

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

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

MERCHANT'S QUAY PROJECT LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS/TRUSTEES:

Mr Mick Price (Chair)
Rev Joseph MacMahon OFM
Rev Hugh McKenna OFM
Rev Kieran Cronin OFM
Br Niall O'Connell OFM
Br Patrick Lynch OFM
Mr Brian Melaugh
Dr Joanne Fenton
Mr Marcus Keane (appointed 26/02/2014)

MEMBERS:

Rev Hugh McKenna OFM
Rev Kieran Cronin OFM
Rev Joseph MacMahon OFM
Br Pat Lynch OFM
Rev Patrick Younge OFM
Rev Joseph Condren OFM
Rev Eugene Barrett OFM

SECRETARY:

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

BOARD SUB-COMMITTEES:

Finance & Audit Sub Committee

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

Change & Innovation Sub Committee

Mr Mick Price (Chair)
Mr Brian Melaugh
Mr Mark Kennedy
Ms Paula Byrne
Mr Tony Geoghegan

Client Services Sub Committee

Mr Mick Price (Chair)
Mr Brian Melaugh
Mr Mark Kennedy
Mr Richard Cunningham
Mr Tony Geoghegan
Dr Joanne Fenton
Rev Joseph MacMahon OFM

EXECUTIVE LEADERSHIP TEAM:

CEO

Head of Communication and advocacy

Head of Human Resources

Head of Day Services

Head of Residential Services

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

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

BANKERS: AIB
7/12 Dame Street
Dublin 2

AUDITORS: Deloitte & Touche
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	13 IDA Centre Newmarket Square 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 herewith the audited financial statements for the year ended 31 December 2013.

STRUCTURE

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 Company is governed by its memorandum and articles.

Merchant's Quay Ireland is the banner name under which the charitable companies operate carrying out activities for social justice for homeless persons and drug users on a nationwide basis.

- Merchant's Quay Project Limited
- Franciscan Social Justice Initiative Limited
- St. Francis Housing Association Limited
- 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.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

VISION, VALUES & MISSION

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

VISION

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

VALUES

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

MISSION

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

STRATEGY

In 2013 the Strategic Plan for the period 2013-2016 was produced, following consultation with and taking account of the views of all of our stakeholders. The following were identified as our core objectives:

- 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 YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 2013

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

2013 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 2013 is €6m being an increase of 9% on income from 2012 (€5.5m). This increase is largely due to the continued generosity of our donors supporting our vision. In 2013 State income decreased by 3%.

Total expenditure for the year was €5.4m down on 2012 (€5.6m). This is due to a number of measures the Company has taken over the year around cost containment to ensure the continuance of our much needed core services.

While the costs of generating voluntary income increased in 2013, MQP were impressed with the kindness of our loyal donors. The donor care team continues to explore new and innovative means of generating donations ensuring that MQP have the means to continue to deliver its core objectives. In 2013 Merchant's Quay Ireland grew its voluntary income by 51%. For every €1 spent on fundraising MQI raised just under €4.

In 2013 83% 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. Allocating sufficient expenditure to staff, administration and management is essential to ensure that all resources, including donations, are used to greatest effect for public benefit and that the highest standards are maintained at all times.

2013 SERVICES

OPEN ACCESS SERVICES

These services 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 2013 there were 25,190 visits to Drug Services and 22,898 needle exchanges, a 10% increase from 2012. 3,260 individuals used the service of which 614 were new clients.

As part of our health promotion remit, a total of 1,748 safer injecting workshops were undertaken with injecting drug users in 2013, an increase of 31% compared to 2012.

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)

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 was predominantly around the Merchant's Quay area. In 2013 the Outreach team contacted vulnerable drug users on the street, collected used needles and syringes and also liaised with local community groups, the Gardai, 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 2013, the majority of whom were homeless.

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 35 individuals on a weekly basis throughout 2013. The group meets up every Tuesday evening with an average attendance of 11 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 2013.

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 43 participants during 2013 with most participants in the 25 – 39 age group. During 2013 demand for the service increased due to its relocation within the Open Access crisis day service.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

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 182 occasions during the year. 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 2013, a total of 165 women participated in this programme, with a total of 556 visits. The project functions for the women at a time in their lives 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 4,467 health care interventions during the year, an increase of 35% compared to 2012.

Nursing

In 2013 there were a total of 1,645 nursing interventions, or 137 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 788 counselling sessions in 2013 (an increase of 7% compared to 2012).

