

Merchants Quay Ireland CLG (Formerly known as
Merchants Quay Project CLG)
(A company by guarantee and having no share capital)

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

MERCHANTS QUAY IRELAND CLG

**REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

CONTENTS

	PAGE
DIRECTORS AND OTHER INFORMATION	2 - 4
DIRECTORS' REPORT	5 - 22
DIRECTORS' RESPONSIBILITIES STATEMENT	23
INDEPENDENT AUDITOR'S REPORT	24 - 26
STATEMENT OF FINANCIAL ACTIVITIES	27
BALANCE SHEET	28
STATEMENT OF CASH FLOWS	29
NOTES TO THE FINANCIAL STATEMENTS	30 - 44
SUPPLEMENTARY INFORMATION	45 - 47

MERCHANTS QUAY IRELAND CLG

DIRECTORS AND OTHER INFORMATION

DIRECTORS:

Mr Mick Price (Chair)
Rev Kieran Cronin OFM
Rev Patrick Lynch OFM
Mr Brian Melaugh
Dr Joanne Fenton
Mr Ray Langton
Dr Siobhan Garrigan
Ms Margaret Hennessy
Mr Derek Bell

MEMBERS:

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

SECRETARY:

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

BOARD SUB-COMMITTEES:

Finance Committee

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

Audit & Risk Committee

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

Governance & Nominations Committee

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

Client Services Committee

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

MERCHANTS QUAY IRELAND CLG

DIRECTORS AND OTHER INFORMATION (CONTINUED)

HR & Remuneration Committee

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

Fundraising & Communications Committee

Mr Ray Langton (Chair)
Mr Mick Price
Ms Margaret Hennessy

EXECUTIVE LEADERSHIP TEAM:

CEO
Head of Human Resources & Governance
Head of Finance Risk & IT
Head of Fundraising and Communications
Head of Day Services
Head of Recovery Services

Mr Tony Geoghegan
Ms Stella O Sullivan
Ms Jennifer Owens
Ms Carol Casey
Ms Paula Byrne
Mr Mark Kennedy

REGISTERED NUMBER:

176421

REGISTERED OFFICE:

24 Merchants Court
Merchant's Quay
Dublin 8

CHARITY NUMBER:

CHY 10311

CHARITY REGULATORY AUTHORITY NUMBER:

20026240

BANKERS:

AIB
7/12 Dame Street
Dublin 2

AUDITORS:

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

SOLICITORS:

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

MERCHANTS QUAY IRELAND CLG

DIRECTORS AND OTHER INFORMATION (CONTINUED)

PLACES OF OPERATION:

24 Merchants Court
Merchant's Quay
Dublin 8

Riverbank House
Merchant's Quay
Dublin 8

High Park
Drumcondra
Dublin 9

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

MERCHANTS QUAY IRELAND CLG

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the financial year ended 31 December 2017.

COMPANY STRUCTURE

Merchants Quay Project CLG formerly changed its name to Merchants Quay Ireland CLG ("MQI") in December 2017. MQI is incorporated as a Company limited by guarantee and not having share capital. It was registered on 12 July 1991 with Company number 176421. The Company is registered for the charitable purpose of promoting health and to provide the 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) The promotion of health, including the prevention or relief of sickness, disease or human suffering through the provision of services to address the health and social care needs of people affected by addiction, homelessness and other related issues in Ireland, in order to provide them with the necessary information, advice, treatment and supports to improve their quality of life.
- (b) As objects incidental and ancillary to the attainment of the Main Object, the Company shall have the following subsidiary objects:

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

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

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

- Franciscan Social Justice Initiatives CLG (FSJI)
- St. Francis Housing Association CLG (SFHA)
- Merchant's Quay Project CE Scheme CLG (MQPCE)

Services continue to incorporate the provision of meals, drug services, crisis intervention, needle exchange, rehabilitation and detox services, together with day programmes, aftercare and training. In 2017 the decision was made to merge the companies known as FSJI and MQI into one company as the objects of both companies were similar.

OBJECTIVES AND ACTIVITIES

VISION, VALUES & MISSION

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

VISION

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

VALUES

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

MISSION

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

STRATEGY

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

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

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

The Statement of Financial Activities and Balance Sheet are set out on page 28 and 29 respectively.

Financial Review 2017

MQI is financed by a mix of statutory and voluntary funding. In 2017 MQP raised a total income of €6.1m down from €6.4m in 2016.

This income was generated from various sources with 55% from Statutory Government funding mainly from the HSE and the balance raised through our fundraising activities, other small income streams and training. Fundraising generated €2.6m, down from €2.84m in 2016 making up 42% of our income for 2017.

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

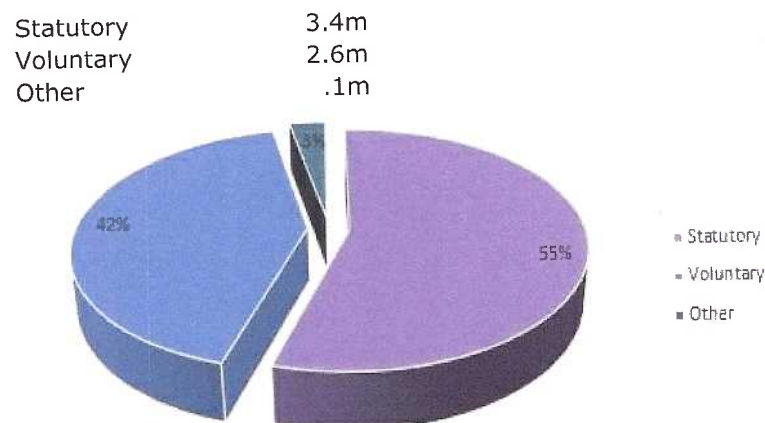
As a result of our fundraising income and expenditure management, 2017 was a positive year financially, this will allow MQI to focus on the implementation of our strategic priorities and to ensure we give best care and service possible to our clients. We continue to commit voluntary income to all our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

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

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

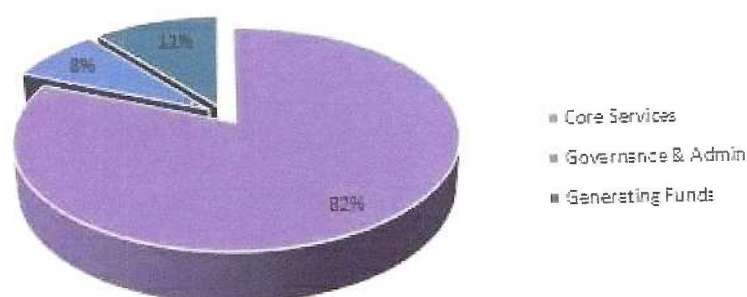
Income

2017: €6.1m (2016: € 6.4m)

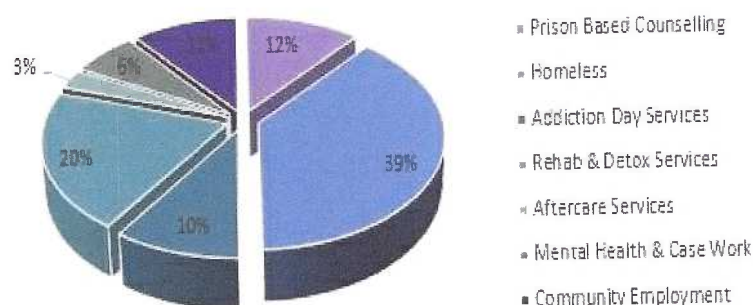


Expenditure

2017: €5.49m (2016: €5.77m)



Service Delivery Areas



LOOKING BACK & PLANS FOR FUTURE PERIODS

LOOKING BACK

Today, many of us are seeing the light at the end of a dark economic tunnel, but unfortunately there are still too many places that the light doesn't reach. Nowhere is this starker than in emergency accommodation across Ireland. When I wrote last year, Government figures showed 7,148 people, including 2,500 children, without a proper home. A year later this had grown to 8,587 in emergency accommodation at Christmas, including more than 3,000 children.

