Franciscan Social Justice Initiatives Limited
(A company limited by guarantee not having a share capital)

Directors' Report and Financial Statements

Year Ended 31 December 2012

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DIRECTORS AND OTHER INFORMATION

Board of Directors

Rev Joseph MacMahon OFM
Rev Hugh McKenna OFM
Rev Kieran Cronin OFM
Br Niall O'Connell OFM
Rev Patrick Lynch OFM
Mr Brian Melaugh
Mr Mick Price
Ms Joanne Fenton

Solicitors

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

Secretary

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

Registered Office

28 Winetavern Street
Dublin 8

Company Number: 280573

Charity Number: CHY 12809

Bankers

Allied Irish Bank
7 - 12 Dame Street
Dublin 2

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

Places of operation

28 Winetavern Street
Dublin 8

Riverbank House
Dublin 8

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2012.

Directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the results of the company for that year. In preparing these the directors are required to:

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2012. 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.

Books of account
The directors are responsible for ensuring that proper books of account, as outlined in Section 202 of the Companies Act, 1990, are kept by the company. The directors believe that they have complied with this requirement by employing accounting personnel with appropriate expertise and providing adequate resources to the finance function. The books and records of the company are maintained at 28 Winetavern Street, Dublin 8.

Results for the year and state of affairs at 31 December 2012
The income and expenditure account and balance sheet are set out on pages 8 and 9 respectively.

Principal activity and review of the business
The company operates as a non profit making organisation established to provide a range of services for homeless, unemployed, and marginalised persons.

Risk assessment
The directors consider that the principal risk factors that could materially and adversely affect the company's future operating profits or financial position would be the cessation of funding.

The company has insurances and business policies to limit the business risks associated with its activities and the board of directors regularly review, reassess and proactively limit the associated risks insofar as possible.

Events since the year end
There have been a number of cuts in funding across all major funding streams in relation to 2013, reductions in income will impact on the service the company provides and will necessitate cost containment measures.

DIRECTORS' REPORT - continued

Directors

The names of the persons who were directors at any time during the year ended 31 December 2012 are set out below. Unless indicated otherwise they served as directors for the entire year.

Rev. Joseph MacMahon OFM
Rev. Hugh McKenna OFM
Rev. Kieran Cronin OFM
Br. Niall O'Connell OFM
Rev. Patrick Lynch OFM
Mr Brian Melaugh
Mr Mick Price
Ms Joanne Fenton (appointed 5 September 2012)

Auditors

The auditors, PricewaterhouseCoopers, will continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

Taxation status

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

On behalf of the board

Hugh McKenna

Rev Hugh McKenna OFM

Kieran Cronin

Rev Kieran Cronin OFM

19 June 2013

pwc

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

We have audited the financial statements of Franciscan Social Justice Initiatives Limited for the year ended 31 December 2012 which comprise of the Accounting Policies, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2012 and of its deficit and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

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

Matters on which we are required to report by the Companies Acts 1963 to 2012

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

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Teresa Harrington

Teresa Harrington
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

20 June 2013

ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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

Basis of preparation of accounts
The accounts are prepared under the historical cost convention and in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2012. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council.

The financial statements are presented in euro.

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

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments.

The estimated useful lives of tangible assets by reference to which depreciation has been calculated are as follows:

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

Income
Income represents grants and donations receivable in the year.

Donations received specifically for the activities of the company are recognised when the company is entitled to the monies and the service has been delivered.

Expenditure
Some costs are borne by Merchants Quay Project Limited and reallocated to the company on a consistent basis each year.

Pensions
The costs arising in respect of the defined contribution scheme are recognised in the income and expenditure account in the period in which they are incurred.

INCOME AND EXPENDITURE ACCOUNT
Year Ended 31 December 2012

	Notes	2012 €	2011 €
Income		1,760,731	1,742,290
Expenditure		(1,777,790)	(1,695,819)
(Deficit)/surplus for the year before interest	2	(17,059)	46,471
Interest received		10,993	10,591
(Deficit)/surplus for the year		(6,066)	57,062
Accumulated surplus/(deficit) at beginning of year		52,532	(4,530)
Accumulated surplus at 31 December 2012	8	46,466	52,532

There are no recognised gains or losses other than the surplus or deficit noted above for the financial years 2011 and 2012.