GP Service

Our GP service dealt with 1,487 consultations or 124 per month (an increase of 78% compared to 2012). The service is used by clients with a variety of acute and chronic illnesses. In 2013, 785 unique clients used the GP service (an increase of 63% compared to 2012).

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

EXTENDED DAY SERVICE

This service was established in 2012 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. An estimated 17,000 visits were recorded in 2013. 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. From June 2013 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 Newmarket Square, 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 2013 with 18 clients admitted to the service. Of the 15 clients who left the service during 2013, an impressive 83% 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 2013, with 23 clients admitted to the service. Of the 19 clients who left the service during the year an impressive 74% 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 capacity of 9 accommodation units.

Demand for the Ballymount and Leixlip Transitional Housing services was exceptionally high during 2013, with 19 clients admitted during the year. There was 100% completion levels at the service for the 18 clients who left the service. Occupancy of the 9 units was just under 90% 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 2013 a total of 81 persons participated in CE programmes at Merchant's Quay Ireland, of whom 28 completed their CE placement, 12 secured permanent employment and 1 moved to another project. In addition 15 completed a Merchant's Quay residential or community based drugs intervention programme as part of their CE project.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

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 148 individuals (113 male and 35 female) many of whom attended on a regular basis throughout 2013. 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 3,264 visits to the project. Interventions included providing 2,796 meals, 293 showers, 220 laundry services, 125 cookery classes, 18 woodwork classes (in partnership with the VEC) and 3,245 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 2013 the family support project supported 114 individuals, provided 771 support phone calls and facilitated 230 family support groups and 762 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.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

Midlands Community Harm Reduction Services (Continued)

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 263 clients during 2013, providing 2,975 harm reduction interventions. The service facilitated an average of 257 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 41 individuals in 2013. 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 555 one to one sessions and 58 groups facilitated in 2013.

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.

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 3,065 prisoners referred to the Merchant Quay addiction services during 2013, a 10% increase in demand for access to addiction services since 2012.

Counselling Sessions

During 2013 there were 11,452 counselling sessions delivered to prisoners by the Merchant's Quay Ireland prison based Addiction Counselling service, an 11% increase compared to the 10,293 sessions delivered during 2012.

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 2013 there were 4,646 attendances at group-work sessions, a significant 65% increase in the 2,820 group-work attendances delivered in 2012.

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.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

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 2013 there were 279 clients referred to the High Park service, an 11% increase compared to the number of referrals received in 2012. Of the referrals 42 clients admitted to the High Park programme during the year which has the capacity for 30 full residential programmes a year. Of the admissions 28 were men and 14 were women. Admissions originated from 11 counties, with 69% coming from the Dublin city and county. 52% of clients were homeless on admission.

Almost 20% of admissions during 2013 entered the programme through the service's methadone Assisted Community Detox and 100% of these clients completed their detox.

St. Francis Farm Residential Rehabilitation Programme

This is a therapeutic facility with a 14 weeks rehabilitation programme set on a working farm. 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 314 clients referred to the St. Francis Farm Residential Rehabilitation service during 2013, a 33% increase compared to 2012 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 31 were men and 15 were women. Admissions originated from 12 counties, with just over 40% coming from the HSE South and South East region. In addition, 67% 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 methadone and combined methadone / benzodiazepine detoxes. In addition, the service began to pilot a benzodiazepine only detox during 2013. The programme at the unit includes, individual care planning, therapeutic group work, psycho-educational workshops, fitness-gym and farm work activities.

During 2013, the service's second full year of operation, St. Francis Farm Residential Detox received 235 referrals, a 45% increase in the previous year's referral levels. Of these referrals 70 individuals were admitted for detox during the year, the service has the capacity for approximately 80 full rehabilitation programmes a year. Of those admitted 45 were men and 25 were women. Admissions originated from 18 counties, with just under 30% 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 AND BOARD

Directors are appointed by the Members of the Company. The Chairperson of the Board of Directors shall be appointed by the Members for a three year term and may be reappointed. 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. During 2013, Mr. Mick Price was appointed as Chair of the Board. The previous Chairperson Rev. Hugh McKenna OFM remained as a Director on the Board.

The composition of the Board shall be not more than ten persons and not less than five. The quorum for meetings is four. All Directors are chosen on the basis of their willingness to serve, ability, governance, experience, and support of the ethos, mission and philosophy of the Company. In line with this policy the Board enhanced its membership during 2013 with the appointment of Dr. Joanne Fenton and post year end appointed of Mr. Marcus Keane in February 2014. The Board is committed to ensuring it has the necessary mix of skills and expertise at all times and where necessary seeks professional advice.