Understandably, the Government's response is to focus on families, especially those with children, and to prioritise them in accommodation.

However, in this scenario single people, particularly those with more complex needs such as mental health or addiction issues, are left behind and pushed further down the housing list.

In 2017 our services were busier than ever and we saw, at 22 locations in 12 counties, the real impact of homelessness and addiction. Our Riverbank Centre on Merchants Quay welcomed 6,569 people, with 1,668 turning to us for the first time. But the generosity of MQI supporters kept the lights on and the doors open throughout the year.

In the face of ever-growing demand, there were many positives in 2017. We tendered for, and have been announced as the preferred provider of, the first ever supervised injecting facility in Ireland. We launched a service providing a community-based drug and alcohol treatment supports across Laois, Longford, Offaly and Westmeath. 2017 also marked the expansion of our mental health team and primary healthcare services, the launch of a community benzodiazepine detox at our Riverbank Centre, and the addition of three new aftercare beds at our location in Kildare.

Finally, we often see first-hand how many of our clients rely on their four-legged friends for comfort and companionship, so we were delighted to partner with the DSPCA in 2017. They now extend a helping hand via free veterinary services at our Riverbank Centre.

LOOKING FORWARD

Looking forward, we are excited about what we can achieve in 2018 and beyond.

Demand for our residential drug treatment services remains high and we are fully committed to maintaining these vital services.

We also recently extended our long-running partnership with the Irish Prison Service, providing vital addiction counselling services, until the end of 2018, and we are committed to extending it further.

With so many clients entering into recovery, we often find that, following immense hard work and progress, many have nowhere to return to but the streets. MQI is committed to further expanding our aftercare housing capacity to help.

We are also working closely with the Dublin Simon Community, with high hopes of launching a new service in 2018. Aimed at people who have problematic drug and/or alcohol disorders who are sleeping rough, the service will offer a residential rapid-access low-threshold stabilisation and detoxification service.

We have recently secured a tender for a community-based project, providing much needed drug and alcohol treatment supports to over 18s and their families in Wicklow. The service will focus on providing information, advice, treatment and support to service users so that they can enter into recovery and integrate back into the community.

LOOKING BACK & PLANS FOR FUTURE PERIODS (CONTINUED)

Following the launch of the 'Supporting Recovery, Reducing Harm' strategy to address the drugs crisis in Ireland, we expect 2018 to be a year of great progress. With two people a day dying from drug-related causes, the supervised injecting facility pilot at MQI is the first of many steps Ireland needs to take to end the drug epidemic, treat people who use drugs with dignity and respect and, most of all, save lives.

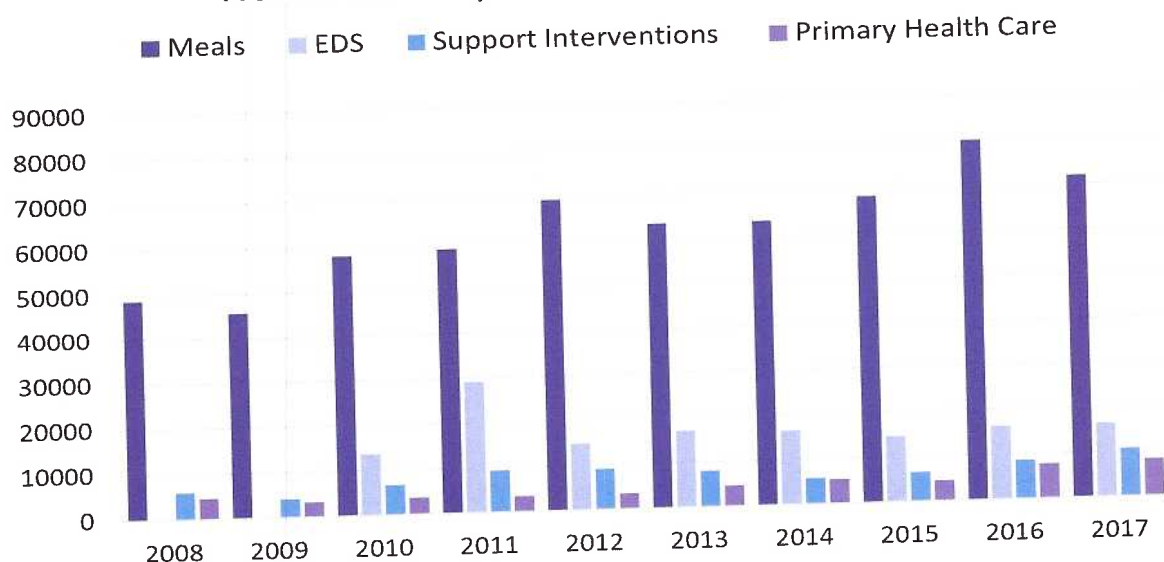
ACHIEVEMENTS AND PERFORMANCE

HOMELESS SERVICES

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

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

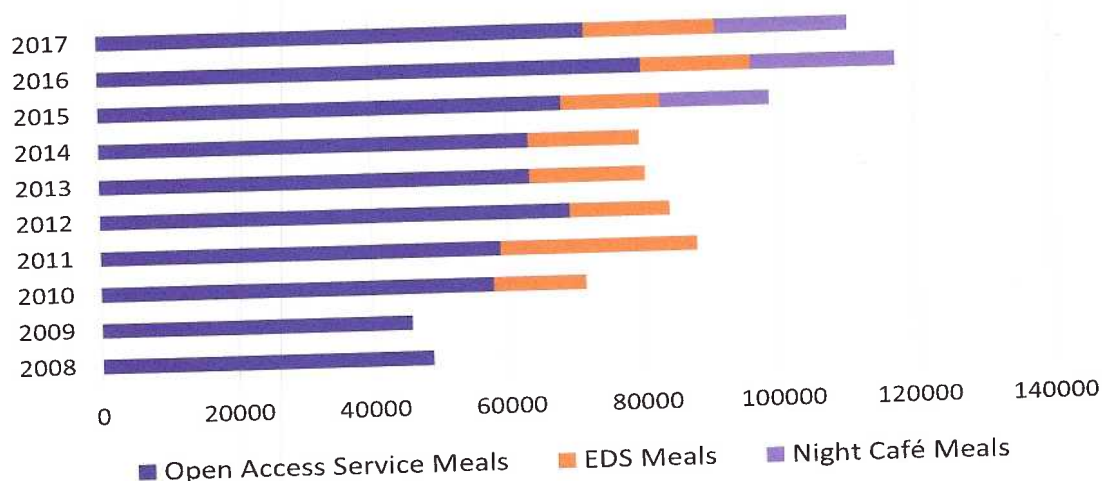
Homeless Drop-In Services, 2008 - 2017



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

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Riverbank Meals, 2008 - 2017



Assertive Outreach Service: Many people who are homeless and drug users come to serious harm on the streets, and those who are not engaging with services are at higher risk. Our assertive outreach team goes out into the streets to make contact with and offer information and advice to vulnerable people who use drugs, those who have fallen through the cracks, entrenched rough sleepers and many others who are service-resistant. We work to build a relationship of trust and assist our clients to access appropriate accommodation, welfare, drug treatment and health services. In 2017, the Assertive Outreach services met with 89 street based individuals, 25% of these people had not previously engaged with our Open Access Services.

