




**WORKING
TO END
HOMELESSNESS**

Focus Ireland
Annual Report 2012

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Focus Ireland

Annual Report 2012

‘Focus Ireland still firmly believes that homelessness can be solved. It is vital that as Ireland works to overcome the recession we do not ignore the fact that the State and society have a duty to protect the most vulnerable. We must all work to ensure that the society which emerges in Ireland in the coming years is a more equal one.’

Joyce Loughnan, Chief Executive

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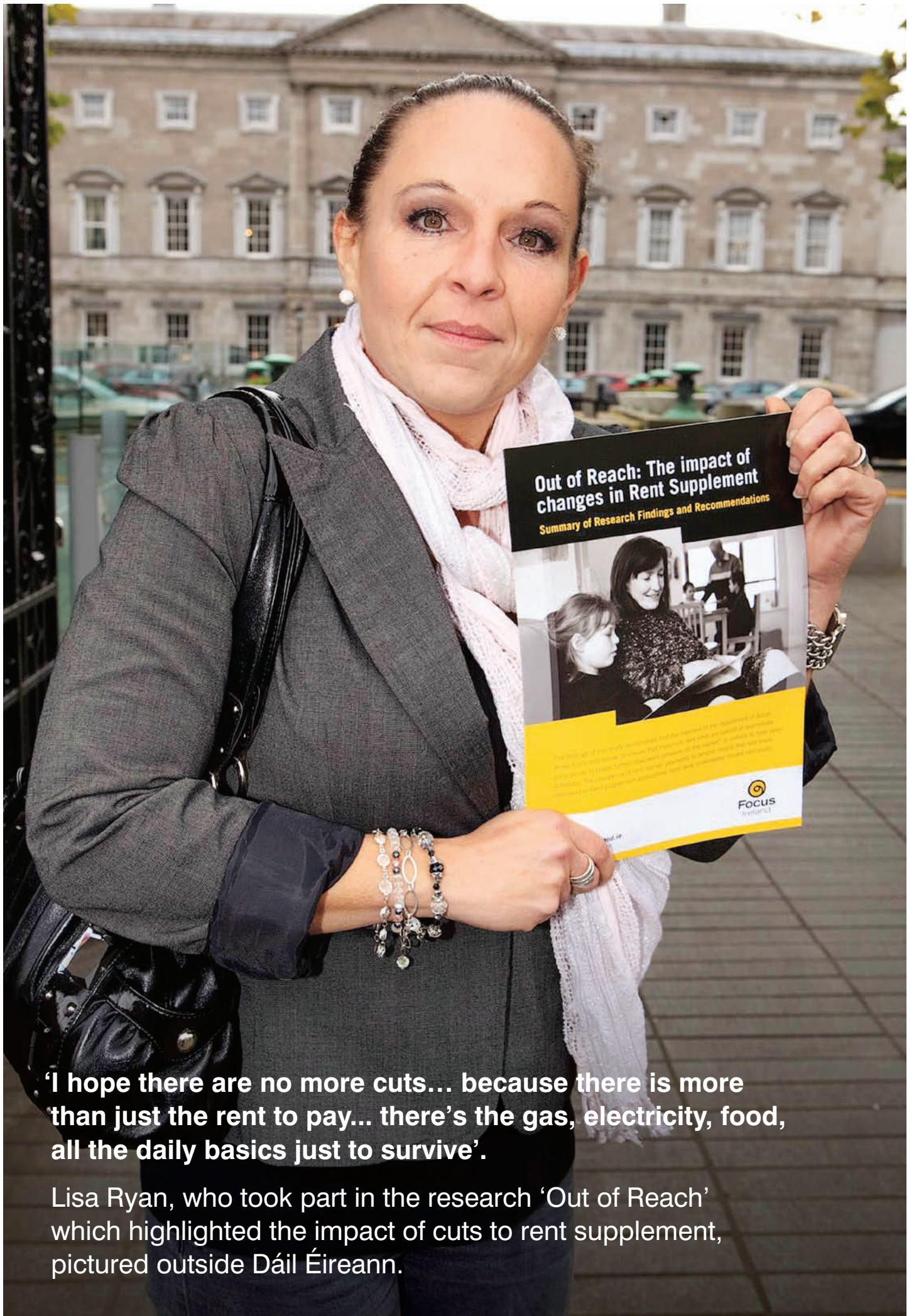
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WORKING TO END HOMELESSNESS

‘Seeing people like Joe taking back control of their lives, against all the odds, is one of the best things about my job.’

Adrian Quinn, Services Project Leader, Focus Ireland
(see pages 22–23 for full story)



'I hope there are no more cuts... because there is more than just the rent to pay... there's the gas, electricity, food, all the daily basics just to survive'.

Lisa Ryan, who took part in the research 'Out of Reach' which highlighted the impact of cuts to rent supplement, pictured outside Dáil Éireann.

Foreword by Joyce Loughnan

Chief Executive of Focus Ireland

Dear friends,

In 2012, Focus Ireland experienced yet another challenging year as we worked to cope with increased demand for our services and, at the same time, a reduction in funding. In these very difficult circumstances, Focus Ireland worked directly with over 8,000 customers, providing vital support for many families and individuals who were either homeless or at risk of becoming homeless.