The Board meets formally at least 6 times a year. During 2013 the Board met nine times.

During their term the Directors are required to undergo an induction programme to ensure that collectively they have the overview necessary for the proper governance of the organisation. Ongoing training is arranged when a need is identified. With the exception of necessarily incurred expenses Directors are not remunerated for their work on the Board nor can they be appointed to any salaried position of the Company. No expenses were paid to Directors during the year (2012: €Nil).

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

There are currently three sub-committees of the Board:

1. The Finance & Audit Committee is responsible for overseeing the effective financial and risk management of the Company including the raising, collection, investment, borrowing and outlay of all monies required to fund its activities, and to report and make recommendations to the Board thereon.
2. The Client Services Sub Committee is responsible for overseeing the services and operations of the Company. It is also responsible for assisting the Board in the planning and development of new services, the development and implementation of appropriate quality standards, compliance reporting to stakeholders and the clinical governance of the services such as supervision, good quality standards and best practice.
3. The Change & Innovation Sub Committee is responsible for considering the impact of any new proposals in line with the strategic plan, opportunities and considering the challenges which may arise in any change process.

The Board intend to establish a remuneration sub-committee in 2014 which will be responsible for reviewing any proposals regarding pay and pay structures and advising the Board in relation to same. They also intend to establish a governance sub-committee in line with best practice as governance, accountability and transparency remain a high priority for the Board.

MANAGEMENT

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

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

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT (CONTINUED)

RISK ASSESSMENT

The directors consider that the principal risk factors that could materially and adversely affect the Company's future operating 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.

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

COMMITMENT TO BEST PRACTICE IN CORPORATE GOVERNANCE

The Company is fully committed to achieving the standards contained within Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland ("the Code") and is currently on the journey to being fully compliant. This involves a thorough review and assessment of policies procedures and governance structures at Merchant Quay Project and with the intention that Merchant Quay Project will have confirmed its adoption of the principles by the 31st December 2014.

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.

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.

The current expenditure for 2013 was €1.3m and therefore the target figure for reserves is €647k in general funds. The Directors are aware that at present they are not in a position to fulfil this policy however it is a goal the Company is working towards.

MERCHANT'S QUAY PROJECT LIMITED

DIRECTORS' REPORT

TAXATION STATUS

The Company has been granted charitable tax status by the Revenue Commissioners.

EVENTS SINCE THE YEAR END

The Company has not been notified of any significant reductions in income that would impact on the service the Company provides. In 2014 however, any reductions would necessitate further cost containment measures.

BOOKS OF ACCOUNT

The Directors are responsible for ensuring that proper books of account, as outlined in Section 202 of the Companies Act, 1990, are kept by the Company. The Directors believe that they have complied with this requirement by employing accounting personnel with appropriate expertise and providing adequate resources to the finance function. The books and records of the Company are maintained at 24 Merchants Court, Merchant's Quay, Dublin 8.

AUDITORS

The auditors, Deloitte & Touche, who were appointed during the year, will continue in office accordance with Section 160 (2) of the Companies Act, 1963.

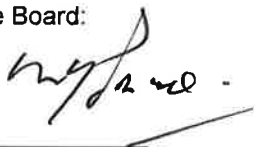
STATEMENT OF DIRECTORS RESPONSIBILITIES

Irish Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its income and expenditure of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors of the Company are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and that the accounts prepared comply with Irish statute comprising the Companies Acts, 1963 to 2013. They are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:



Director



Director

Date: 25 July 2014

INDEPENDENT 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 year ended 31 December 2013 which comprise the Statement of Accounting Policies, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements for the year ended 31 December 2013 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the Company as at 31 December 2013 and of the surplus for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

Matters on which we are required to report by the Companies Acts, 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the Company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' report is consistent with the financial statements.

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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 exception

We have nothing to report in respect of the provisions in the Companies Acts, 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.

T. M. Cassin

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

Date: *25 July 2014*

MERCHANT'S QUAY PROJECT LIMITED

STATEMENT OF ACCOUNTING POLICIES

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

BASIS OF PREPARATION OF ACCOUNTS

The accounts are prepared under the historical cost convention and in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council.

The financial statements are presented in euro.

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

Capital grants are treated as a deferred grant in creditors and amortised in line with depreciation on the related asset. Grants Income is recognised on a receivable basis in the Income and Expenditure Account. Donations and similar income are recognised in the Income and Expenditure Account when received. Where restricted grants or restricted donations are received, the income is deferred and included in creditors until the related expenditure is incurred.