Crisis and Case Management Services: Many of the people who come to us are in crisis. Some have recently become homeless and have very little understanding of how the homeless and social welfare systems work, and we are often their first point of contact. Our team supports people with accessing healthcare, accommodation, drug treatment, training, legal and welfare supports. We help people to complete application forms for medical cards, to register as homeless and to access social welfare payments. Almost a third of the people we work with are from different countries so language and lack of welfare rights often compound the challenges of moving out of homelessness.

Individualised care planning and interagency work are critical to successfully connecting people to a broader network of external agencies. Our case management team consists of specialised workers who have specific areas of knowledge, these include mental health, drugs case work, young person support and outreach support. For example, 172 young people between the ages of 18-24 were supported by our Young Person Support Worker to move on from crisis and onto a positive pathway in life.

Due to the continuous demand for case management and the complex needs of the clients who present, we are expanding our Case Management Team and the specialist services we provide. Our Case Management Services operate Monday to Friday from 7am - 9pm and in total carried out 8,053 interventions in 2017.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Crisis & Case Management, Riverbank, 2017



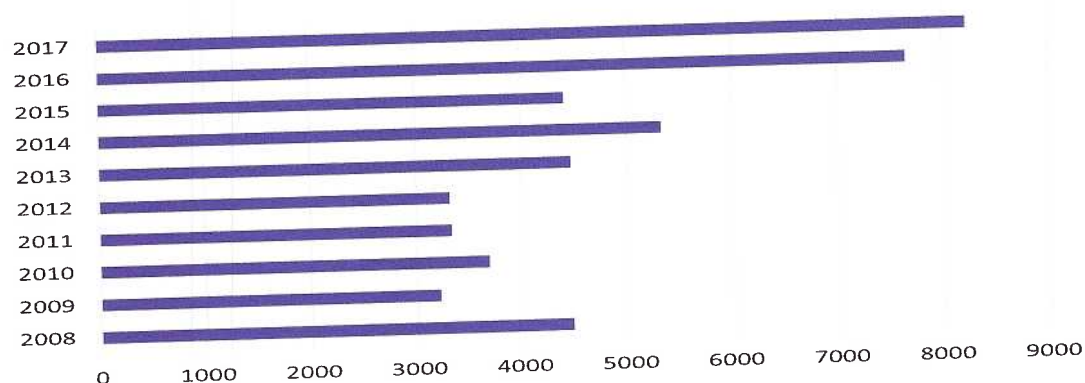
Free Veterinary Clinic: In partnership with the DSPCA, a free veterinary clinic was set up in March 2017 offering clients access to free vaccinations, worming and boosters for their pets. This clinic takes place every second Friday, with an average of three pets being taken care of per session since the service started. MQI staff are on hand to assist these often 'hard to reach' clients, where necessary.

PRIMARY HEALTHCARE SERVICES

Riverbank's primary healthcare services are provided thanks to voluntary support and in partnership with the HSE, St. James's Hospital and Granby Merchants Quay (GMQ). Treating physical and mental health issues before they turn into A&E visits makes sense from both a humanitarian and an economic perspective. The need on the streets is great; there were 8,224 healthcare interventions during 2017, an increase of 8% compared to 2016. Riverbank is a practical place for GPs and hospital consultants to see their homeless patients, who might otherwise fall off the radar.

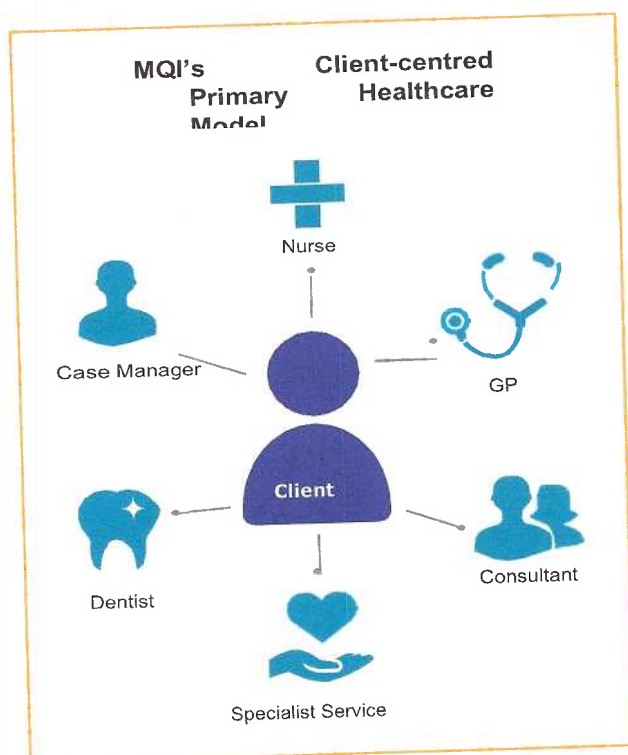
It is no surprise that many recovery stories start with a trip to our GP, dentist, or nurse. Staff in MQI's healthcare service meet clients with a mix of warmth and pragmatism – seeking both to address the health issue and to see the human being behind the problem. Being linked in with MQI's other services and external agencies is critical to moving people out of chaos and homelessness.

Primary Health Care, 2008 - 2017



ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Nursing: Compassion – in the face of tremendous demand – is an essential ingredient to healing at MQI. There were 1,001 nursing interventions in 2017. Behind this number are many instances of our nurse, Marguerite, going above and beyond the call of duty – accompanying people to A&E, treating overdoses on the street and giving people respite in the nurse's room. We mix this with the leading practices on issues such as wound care, blood testing, sexual health, medication management and gender-specific health issues. Referrals to A&E and other hospital services are also a large part of the nursing role. We aim to provide consistency and continuity of care through collaborative working with hospitals, community GPs and GMQ medical services.



GP Service: The waiting area in Riverbank was constantly full of people patiently waiting to see a doctor in 2017. The GP service, provided by GMQ, enabled 6,102 appointments over the course of the year, an increase of 55% compared to 2016. People with a variety of acute and chronic illnesses use the GP service and our focus is on linking these people with community, mainstream GP, and hospital services.

Methadone substitution therapy helps people to break their links with illegal and high-risk drug use. The GPs from GMQ provided methadone substitution therapy to approximately 140 service users in 2017.

Mental Health Service: Demands for mental health services continued to increase in 2017. Last year, 419 people were supported by our mental health team, a 33% increase on 2016. There were 2,580 interventions provided, of which significant crisis support was required on 243 occasions.

Having the mental health team means that clients no longer have to wait for hours in A&E and can get their issues addressed before they turn into full-blown crises. Only 4% of people presenting in crisis were referred to A&E in 2017, compared with 19% in 2016.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Dental Service: The dental service continued to be in high demand across 2017, with the dental team facilitating 620 visits from individuals looking for dental treatment. The dental service operates on a drop-in basis in the afternoons and a structured appointment based service in the mornings, allowing the dental team to provide longer, extensive treatments including oral surgery, full oral rehabilitation work, molar root canals and surgical extractions. The commitment and passion of our dental team is critical to providing treatment to entrenched, service-resistant clients, and has proved successful in engaging clients and referring them on to our case work team in order to implement a holistic and comprehensive care plan to meet their needs.

Chiropody: Given the nature of homelessness, many of our clients are on their feet for extended periods of the day, often carrying heavy bags and in all weather conditions. This can cause various health problems, particularly problems with foot-care, which in turn can increase the challenge of walking around all day with few places to rest. For this reason, chiropody is an essential service for our clients and is provided by a long-term volunteer every Monday in Riverbank. In 2017, our clients benefited from a total of 148 chiropody interventions.

