return on plan assets was:	2014 €	2013 €
Actual return on plan assets	59,655	55,136
	<hr/>	<hr/>
	Pension assets €	Pension liabilities €
		Pension deficit €
Movement in scheme assets and liabilities		
At 1 January 2014	446,677	(540,735)
Current service cost	-	(23,512)
Interest on scheme liabilities	-	(20,995)
Expected return on scheme assets	24,796	-
Actual less expected return on scheme assets	34,859	-
Experience gains on liabilities	-	22,111
Contributions by employer	53,937	-
Changes in assumptions	-	(90,081)
Benefit payments	-	-
At 31 December 2014	560,269	(653,212)
		(92,943)

MERCHANT'S QUAY PROJECT LIMITED

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

13. PENSIONS (CONTINUED)

	Pension assets €	Pension liabilities €	Pension deficit €
Movement in scheme assets and liabilities			
At 1 January 2013	453,123	(645,011)	(191,888)
Current service cost	-	(22,883)	(22,883)
Interest on scheme liabilities	-	(20,136)	(20,136)
Expected return on scheme assets	21,238	-	21,238
Actual less expected return on scheme assets	33,898	-	33,898
Experience gains on liabilities	-	62,292	62,292
Contributions by employer	37,895	-	37,895
Changes in assumptions	-	(14,474)	(14,474)
Benefit Payments	(99,477)	99,477	-
At 31 December 2013	446,677	(540,735)	(94,058)

The best estimate of employer contributions expected to be paid to the scheme in the next financial year is €37,500.

History of experience gains and losses for the financial year ended 31 December 2014

	2014	2013	2012	2011	2010
Present value of the defined benefit obligation (€'000)	(653)	(540)	(645)	(517)	(474)
Fair value of plan assets (€'000)	560	446	453	372	384
Pension deficit (€'000)	(93)	(94)	(192)	(145)	(90)
Difference between the expected and actual return on scheme assets (€'000)	35	34	23	(38)	10
Percentage of scheme assets	6.20%	7.60%	5.10%	(10.20%)	2.80%
Experience gains and losses on scheme liabilities (€'000)	22	(62)	15	(18)	(16)
Percentage of scheme liabilities	3.40%	(11.50%)	2.30%	(3.40%)	(3.40%)
Total recognised in statement of total recognised gains and losses (€'000)	(33)	82	(58)	(34)	-
Percentage of the present value of the scheme liabilities	(5.10%)	15.10%	9.00%	(6.60%)	0.00%

MERCHANT'S QUAY PROJECT LIMITED

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

14 (a). TRANSITION TO SORP

	Unrestricted fund €	Designated fund €	Restricted fund €	Total €
Balance as at 31 December 2013 as reported under Irish GAAP	-	531,282	-	531,282
Transition to SORP	6,791	-	332,129	338,890
	<u>6,761</u>	<u>531,282</u>	<u>332,129</u>	<u>870,172</u>
Balance at 31 December 2013 as restated under SORP	6,761	531,282	332,129	870,172
	<u>6,761</u>	<u>531,282</u>	<u>332,129</u>	<u>870,172</u>

In order to provide information relevant to understanding the performance and financial position of the Charity, in 2014 Merchants Quay Project Limited has prepared its financial statements in accordance with the formats provided for in the Charities SORP and has restated its comparative prior year amounts for SORP adoption.

Changes for SORP adoption

Monies received in prior years in respect of which the related expenditure had not been incurred was not recognised in the financial statements as income but included as deferred income in the balance sheet. Under the requirements of the SORP, such monies are now recognised as incoming resources in the period in which the charity becomes entitled to these amounts and where the fulfilment of conditions attached to such monies are within the control of the charity.

14 (b). RECONCILIATION OF MOVEMENTS IN FUNDS

	Unrestricted fund	Designated fund	Restricted fund	Total
Balance as at 1 January 2014	6,761	531,282	332,129	870,172
Net income	1,219,053	-	(4,227)	1,214,826
Other recognised loss	(33,111)	-	-	(33,111)
Transfer between unrestricted fund to designated fund	(1,001,278)	1,001,278	-	-
	<u>191,425</u>	<u>1,532,560</u>	<u>327,902</u>	<u>2,051,887</u>
Balance as at 31 December 2014	191,425	1,532,560	327,902	2,051,887
	<u>191,425</u>	<u>1,532,560</u>	<u>327,902</u>	<u>2,051,887</u>

The designated fund comprises of amounts set aside by the Board of Directors to establish minimum reserves equivalent to at least 6 months operating expenses in accordance with the reserves policy. The 2013 figures and opening balances have been restated as comparatives in accordance with the format provided for in the Charities SORP.

In 2014 Merchants Quay Project Limited 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). In order to do this the 2013 figures needed to be restated as comparatives in accordance with the format provided for in the Charities SORP.

MERCHANT'S QUAY PROJECT LIMITED

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

15. TAXATION

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

16. ULTIMATE CONTROLLING PARTY

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

17. COMMITMENTS

2014
€

2013
€

Annual commitments exist under non-cancellable operating leases as follows:

Land and buildings:

Within one year

High Park

9,600

9,600

In two to five years

24 Merchants Court

36,977

36,977

More than five years

9 O Connell Street, Athlone, Co Westmeath

Riverbank

9,600

9,600

100,000

100,000

156,177

156,177

It should be noted that a portion of the rent that arises within Merchant's Quay Project Ltd that is attributable to the locations operated partly by Franciscan Social Justice Initiatives Limited is transferred over to this Company but is included in the above as the lease commitment in Merchant's Quay Project Ltd.

18. COMPARATIVE AMOUNTS

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