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

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 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

STATEMENT OF 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 income and expenditure account 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.

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 profits and losses are dealt with in the profit and loss account in the year in which they occur.

MERCHANT'S QUAY PROJECT LIMITED

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

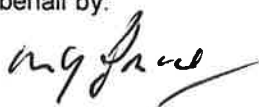
	Notes	2013 €	2012 €
Income	1	6,094,662	5,571,365
Expenditure		(5,371,546)	(5,612,395)
Operating surplus/(deficit) for the year	2	723,116	(41,030)
Interest received		1,558	5,580
Other finance costs	13	1,102	(6,682)
Surplus/(deficit) for the year	14	725,776	(42,132)
Transfer to designated reserve fund	14	(531,282)	-
Surplus/(deficit) for the year after designated fund transfer		194,494	(42,132)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

		2013 €	2012 €
Surplus/(deficit) for year		725,776	(42,132)
Actuarial gain/(loss) in respect of the pension scheme	13	81,716	(57,920)
TOTAL RECOGNISED GAINS AND LOSSES SINCE LAST FINANCIAL STATEMENTS		807,492	(100,052)

The income and operating surplus arises from continuing operations and include donations from Christmas donors which will support the provision of core services in 2014.

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



Director



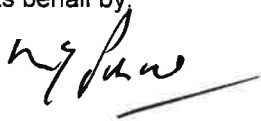
Director

MERCHANT'S QUAY PROJECT LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2013**

	Notes	2013 €	2012 €
FIXED ASSETS			
Tangible assets	5	74,433	105,109
CURRENT ASSETS			
Debtors	6	699,504	879,750
Cash at bank and in hand		1,308,718	548,200
		<u>2,008,222</u>	<u>1,427,950</u>
CREDITORS: (Amounts falling due within one year)	7	(1,052,029)	(1,440,712)
NET CURRENT ASSETS/(LIABILITIES)		<u>956,193</u>	<u>(12,762)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,030,626</u>	<u>92,347</u>
CREDITORS: (Amounts falling due after more than one year)	8	(405,286)	(176,669)
NET ASSETS/(LIABILITIES) EXCLUDING PENSION LIABILITY		<u>625,340</u>	<u>(84,322)</u>
Net pension liability	13	(94,058)	(191,888)
NET ASSETS/(LIABILITIES) INCLUDING PENSION LIABILITY		<u><u>531,282</u></u>	<u><u>(276,210)</u></u>
CAPITAL AND RESERVS:			
General fund	14	-	(276,210)
Designated fund	14	531,282	-
		<u><u>531,282</u></u>	<u><u>(276,210)</u></u>

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



Director



Director

MERCHANT'S QUAY PROJECT LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<i>Notes</i>	2013 €	2012 €
Cash inflow from operating activities	9	759,934	373,763
Returns on investments and servicing of finance		1,558	5,580
Capital expenditure and financial investment		(974)	(65,346)
Increase in cash	11	760,518	313,997

MERCHANT'S QUAY PROJECT LIMITED

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

1. INCOME	2013 €	2012 €
State Income	4,303,557	4,435,202
Fundraising & Other Income	1,791,105	1,136,163
	<u>6,094,662</u>	<u>5,571,365</u>

2. OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	2013 €	2012 €
Operating surplus/(deficit) for the year is stated after charging:		
Depreciation of tangible assets	31,650	31,242
Auditors' remuneration	15,082	11,172
Directors' emoluments:		
- As Directors	-	-
- Expenses	-	-
	<u>-</u>	<u>-</u>

3. EMPLOYEES	2013 Number	2012 Number
Number of employees		
The average numbers of employees (including the Directors) during the year were:		
Administration and social workers	90	85

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

	2013 Number	2012 Number
€70,000 - €80,000	2	2
€80,001 - €90,000	2	2
€90,001+	1	1
	<u>5</u>	<u>5</u>

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

MERCHANT'S QUAY PROJECT LIMITED

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

4. EMPLOYEES (CONTINUED)	2013	2012
	€	€
Employment costs		
Wages and salaries	2,614,399	2,581,791
Social welfare costs	160,767	257,483
Defined benefit pension costs	22,883	19,680
Defined contribution pension costs	60,765	74,496
Death in service costs	26,955	25,920
Redundancy costs	63,734	-
	2,949,503	2,959,370

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.