Counselling: We provided 353 counselling sessions in 2017. Bernie, our counsellor, spent much of her time talking to people over a cup of tea and a hot meal, creating working relationships and providing brief interventions to those in need of support.

Homelessness and addiction are often associated with severe stresses and difficulties in life, and it is not surprising that many people find it hard to cope. This service works at two levels. Firstly, providing brief crisis-counselling targeted at clients in distress. Secondly, offering medium to long-term counselling relating to issues such as relationships, bereavement and drug use. Many people who are in addiction have experienced significant trauma in their lives and linking in with a counsellor can be a vital step on the road to recovery.

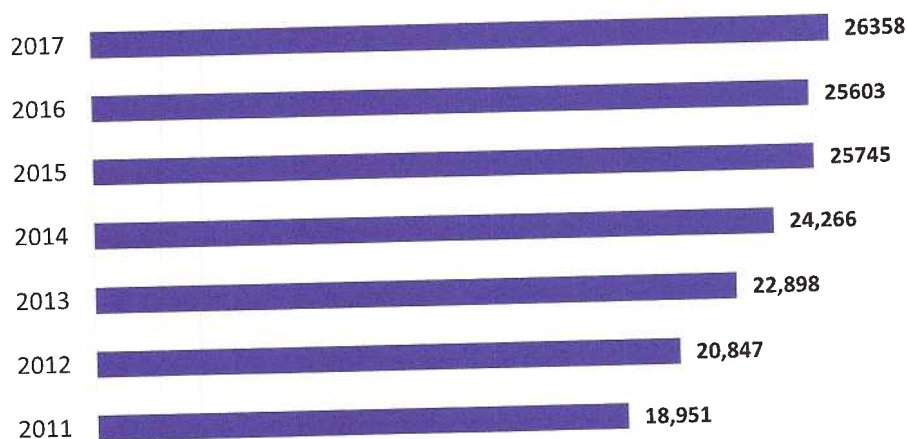
DRUG SERVICES

Health Promotion Unit (HPU): Because we are often the first place people living with addiction turn to for help, the HPU is an important part of early intervention. The HPU provides people who use drugs with information about the risks associated with drug use and the means to minimise such risks. We also offer people who use drugs a pathway into treatment and the possibility of living life without drugs. Each year we see about 500 new people presenting with drug problems and 500 people moving away from the service for a multitude of reasons. Last year, 2,583 people used the service (an increase of 3% on 2016) of which 443 were new clients.

Our focus is on reducing the harm associated with injecting drug use, providing information on overdose, generating the motivation to become abstinent and giving advice on HIV and hepatitis prevention. Last year 2,691 safer-injecting workshops were delivered with people who inject drugs, an increase of 26% on 2016. There were also 26,358 needle exchange visits, an increase of 3% on 2016.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Needle Exchange Visits



Naloxone: On average, one person dies of drug overdose every day in Ireland (HRB, 2017) – one of the highest rates of overdose deaths across the EU (EMCDDA, 2016). MQI are part of the Quality Advisory Group aiming to reduce Ireland's tragic rate of annual drug deaths by rolling out training and access to a medication called Naloxone. Naloxone is an antidote for opioid overdose in that it reverses the depressant effects of opiates such as heroin. The Naloxone Demonstration Project (in conjunction with our partners in the HSE, The Family Support Network and the Ana Liffey Drug Project) published an evaluation report in 2016 illustrating that the pilot project was a success and resulted in the reversal of five overdoses that we know of. To date, more than 400 people who use drugs have been prescribed Naloxone.

Work on this initiative is ongoing and our hope is that eventually all people who use drugs, and their families will have access to this life-saving drug.

Community Benzodiazepine Detoxification: Responding to a need identified in 2017, MQI undertook to facilitate Community Benzodiazepine Detoxifications in collaboration with Granby Merchants Quay (GMQ) GP Services. A total of 45 clients accessed this programme in 2017 and many have moved on to become drug free, gain employment, access education programmes and/or access residential rehabilitation programmes. Interestingly there appears to be a high number of women accessing the programme. Of the general drug service population, the ratio of men to women is 5:1, however of the clients accessing this detox programme the ratio is 3:1.

National Prison-Based Addiction Counselling Service: Merchants Quay Ireland, in partnership with the Irish Prison Service (IPS), delivers a national prison-based addiction counselling service aimed at prisoners with drug and alcohol problems. This service operates in 13 prisons throughout the country and provides structured assessments, one-to-one counselling, therapeutic group work, multidisciplinary care and release planning interventions with clearly defined treatment plans and goals.

The team also supports the implementation of a number of IPS initiatives including the expansion of the Mountjoy Drug Treatment Programme, Incentivised Sentence Management and the Red Cross Overdose Prevention Programme.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

We estimate that at least 5% of the 6,500 individuals using MQI services have ongoing interactions with the prison service. At MQI, we advocate treating drug problems as a health issue rather than a criminal justice issue, thereby avoiding costly incarceration costs to the taxpayer, while providing effective treatment to the drug user.

Last year alone, 2,547 prisoners accessed the Addiction Counselling Service and the MQI team delivered 10,252 one-to-one counselling sessions and 83 clients were admitted to residential drug treatment following engagement with the service.

Mountjoy Drug Treatment Programme: Merchants Quay Ireland Addiction Counselling Service also coordinated and contributed to the delivery of a structured, multi-agency, 8-week Detox & Drug Treatment Programme (DTP) in the Mountjoy Medical Unit (In partnership with Ana Liffey Drug Project, Ballymun Youth Action Project and Coolmine TC). During 2017, the programme assisted 44 prisoners in detoxing from methadone and benzodiazepines.

Family Support Service: MQI give one-to-one advice and support to family members on the realities of drug use and how they can best cope and provide optimum support to their loved ones. We also run a weekly Family Support Group where participants share their experiences and offer advice on how best to navigate the challenges presented by their loved one's addiction. Open to new members, the Family Support Group welcomed 10 new members to the group and worked with over 40 individuals throughout 2017. This group is linked to the National Family Support Network, which offers families an opportunity to raise issues at a national level.

Holistic Supports: The pastoral care team, yoga teachers, art therapists and meditation practitioners offered a holistic and creative dimension to those who were seeking resources at a deeper level. Features of this program include weekly acupuncture, which was accessed on over 200 occasions during the year, and for 328 female clients, Friday mornings were all about building self-esteem through the provision of hairdressing, beauty and nails services.

Community Engagement Team: Our community engagement team works to cultivate and strengthen relationships between MQI and the local community. By regularly engaging with our neighbours and clients, the team aims to reduce anti-social behaviour in our local area. The team pick up and safely dispose of drug-related litter, as well as offering some of the most vulnerable people, who are rough sleeping or reluctant to engage with services, street-based advice and referral into the services they need. A total of 11,951 items of drug-related litter was disposed of by this team in 2017 and anti-social interventions have decreased by 6% since 2016.

DSP Drug Rehabilitation Scheme, Open Door – Riverbank Centre, Dublin: As part of our Community Employment Scheme, we provide a stabilisation programme which seeks to establish a regular pattern of discipline and daily attendance in order to help people stabilise and reduce their drug use and prepare them for mainstream training and employment. Last year 26 individuals participated in the programme and most were aged between 18-39. Links with the Education and Training Boards (ETBs) facilitate the accredited educational component for this programme which helps people gain momentum into education and employment.

Also in 2017, the group worked towards completing Gaisce - The President's Bronze Award for achievements across community involvement, personal skill, physical recreation and undertaking and completing a project or adventure.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Midlands - MQI DATS (Drug & Alcohol Treatment Supports) Project: The MQI DATS team provides a community-based drug and alcohol treatment support service for individuals over 18 years and their families for the Midlands area. The four counties of Longford, Westmeath, Laois and Offaly each has a dedicated Drug & Alcohol Worker to co-ordinate the care of individuals and families experiencing problems due to drug and/or alcohol use. Last year the team based in the Midlands provided support to 460 people, with a total of 4,906 interventions carried out.