On behalf of the board

Hugh McKenna
Rev Hugh McKenna OFM

Kieran Cronin
Rev Kieran Cronin OFM

BALANCE SHEET
As at 31 December 2012

	Notes	2012 €	2011 €
Fixed assets			
Tangible assets	4	6,028	12,277
Current assets			
Debtors	5	-	2,685
Cash at bank and in hand		570,751	782,598
		570,751	785,283
Creditors (amounts falling due within one year)	6	(530,313)	(745,028)
Net current assets		40,438	40,255
Total net assets		46,466	52,532
Capital and reserves			
Income and expenditure account		46,466	52,532
Total reserves	7	46,466	52,532

On behalf of the board

Hugh McKenna

Rev Hugh McKenna OFM

Kieran Cronin

Rev Kieran Cronin OFM

CASH FLOW STATEMENT
Year Ended 31 December 2012

	Notes	2012 €	2011 €
Cash (outflow)/inflow from operating activities	8	(222,840)	331,933
Returns on investments and servicing of finance		10,993	10,591
Capital expenditure and financial investment		-	-
(Decrease)/increase in cash	10	(211,847)	342,524

NOTES TO THE FINANCIAL STATEMENTS

1 Going concern

During the year the company incurred a deficit of €6,066 compared to a surplus of €57,062 as at 31 December 2011. The company had net assets of €46,466 as at 31 December 2012 compared to net assets of €52,532 as at 31 December 2011.

The directors have prepared financial statements on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

2 (Deficit)/surplus for the year before interest

	2012 €	2011 €
(Deficit)/surplus for the year before interest is stated after charging:		
Depreciation of tangible assets	6,249	25,182
Auditors' remuneration	8,290	4,840
Directors' emoluments:		
- As directors	-	-
- For managements services	-	-
	-	-

3 Employees

	2012 Number	2011 Number
The average weekly number of employees during the year were:		
Project workers	28	28

	2012 €	2011 €
Employment costs:		
Wages and salaries	1,189,585	1,208,606
Employers' PRSI	104,843	112,089
Staff pension costs	15,614	19,118
	1,310,042	1,339,813

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Tangible assets

	Improvements to premises €	Fixtures and fittings €	Total €
Cost			
At 31 December 2011	243,096	94,605	337,701
Disposals	-	-	-
At 31 December 2012	243,096	94,605	337,701
Accumulated depreciation			
At 31 December 2011	243,096	82,328	325,424
Charge for the year	-	6,249	6,249
At 31 December 2012	243,096	88,577	331,673
Net book amounts			
At 31 December 2011	-	12,277	12,277
At 31 December 2012	-	6,028	6,028

5 Debtors

	2012 €	2011 €
Other debtors	-	2,685

6 Creditors (amounts falling due within one year)

	2012 €	2011 €
Trade creditors	5,333	2,571
Taxation and social insurance	-	14,798
Merchants Quay Project (note 12)	305,750	553,115
Other creditors	90,000	90,000
Accruals	129,230	84,544
	530,313	745,028

7 Reconciliation of movements in reserves

	2012 €	2011 €
(Deficit)/surplus for the year	(6,066)	57,062
Opening reserves	52,532	(4,530)
	46,466	52,532

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Net cash (outflow)/inflow from operating activities

	2012	2011
	€	€
Operating (deficit)/surplus	(6,066)	57,062
Depreciation	6,248	25,182
Decrease/(increase) in debtors	2,687	(2,076)
(Decrease)/increase in creditors	(214,716)	307,238
Interest received	(10,993)	(10,591)
Government grant released	-	(44,882)
Net cash (outflow)/inflow from operating activities	(222,840)	331,933

9 Reconciliation of net cash flow to movement in net funds

	2012	2011
	€	€
(Decrease)/increase in cash in the year	(211,847)	342,524
Net funds at beginning of year	782,598	440,074
Net funds at 31 December 2012	570,751	782,598

10 Analysis of changes in net funds during the year

	Balance at 31 December 2011	Cash flows	Balance at 31 December 2012
	€	€	€
Cash at bank and in hand	782,598	(211,847)	570,751
Overdrafts	-	-	-
	782,598	(211,847)	570,751

11 Pensions

The pension entitlements of eligible employees arise under a defined contribution and a defined benefit scheme.

The defined benefit scheme has been closed to new entrants for a number of years. The liability for pension entitlements of the eligible employees that arise under the defined benefit scheme is borne by Merchants Quay Project Limited. The defined benefit scheme is part of a separately administered group pension fund operated by the Order of Friars Minor in Ireland.

The company also operates a defined contribution scheme for eligible employees. Contributions made to the defined contribution scheme during the year amounted to €38,953 (2011: €43,971).

12 Related party transactions

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

The balance owing to the Merchants Quay Project Limited at 31 December 2012 was €305,750 (2011: €553,115).

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Taxation

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

14 Comparative amounts

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

15 Ultimate controlling party

The members and directors of the company at 31 December 2012 apart from Mr. Mick Price, Ms. Joanne Fenton and Mr. Brian Melaugh are members of the Order of Friars Minor.

16 Approval of the financial statements

The directors approved the financial statements on 19 June 2013.