5. TANGIBLE ASSETS

	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 YEAR ENDED 31 DECEMBER 2013**

6. DEBTORS	2013	2012
	€	€
Amounts falling due within one year:		
DSP debtors	53,745	106,396
Other debtors	42,707	54,049
Prepayments	130,701	41,955
	<u>227,153</u>	<u>202,400</u>
Amounts falling due after more than one year:		
St. Francis Housing Association (Note 12)	-	371,600
Franciscan Social Justice Initiative (Note 12)	472,351	305,750
	<u>699,504</u>	<u>879,750</u>
7. CREDITORS:	2013	2012
Amounts falling due within one year	€	€
Other creditors	3,473	41,614
Trade creditors	120,132	216,292
Taxation and social insurance	6,898	(4)
DSP scheme creditors	-	152,996
Accrued expenses	498,514	682,280
Deferred income	423,012	347,534
	<u>1,052,029</u>	<u>1,440,712</u>
8. CREDITORS:	2013	2012
Amounts falling due after more than one year	€	€
Deferred income	398,524	160,670
Capital grants	6,762	15,999
	<u>405,286</u>	<u>176,669</u>

MERCHANT'S QUAY PROJECT LIMITED

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

9. CASH INFLOW FROM OPERATING ACTIVITIES	2013	2012
	€	€
Operating surplus/(deficit)	725,776	(42,132)
Depreciation	31,650	31,242
Decrease in debtors	180,246	15,915
(Decrease)/increase in creditors	(176,180)	374,318
Interest received	(1,558)	(5,580)
Cash inflow from operating activities	759,934	373,763

10. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2013	2012
	€	€
Increase in cash in the year	760,518	313,997
Net funds at beginning of year	548,200	234,203
Net funds at 31 December 2013	1,308,718	548,200

11. ANALYSIS OF CHANGES IN NET FUNDS DURING THE YEAR

	Balance at 31 December 2012 €	Cash flows €	Balance at 31 December 2013 €
Cash at bank and in hand	548,200	760,518	1,308,718

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 2013 was €472,351 (2012: €305,750). The balance owing from the SFHA at 31 December 2013 was nil (2012: €371,600).

The transactions during the year were as follows:

	2013
	€
Repayments to MQP by FSJI	(158,541)
Repayments to MQP by SFHA	(342,497)
Expenses paid by MQP on behalf of FSJI	325,142
Amounts due from SFHA written off in the year written off in the year	(29,103)

MERCHANT'S QUAY PROJECT LIMITED

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

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 year ended 31 December 2013. 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 2013 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 year amounted to €60,765 (2012: €74,496). The contributions in relation to the two schemes payable at the year-end was €nil (2012: €nil).

Financial Reporting Standard 17 'Retirement Benefits' disclosures

The actuarial valuation as at 31 December 2013 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 2013 of 2.7%.
- Equities: The return available on the ML > 10 year Euro Government Bond Index at 31 December 2013 plus an equity risk premium of 3.5%.
- Property: The return available on the ML > 10 year Euro Government Bond Index at 31 December 2013 plus a property risk premium of 2.5%.
- Other: The ECB interest rate, 0% at 31 December 2013.

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

	2013 %	2012 %	2011 %
Rate of increase in salaries	4.00%	4.00%	4.00%
Rate of increase in pension payment	0.00%	0.00%	0.00%
Discount rate of scheme liabilities	3.80%	4.00%	5.00%
Inflation assumption	2.00%	2.00%	2.00%

MERCHANT'S QUAY PROJECT LIMITED

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

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:

	2013	2012	2011
Male	22.2	22.2	21.4
Female	23.8	23.8	23.1

Risks and rewards arising from the assets

At 31 December 2013 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 2013 %	At 31-Dec 2013 €	Rates at 31-Dec 2012 %	At 31-Dec 2012 €	Rates at 31-Dec 2011 %	At 31-Dec 2011 €
Equities	6.50%	311,275	6.30%	259,966	7.00%	241,303
Bonds	2.80%	84,292	2.70%	132,941	3.90%	89,618
Property	6.00%	13,180	5.80%	22,636	6.50%	17,893
Other	0.00%	37,930	0.00%	37,580	1.00%	23,024
Total market value of assets		<u>446,677</u>		<u>453,123</u>		<u>371,838</u>

The following amounts at 31 December 2013 were measured in accordance with the requirements of Financial Reporting Standard 17:

	2013 €	2012 €	2011 €
The amounts recognised in the balance sheet are as follows:			
Fair value of scheme assets	446,677	453,123	371,838
Present value of scheme liabilities	(540,735)	(645,011)	(517,338)
Pension deficit in the balance sheet	(94,058)	(191,888)	(145,500)
Net pension liability	(94,058)	(191,888)	(145,500)

MERCHANT'S QUAY PROJECT LIMITED

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

**13. PENSIONS (CONTINUED)
Risks and rewards arising from the assets (Continued)**

	2013 €	2012 €
The amounts recognised in the profit and loss account are as follows:		
Interest cost	(20,136)	(26,890)
Expected return on scheme assets	21,238	20,208
Other finance costs	1,102	(6,682)
Current service cost – included in other operating costs	(22,884)	(19,680)
	<u>(21,782)</u>	<u>(26,362)</u>

The amounts recognised in the statement of recognised gains and losses are as follows:

Actual return less expected return on pension scheme assets	33,898	23,182
Experience gains and losses arising on the scheme liabilities	62,292	14,911
Changes in assumptions underlying the present value of the scheme liabilities	(14,474)	(96,013)
Actuarial gain/(loss) recognised in the statement of total recognised gains and losses	<u>81,716</u>	<u>(57,920)</u>

The cumulative actuarial gain recognised in the statement of total recognised gains and losses 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:	2013 €	2012 €
Actual return on plan assets	<u>55,136</u>	<u>43,390</u>

	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	<u>446,677</u>	<u>(540,735)</u>	<u>(94,058)</u>

MERCHANT'S QUAY PROJECT LIMITED

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

13. PENSIONS (CONTINUED)

	Pension assets €	Pension liabilities €	Pension deficit €
Movement in scheme assets and liabilities			
At 1 January 2012	371,838	(517,338)	(145,500)
Current service cost	-	(19,680)	(19,680)
Interest on scheme liabilities	-	(26,890)	(26,890)
Expected return on scheme assets	20,208	-	20,208
Actual less expected return on scheme assets	23,182	-	23,182
Experience gains on liabilities	-	14,911	14,911
Contributions by employer	37,895	-	37,895
Changes in assumptions	-	(96,014)	(96,014)
At 31 December 2012	<u>453,123</u>	<u>(645,011)</u>	<u>(191,888)</u>

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 year ended 31 December 2013

	2013	2012	2011	2010	2009
Present value of the defined benefit obligation (€'000)	(540)	(645)	(517)	(474)	(474)
Fair value of plan assets (€'000)	446	453	372	384	(474)
Pension deficit (€'000)	(94)	(192)	(146)	(126)	(474)
Difference between the expected and actual return on scheme assets (€'000)	34	23	(38)	10	(474)
Percentage of scheme assets	7.60%	5.10%	(10.20%)	2.80%	9.70%
Experience gains and losses on scheme liabilities (€'000)	(62)	15	(18)	(16)	35
Percentage of scheme liabilities	(11.50%)	2.30%	(3.40%)	(3.40%)	(8.30%)
Total recognised in statement of total recognised gains and losses (€'000)	82	(58)	(34)	-	63
Percentage of the present value of the scheme liabilities	15.10%	9.00%	(6.60%)	0.00%	14.80%

MERCHANT'S QUAY PROJECT LIMITED

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

14. RECONCILIATION OF MOVEMENTS IN RESERVES

	General fund €	Designated fund €	Total €
Balance at 1 January 2013	(276,210)	-	(276,210)
Current year surplus	725,776	-	725,776
Other recognised gains	81,716	-	81,716
Transfer to designated fund	(531,282)	531,282	-
Balance at 31 December 2013	-	531,282	531,282

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 and to ensure the furtherance of housing and aftercare services operated within Merchant's Quay Project Ltd in response to the current housing crisis being faced by our clients.

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 2013 apart from Mr. Mick Price, Mr. Brian Melaugh, Dr. Joanne Fenton and Mr Marcus Keane are members of the Order of Friars Minor.

MERCHANT'S QUAY PROJECT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013**

17. COMMITMENTS	2013 €	2012 €
Annual commitments exist under non-cancellable operating leases as follows:		
Land and buildings:		
Within one year		
High Park	9,600	9,600
	<hr/>	<hr/>
In two to five years		
24 Merchants Court	36,977	-
	<hr/>	<hr/>
More than five years		
9 O Connell Street, Athlone, Co Westmeath	9,600	9,600
Riverbank	100,000	-
	<hr/>	<hr/>
	156,177	19,200
	<hr/>	<hr/>

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