DSP Drug Rehabilitation Scheme - Athlone: In 2017, 22 participants were engaged on this programme – giving them the opportunity to participate in activities and educational qualifications at an appropriate level on the National Framework of Qualifications while at the same time being provided with addiction and other rehabilitation supports e.g. crisis intervention supports, group work and key working.

This programme is supported by Athlone Community Taskforce, Adult Education Centre, Probation Services, Longford and Westmeath Education and Training Board, and SWEETS.

DETOX AND REHAB TREATMENT SERVICES

In 2017, there were 952 referrals to our residential detox and rehab treatment services where we provided accessible treatment for 170 people who wished to become drug-free. The services have a national catchment area and users can self-refer or may be referred from a wide variety of agencies. A total of 116 clients successfully completed treatment across our residential detox and rehab treatment services in 2017. An average of 79% of clients in all residential detox and rehab treatment services reported positive improvements in drug use and social functioning six months post departure, regardless of successful completion of treatment.

St. Francis Farm Residential Detox Programme: The Merchants Quay Ireland 10-bed residential detoxification service at St. Francis Farm delivers methadone and combined methadone/benzodiazepine detoxes for both men and women. The detox activity programme includes individual care planning, therapeutic group work, psycho-educational workshops, fitness training and farm work activities. There were 329 referrals and 65 clients admitted to the detox service during 2017.

St. Francis Farm Residential Rehab Programme: This is a 13-bed therapeutic facility in Co. Carlow with a 14-week rehabilitation programme. What makes this programme unique is the fact that it is run on a working farm, giving service users the opportunity to gain hands-on experience in animal care and vegetable production. The programme provides a safe environment where service users can explore the reasons for their drug use, adjust to life without drugs, learn effective coping mechanisms and make positive choices about their future.

The programme includes one-to-one counselling and care planning, group therapy, assertiveness training, anger management, art therapy and relapse-prevention training. There were 358 referrals and 52 clients admitted to St. Francis Farm Rehabilitation service during 2017.

High Park Residential Rehabilitation Programme: The 13-bed High Park residential rehabilitation programme specializes in working with service users who might not otherwise engage in drug-free treatment, such as prisoners and people who are homeless. The emphasis is on assisting service users to gain insight into the issues that underpin their drug use and developing realistic measures to prevent relapse and remain drug-free. The 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.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

There were 268 referrals and 53 clients admitted to High Park during 2017. In addition to clients' addiction needs, 47% of clients were homeless at admission. 82% of clients reported a positive improvement in drug use and social functioning six months post departure from High Park, regardless of completing treatment.

AFTERCARE & SOCIAL HOUSING SERVICES

Drug-Free Day Programme Our Drug-Free Day Programme based in Dolphin's Barn, Dublin 8, is targeted at clients exiting our residential rehabilitation services at High Park and St. Francis Farm. The day programme is six months in duration and provides one-to-one care planning, support groups and education sessions aimed at assisting clients reintegrate into society. Demand for the service was high during 2017 with 27 clients accessing the service during the year.

Aftercare Housing Services – Dublin and Kildare: Finding accommodation for the large proportion of clients leaving our residential rehab services who are effectively homeless has been an increasing challenge in recent years. MQI operates two short-term transitional housing services, one in Dublin, developed with the support of one of the organisation's donors, the other in Kildare, developed in partnership with Respond Housing Association. Across both houses, we provide a total capacity of nine beds. Demand for the Dublin and Kildare houses were high during 2017, with 26 clients admitted during the year.

GOVERNANCE AND MANAGEMENT

Directors/Trustees and Secretary

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

Directors/Trustees:

Mr Mick Price (Chair)
Rev Kieran Cronin OFM
Rev Patrick Lynch OFM
Mr Brian Melaugh
Dr Joanne Fenton
Rev Joe Walsh OFM (Resigned 8th February 2018)
Mr Ray Langton
Dr Siobhan Garrigan
Ms Margaret Hennessy
Mr Derek Bell

Secretary:

L & P Trustee Services Limited

Directors are appointed by the Members of the Company. The Chairperson of the Board of Directors shall be appointed by the Members for a three year term and may be reappointed. The Members are the Definitory of the Order of Friars Minor of the Irish Franciscan Province.

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

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

The Board meets formally at least six times a year. During 2017, the Board met seven times.

Directors are required to undergo an induction programme to ensure that collectively they have the necessary oversight for the appropriate governance of the organisation. Training is arranged when a need is identified. With the exception of necessitous expenses, Directors are not remunerated for their work on the Board nor can they be appointed to any salaried position of the Company. No expenses were paid to directors during the financial year (2016: €nil).

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

GOVERNANCE AND MANAGEMENT (CONTINUED)

There are currently six sub-committees of the Board

1. The Finance Committee is responsible for overseeing the Board's financial responsibilities and ensuring that effective systems, financial controls and procedures are in place to enable the organisation to operate in an orderly and efficient manner, and to report and make recommendations to the Board thereon.
2. The Audit & Risk Committee is responsible for the monitoring and review of the organisation's financial performance and financial controls, including the organisation's internal audit function, making recommendations to the Board about the appointment and remuneration of the external auditor and all matters relating to the external audit process, and overseeing, reviewing and monitoring risk within the organisation.
3. The Client Services Committee is responsible for overseeing the services and operations of the Company. It is also responsible for assisting the Board in the planning and development of new services, the development and implementation of appropriate quality standards, compliance reporting to stakeholders and the clinical governance of the services such as supervision, good quality standards and best practice. The Committee is also responsible for considering the impact of any new Client Service proposals in line with the strategic plan, opportunities and considering the challenges which may arise in any change process.
4. The Governance & Nominations Committee is responsible for ensuring that best practice is adhered to regarding governance, accountability and transparency, monitoring and reviewing adherence to relevant Voluntary Codes and Statutory Guidelines and making recommendations on nominations for Board membership, ensuring that the organisation has sufficient resourcing with the correct skills and expertise in place to achieve its strategic objectives.
5. The HR & Remuneration Committee is responsible for overseeing employment practices, pay and pay structures and to consider, advise and recommend on organisational restructuring.
6. The Fundraising and Communications Committee is responsible for ensuring that best practices are adhered to regarding Fundraising practice and oversight and to make recommendations to the Board regarding the Fundraising strategy.

MANAGEMENT

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

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

All of the above form the key management team.

GOVERNANCE AND MANAGEMENT (CONTINUED)

RISK ASSESSMENT

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

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

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

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

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

COMMITMENT TO BEST PRACTICE IN CORPORATE GOVERNANCE

The Company is on the journey towards being compliant with the *Governance Code: A Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland* ("the Code") and is anticipated that it became fully compliant with the Code by March 2017. The process involved a thorough review and assessment of the organisation's policies, procedures, structures and values to ensure that the Company was run as effectively as possible, with a focus on increasing transparency and a reassurance to all stakeholders that funds and donations are being well managed.

The Company recognises that organisations have a responsibility to follow a code of good practice when it comes to how their organisations are run. The aim of the Code is to determine and formulate standards of best practice in corporate governance applicable across the areas of leadership, control, transparency, accountability, working effectively and behaving with integrity.

GOVERNANCE AND MANAGEMENT (CONTINUED)

COMMITMENT TO STANDARDS IN FUNDRAISING PRACTICE

The Company is fully committed to achieving the standards contained within the Guidelines for Charitable Organisations Fundraising from the Public (the Guidelines). The Guidelines are intended to assist trustees of a charity to run the charity effectively, avoid difficulties in respect of fundraising activities and comply with their legal duties.

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

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

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

RESERVES POLICY

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

TAXATION STATUS

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

EVENTS SINCE THE FINANCIAL YEAR END

As at 1 January 2018 Franciscan Social Justice Initiatives CLG transferred its activities over to Merchants Quay Ireland CLG.

ACCOUNTING RECORDS

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

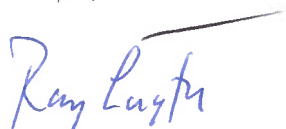
The auditors, Deloitte, Chartered Accountants and Statutory Audit Firm continue in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the Board on 18 June 2018 and signed on its behalf by:

Mick Price
Director



Ray Langton
Director



DIRECTORS' RESPONSIBILITIES STATEMENT

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

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the 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.

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

Independent auditor's report to the members of Merchant's Quay Ireland CLG

Report on the audit of the financial statements

Opinion on the financial statements of Merchant's Quay Ireland CLG (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Financial Activities;
- the Balance Sheet;
- the Statement of Cash Flows; and
- the related notes 1 to 20, including a summary of significant accounting policies as set out in note 1.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Reports and Financial Statements for the financial year ended 31 December 2017, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Continued on next page/

/Continued from previous page

Independent auditor's report to the members of Merchant's Quay Ireland CLG

Other information (continued)

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

We have nothing to report in this regard.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Continued on next page/

/Continued from previous page

Independent auditor's report to the members of Merchant's Quay Ireland CLG

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

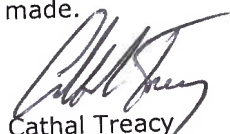
Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

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

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



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

Date: 18 June 2018

MERCHANTS QUAY IRELAND CLG

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

	Notes	Designated Funds 2017 €	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	Designated Funds 2016 €	Unrestricted Funds 2016 €	Restricted Funds 2016 €	Total Funds 2016 €
Income and endowments from:									
Charitable Activities	3	-	-	3,354,425	3,354,425	-	-	3,297,109	3,297,109
Donations and Legacies	4	-	2,548,978	33,475	2,582,453	-	2,751,474	89,538	2,841,012
Other Incoming Resources	5	-	175,757	-	175,757	-	249,668	-	249,668
Total		-	2,724,735	3,387,900	6,112,635	-	3,001,142	3,386,647	6,387,789
Expenditure on:									
Charitable Activities	6	-	1,531,839	3,235,469	4,767,308	-	1,550,512	3,357,365	4,907,877
Raising Funds	7	-	726,199	-	726,199	-	861,087	-	861,087
Total		-	2,258,038	3,235,469	5,493,507	-	2,411,599	3,357,365	5,768,964
Net income for the financial year	9	-	466,697	152,431	619,128	-	589,543	29,282	618,825
Taxation	17	-	-	-	-	-	-	-	-
Net income after taxation		-	466,697	152,431	619,128	-	589,543	29,282	618,825
Actuarial gain /(loss) in respect of the pension scheme	15	-	20,800	-	20,800	-	(26,721)	-	(26,721)
Transfer of funds	16	527,472	(510,159)	(17,313)	-	517,886	(517,886)	-	-
Net income after pension/transfers		527,472	(22,662)	135,118	6,399,928	517,886	44,936	29,282	592,104
Total Funds as at 1 January 2017	16	2,594,603	329,759	398,702	3,323,064	2,076,717	284,823	369,420	2,730,960
Total Funds as at 31 December 2017	16	3,122,075	307,097	533,820	3,962,992	2,594,603	329,759	398,702	3,323,064

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

MERCHANTS QUAY IRELAND CLG

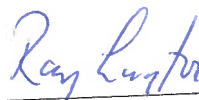
BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 €	2016 €
Fixed assets			
Tangible assets	10	15,634	35,593
Current assets			
Debtors	11	499,410	782,373
Cash at bank and in hand		4,239,813	3,198,321
		<u>4,739,223</u>	<u>3,980,694</u>
Creditors: Amounts falling due within one year	12	(851,880)	(698,675)
		<u>3,887,343</u>	<u>3,282,019</u>
Net current assets			
NET ASSETS EXCLUDING PENSION ASSET		3,902,977	3,317,612
Net pension asset	15	60,015	5,452
NET ASSETS INCLUDING PENSION ASSET		<u>3,962,992</u>	<u>3,323,064</u>
Funds of the charity:			
Restricted Funds	16	533,820	398,702
Unrestricted Fund	16	307,097	329,759
Designated Funds	16	3,122,075	2,594,603
		<u>3,962,992</u>	<u>3,323,064</u>

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



Mick Price
Director



Ray Langton
Director

MERCHANTS QUAY IRELAND CLG

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

RECONCILIATION OF NET INCOME TO CASH USED IN CHARITABLE ACTIVITIES

	2017 €	2016 €
Net income for the financial year	619,128	618,825
Depreciation	11,219	17,139
Decrease/(Increase) in debtors	282,963	(513,134)
Increase/(decrease) in creditors	153,205	(441,797)
Loss on disposal of fixed assets	25,490	-
Defined benefit pension scheme costs	(33,763)	(55,935)
Net Cash Flow from charitable activities	1,158,242	(374,902)
	2017 €	2016 €
Cash flows from charitable activities		
Net cash flows from charitable activities	1,158,242	(374,902)
Cash used in investing activities		
Purchase of fixed assets	(16,750)	-
Net increase in cash and cash equivalents in the reporting year	1,041,492	(374,902)
Cash and cash equivalents in the beginning of the reporting year	3,198,321	3,573,223
Cash and cash equivalents at the end of reporting year	4,239,813	3,198,321

1. ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Statement of Recommended Practice (SORP 2015)) "Accounting and Reporting by Charities" in accordance with the Financial Reporting Standard applicable in the UK (which has been recognised as best practice for financial reporting by charities in Ireland) and Republic of Ireland (FRS 102), issued by the Financial Reporting Council, and the Companies Act 2014.

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

The financial statements are presented in euro.

Going Concern

The organisation's forecasts and projections, taking account of reasonable possible changes in performance, show that the organisation will be able to operate within the level of its current cash and investment resources. The Board have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible Fixed Assets

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

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

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.

1. ACCOUNTING POLICIES (CONTINUED)

Income

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

Expenditure

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

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

Gifts In Kind

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

Retirement benefits

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

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

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

1. ACCOUNTING POLICIES (CONTINUED)

Debtors

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

Leasing Commitments

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

Fund Accounting

The following funds are operated by the Charity:

General Funds - unrestricted

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

Designated Funds

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

Restricted Funds

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

Reserves Policy

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

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

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

The board has adopted a reserves policy based on foreseeable expenditure and in particular, long-term commitments. In 2017 the designated reserves are at €3.12m which has been set aside towards the reserves policy goal of €2.75m which would allow operation of the organisation for 6 months, based on historical running costs and programme expenditure and €3.37m towards other towards projects in line with the organisations strategic objectives.

1. ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

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

Financial assets and liabilities

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

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

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

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

Foreign Currencies

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

Taxation

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

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Critical judgements in applying the Company's accounting policies

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

Defined Benefit Pension Scheme Obligation

The organisation has a defined benefit pension scheme in operation. There are estimates with respect to certain key assumptions made in calculating the actuarial accrual relating to the scheme including the discount rate and inflation rate as disclosed in note 15.

3. CHARITABLE ACTIVITIES	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	Total Funds 2016 €
Drug treatment services	-	2,691,973	2,691,973	2,024,761
Counselling and support	-	662,452	662,452	1,272,348
Total Income	-	3,354,425	3,354,425	3,297,109

The Department of Justice and Equality through the Probation Service provided current funding in the amount of €183,000 in 2017 (€183,000 in 2016). Funding is granted for a 12 month period and is restricted in accordance with the terms and conditions, including schedule 1, of the funding agreement. Funds are for the provision of addiction treatments services and costs apply to all payroll, administration, direct and indirect costs. There has been no difference in the grant taken to income and the cash received in the period.

ANALYSIS OF GOVERNMENT GRANT INCOME

	2017 €	2016 €
Health services executive	1,482,096	1,245,797
Irish prison services	1,051,051	1,062,348
Department of justice and equality through the probation service	183,000	183,000
South inner city local drugs task force	56,392	56,392
South east regional drugs task force	158,452	422,452
Midlands regional drug task force – health services executive	396,434	254,986
Midlands regional drug task force – westmeath county council	-	45,134
Family support agency	27,000	27,000
	3,354,425	3,297,109

MERCHANTS QUAY IRELAND CLG

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

4. DONATIONS AND LEGACIES	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	Total Funds 2016 €
Individual Giving	2,491,311	-	2,491,311	2,687,415
Legacies	36,784	-	36,784	113,644
Corporates and Trusts	-	33,475	33,475	1,767
Other	20,883	-	20,883	38,186
	2,548,978	33,475	2,582,453	2,841,012

5. OTHER INCOMING RESOURCES	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	Total Funds 2016 €
Diploma & certificate fees	38,098	-	38,098	103,256
Client contributions	125,611	-	125,611	136,149
Bank interest received	1,423	-	1,423	2,963
Sundry	10,625	-	10,625	7,300
	175,757	-	175,757	249,668

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2017 €	Restricted Funds 2017 €	Total Funds 2017 €	Total Funds 2016 €
Drug treatment services	1,158,604	2,571,467	3,730,071	2,977,170
Counselling and support	285,115	664,002	949,117	1,816,770
University diplomas & certificate	88,120	-	88,120	113,937
Total Expenditure	1,531,839	3,235,469	4,767,308	4,907,877

The total support costs for MQP for 2017 were €104,046, these have been apportioned across the above charitable activities in the following methods:

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

MERCHANTS QUAY IRELAND CLG

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

7. RAISING FUNDS

	Campaign Costs 2017 €	Staffing Costs 2017 €	Overheads Costs 2017 €	Total Costs 2017 €	Total Costs 2016 €
Individual Giving	479,132	146,171	50,268	675,571	824,155
Legacies	2,878	18,848	5,027	26,753	18,466
Corporates and Trusts	-	18,848	5,027	23,875	18,466
	<u>482,010</u>	<u>183,867</u>	<u>60,322</u>	<u>726,199</u>	<u>861,087</u>

8. EMPLOYEES

2017
Number

2016
Number

Number of employees

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

Administration and social workers

106

101

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

	2017 Number	2016 Number
€60,000 - €70,000	2	1
€70,001 - €80,000	3	1
€80,001 - €90,000	0	1
€90,001+	1	1
	<u>6</u>	<u>4</u>

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

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

The key management personnel at the company comprises of the Directors and the executive team. The total remuneration costs for the organisation of the key management personnel were €571,552 (2016: €522,445) which included salaries, PRSI, pension and allowances.

As the key management team work across MQI a portion of the salaries that arise within Merchant's Quay Ireland CLG that are attributable to the work of Franciscan Social Justice Initiatives CLG are transferred over to this Company. The adjusted remuneration costs charged to MQP taking this into account is € 443,553 (2016: €411,896). The above salary bands represent the full salaries paid to the key management team before any amounts have been transferred.

MERCHANTS QUAY IRELAND CLG

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

8. EMPLOYEES (CONTINUED)

	2017 €	2016 €
Employment costs	2,910,437	2,992,529
Wages and salaries	299,292	309,064
Social welfare costs	23,512	23,513
Defined benefit pension costs	58,534	61,928
Defined contribution pension costs	31,251	3,347
Death in service costs		
	3,323,026	3,390,381

It should be noted that a portion of the salaries that arise within Merchant's Quay Ireland CLG that are attributable to the work of Franciscan Social Justice Initiatives CLG are transferred over to this Company and excluded from the above.
Included in the above costs is €49,339 in relation to redundancies during the year.

9. NET INCOME

	2017 €	2016 €
Net income is stated after charging:		
Directors' remuneration	11,219	17,139
Depreciation	197,345	191,945
Operating leases		

10. TANGIBLE ASSETS

	Improvements to premises €	Equipment €	Furniture and fittings €	Motor vehicles €	Total €
Cost					
At 1 January 2017	311,865	247,286	189,336	66,799	815,286
Additions	-	-	-	16,750	16,750
Disposals	(311,865)	(247,286)	(189,336)	(8,500)	(756,987)
At 31 December 2017	-	-	-	75,049	75,049
Depreciation					
At 1 January 2017	311,865	229,410	174,365	64,053	779,693
Charge for the financial year	-	3,298	4,059	3,862	11,219
Disposals	(311,865)	(232,708)	(178,424)	(8,500)	(731,497)
At 31 December 2017	-	-	-	59,415	59,415
Net book values					
At 31 December 2017	-	-	-	15,634	15,634
Net book values At 31 December 2016	-	17,876	14,971	2,746	35,593

MERCHANTS QUAY IRELAND CLG

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

11. DEBTORS	2017 €	2016 €
Amounts falling due within one year:		
Other debtors (Note 14)	267,639	375,287
Prepayments	203,959	166,383
Franciscan Social Justice Initiative (Note 14)	-	240,287
St Francis Housing Association (Note 14)	27,286	-
Debtors PAYE/PRSI	526	416
	499,410	782,373

12. CREDITORS:	2017 €	2016 €
Amounts falling due within one year		
Trade creditors	163,684	102,635
Accrued expenses	273,454	292,062
Deferred Income**	357,683	300,663
Amount due to Franciscan Social Justice Initiative CLG (Note 14)	55,977	-
Amount due to Merchants Quay Project CE CLG (Note 14)	1,082	-
Amount due to St Francis Housing Association (Note 14)	-	3,315
	851,880	698,675

**Deferred income relates to income with performance related conditions applied for Q1 2018.

13. FINANCIAL INSTRUMENTS	2017 €	2016 €
Financial Assets:		
Measured at undiscounted amounts receivable		
Debtors (Note 11)	267,639	375,287
Amount due from Franciscan Social Justice Initiative CLG (Note 11)	-	240,287
Amount due from St Francis Housing Association CLG (Note 11)	27,286	-
	294,925	615,574
Financial Liabilities:		
Measured at undiscounted amounts payable		
Creditors (Note 12)	521,367	394,698
Amount due to Franciscan Social Justice Initiative CLG (Note 12)	55,977	-
Amount due to MQP CE Scheme CLG (Note 12)	1,082	-
Amount due to St Francis Housing Association (Note 12)	-	3,315
	578,426	398,013

MERCHANTS QUAY IRELAND CLG

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

14. RELATED PARTY TRANSACTIONS

The Directors of the Company are also Directors of Franciscan Social Justice Initiative CLG (FSJI) and St Francis Housing Association (SFHA). The Directors of the Company along with additional directors are also directors of Merchants Quay Project CE Scheme Ltd. The Members on behalf of the Order of The Friars Minor have effective control over all four companies.

The balance owed to FSJI at 31 December 2017 was €55,977 (2016: €240,287 owed by FSJI). The balance owed to MQPCE at 31 December 2017 was €1,082 (2016: €NIL owed to MQI). The balance owing from St Francis Housing Association at 31 December 2017 was € 27,286 (2016: €3,315 owed by MQI).

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

15. RETIREMENT BENEFIT SCHEME

The pension entitlements of eligible employees arise under a defined contribution and a defined benefit scheme. The pension entitlements under the defined benefit scheme are based on final pensionable pay and are secured by contributions by the Company to a separately administered group pension fund operated by the Order of Friars Minor in Ireland. The scheme's actuary has split the assets and liabilities of the scheme between the various participating entities, for the financial year ended 31 December 2017. It is on this basis that the pension liability has been recognised in the financial statements of Merchant's Quay Ireland CLG.

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

The most recent valuation was at 30 December 2017 and is available for inspection by the scheme members but not for public inspection. The last triennial funding valuation was carried out at 30 June 2016.

The Company also operates a defined contribution scheme to provide benefits for new employees. Contributions made to the defined contribution scheme during the financial year amounted to €58,534 (2016: €61,928). The contributions in relation to the two schemes payable at the financial year-end was € Nil (2016: €Nil).

The actuarial valuation as at 31 December 2017 was prepared for by a qualified independent actuary, using the projected unit method. The main financial assumptions used in the valuation were:

15. RETIREMENT BENEFIT SCHEME (CONTINUED)

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 2017 of 1.20%.
- Equities: The return available on the ML > 10 year Euro Government Bond Index at 31 December 2017 plus an equity risk premium of 4.80%.
- Property: The return available on the ML > 10 year Euro Government Bond Index at 31 December 2017 plus a property risk premium of 4.30%.
- Other: The ECB interest rate, 0% at 31 December 2017.

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

	2017 %	2016 %
Rate of increase in salaries	2.5%	3.40%
Rate of increase in pension payment	0.00%	0.00%
Discount rate of scheme liabilities	1.95%	1.80%
Inflation assumption	1.50%	1.50%

Mortality assumptions

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

	2017	2016
Retiring at 31 December 2017		
Male	21.2	21.1
Female	23.7	23.6
Retiring in 20 years		
Male	23.7	23.6
Female	25.9	25.7

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

15. RETIREMENT BENEFIT SCHEME (CONTINUED)

Risks and rewards arising from the assets

At 31 December 2017 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 2017 %	At 31-Dec 2017 €	Rates at 31-Dec 2016 %	At 31-Dec 2016 €
Equities	4.5%	439,306	4.5%	393,243
Bonds	1.1%	62,887	0.9%	61,758
Property	4.0%	77,849	4%	72,919
Other	0.00%	242,013	0.00%	216,154
Total market value of assets		<u>822,055</u>		<u>744,074</u>

The following amounts were measured at 31 December 2017:

	2017 €	2016 €
The amounts recognised in the balance sheet are as follows:		
Fair value of scheme assets	822,055	744,074
Present value of scheme liabilities	(762,040)	(738,622)
Pension asset in the balance sheet	<u>60,015</u>	<u>5,452</u>
Net pension asset	<u>60,015</u>	<u>5,452</u>

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

	2017 €	2016 €
Interest cost	(13,507)	(16,047)
Expected return on scheme assets	13,905	16,147
Other finance costs	398	100
Current service cost – included in other operating costs	23,512	23,512
	<u>23,910</u>	<u>23,612</u>

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

15. RETIREMENT BENEFIT SCHEME (CONTINUED)

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

	2017 €	2016 €
Actual return less expected return on pension scheme assets	7,199	15,480
Experience gains and losses arising on the scheme liabilities	973	(3,204)
Changes in assumptions underlying the present value of the scheme liabilities	12,628	(38,997)
	<u>20,800</u>	<u>(26,721)</u>
Actuarial gain /(loss) recognised in the statement of Financial Activities		

Movement in scheme assets and liabilities

	Pension assets €	Pension liabilities €	Pension surplus €
At 1 January 2017	744,074	(738,623)	5,451
Current service cost	-	(23,512)	(23,512)
Interest on scheme liabilities	-	(13,507)	(13,507)
Expected return on scheme assets	13,905	-	13,905
Actual less expected return on scheme assets	7,199	-	7,199
Experience gains on liabilities	-	974	974
Contributions by employer	56,877	-	56,877
Changes in assumptions	-	12,628	12,628
At 31 December 2017	<u>822,055</u>	<u>(762,040)</u>	<u>60,015</u>

	Pension assets €	Pension liabilities €	Pension deficit €
--	------------------------	-----------------------------	-------------------------

In respect of prior financial year:

Movement in scheme assets and liabilities

	Pension assets €	Pension liabilities €	Pension deficit €
At 1 January 2016	633,100	(656,862)	(23,762)
Current service cost	-	(23,512)	(23,512)
Interest on scheme liabilities	-	(16,047)	(16,047)
Expected return on scheme assets	16,147	-	16,147
Actual less expected return on scheme assets	15,480	-	15,480
Experience gains on liabilities	-	(3,204)	(3,204)
Contributions by employer	79,347	-	79,347
Changes in assumptions	-	(38,997)	(38,997)
At 31 December 2016	<u>744,074</u>	<u>(738,622)</u>	<u>5,452</u>

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

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

16. A. RECONCILIATION OF MOVEMENTS IN FUNDS

	Unrestricted Fund €	Designated fund €	Restricted fund €	Total €
Balance as at 1 January 2017	329,759	2,594,603	398,702	3,323,064
Net income	466,697	-	152,431	619,128
Other recognised income	20,800	-	-	20,800
Transfer of funds	(510,159)	527,472	(17,313)	-
Balance as at 31 December 2017	307,097	3,122,075	533,820	3,962,992

The current balance in the designated fund comprises of amounts set aside by the Board of Directors to establish minimum reserves equivalent to at least 6 months expenses in accordance with the reserves policy. The current reserves objective is €2.75m.

In 2017 the board designated a transfer of €527,472 from unrestricted reserves into designated reserved in order to work on compliance with this policy and towards projects in line with the organisations strategic objectives, €17,313 was also transferred from restricted into unrestricted as the fund was previously spent.

In respect of prior financial year:

	Unrestricted Fund €	Designated fund €	Restricted fund €	Total €
Balance as at 1 January 2016	284,823	2,076,717	369,420	2,730,960
Net income	589,543	-	29,282	618,825
Other recognised income	(26,721)	-	-	(26,721)
Transfer from unrestricted fund to designated fund	(517,886)	517,886	-	-
Balance as at 31 December 2016	329,759	2,594,603	398,702	3,323,064

B. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds €	Designated Funds €	Restricted Funds €	Total 2017 €	Total 2016 €
Tangible fixed assets	15,634	-	-	15,634	35,593
Current assets	1,083,328	3,122,075	533,820	4,739,223	3,980,694
Current liabilities	(851,880)	-	-	(851,880)	(698,675)
Long term asset	60,015	-	-	60,015	5,452
	307,097	3,122,075	533,820	3,962,992	3,323,064

MERCHANTS QUAY IRELAND CLG

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

17. TAXATION

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

The Company is compliant with all other taxes and held a valid tax clearance certificate for the year 2017.

18. ULTIMATE CONTROLLING PARTY

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

19. COMMITMENTS

	2017 €	2016 €
Total future minimum lease payments under non-cancellable operating leases as follows:		
Leasehold Premises		
Within one year	197,345	197,345
In two to five years	683,780	518,248
More than five years	539,498	635,000
	<u>1,420,623</u>	<u>1,350,593</u>

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

20. SUBSEQUENT EVENTS

As at 1 January 2018 Franciscan Social Justice Initiatives CLG transferred its activities over to Merchants Quay Ireland CLG.