I am proud that we were able to settle 379 households into a place they can now call home, plus we continued to provide support to 490 households to live independently in homes we either lease or own nationally.

We faced the challenge of supporting more people than ever and I am pleased to say that was possible due to the flexibility and commitment of our staff, volunteers, our board and partners, who helped us to make a difference to so many people's lives.

We also responded to the changes in society that have placed more people at risk of losing their home by providing early access to advice and information as a crucial support to prevent homelessness for over 2,500 people in Kilkenny, Dublin, Limerick, Cork, Waterford and Sligo.

Focus Ireland's strategy is to develop more prevention-centred services. Last year we worked in partnership with multi-disciplinary mental health teams to develop Genio Mental Health Projects in Kildare and Limerick where we now provide a flexible, person-centred, home-visiting service to support individuals to settle into a new home in the community and sustain living independently in the future.

We also launched a new aftercare support and accommodation project in Waterford to prevent young people in the South East from becoming homeless.

Another key part of our work is working to combat the root causes of homelessness. Through research, communications and lobbying for policy change. During the Government's first full year in office in 2012 we highlighted changes needed in homeless and housing policy. This included making submissions on reviews of the 2008–2013 National Homeless Strategy and the Youth Homeless Strategy.

Much of our advocacy and lobbying work was targeted at urging Government to improve access to affordable housing.

The need to set new deadlines for tackling long-term homelessness in a revised homeless strategy and providing better access to housing is the key to ending long-term homelessness. We worked with Government to put forward solutions to this problem especially regarding the delays in NAMA delivering any social housing or any social dividend.

Our Housing Development Programme continued to face difficulty in securing properties in

In 2012 Focus Ireland worked directly with over 8,000 people, providing vital support for many families and individuals who were either homeless or at risk of becoming homeless

‘... we are extremely grateful to our faithful supporters, corporates and statutory funders, without whom we would not be able to do the important work we do. 90 Cent in every Euro we received was spent directly on our services.’

2012. We committed significant resource and effort looking at new models like leasing privately owned units, Local Authority stock transfers and void refurbishment and developing a financing fund structure using private investment to purchase the homes we need for families and households who are homeless. We are confident that this work will pay dividends in the coming year.

Focus Ireland still firmly believes that homelessness can be solved.

It is vital that as Ireland works to overcome the recession we do not ignore the fact that the State and society have a duty to protect the most vulnerable. We must all work to ensure that the

society which emerges in Ireland in the coming years is a more equal one.

I would like to finish by adding that we are extremely grateful to our faithful supporters, corporates and statutory funders, without whom we would not be able to do the important work we do. 90 Cent in every Euro we received was spent directly on our services.

Special thanks also to everyone who took the time to tell their own stories that we have published in this year's annual report.

Joyce Loughnan

Chief Executive

Message from Sr Stanislaus Kennedy

Founder and Life President of Focus Ireland

It saddens me as I write this to reflect that Irish society is growing more unequal as the impact of the recession deepens. The number of children living in consistent poverty increased by over 34,000 in three years – rising from a total of 72,367 in 2008 to 106,827 in 2011 as life got harder for many families nationwide.



We know from the Census that more than 3,800 people were homeless on the night of April 10th 2011. The Census found that a shocking 1 in 7 (503) of these people were children. It's important to note that the census is a snap shot of one night so the figures for the full year would be higher but I'm sure we can all agree that over 500 children is still far too many to be out of home. The census did not provide a figure for unattached under 18s homeless on that night.

However, the fact that 288 children were accommodated in emergency placements in 2011, and 141 were referred in the first six months of 2012, shows us that we still have too many vulnerable children under 18 in need of help. By its very nature a census provides a snapshot in time, so the figure for the whole year would be higher. Meanwhile, as over 500 young people leave care each year, some of the most vulnerable are still not getting the required support and accommodation.

To examine any problem you must first ask: 'Why is this happening?' Most people agree that homelessness should be ended. If this is the case,

why are up to 5,000 people still homeless? There is a certain acceptance in society that homelessness and inequality will always be with us to some degree. We must change this thinking and take action to follow through on our belief that homelessness and inequality can and must be ended.

I fear that if we continue to focus purely on the economic side of things then society will falter and more divisions will appear. We must not place economics above all else and operate an ad hoc approach to social policy, using the excuse that we can't tackle many difficult issues because of the current economic situation.

I find by talking to many people through my work that it is often those living in great difficulties that rise to show an amazing strength of character and spirit in the most trying of circumstances. I believe that it is important to be inspired by this and to always take the time to reflect on the positive.

There is also much great work being carried out each day by the staff of Focus Ireland and many other charities and individuals in society.

'We know from the Census that more than 3,800 people were homeless on the night of April 10th 2011. The Census found that a shocking 1 in 7 (503) of these people were children.'

‘We must build on this work and reach out to the most marginalised if we are to end long-term homelessness and create a more just society. We must turn beliefs and words into action.’

There have been some improvements in certain areas. Services for people who are homeless or at risk of homelessness have improved and there is also an increased provision of aftercare by Focus Ireland, other organisations and the State. As a result many people do get the vital support they need when they need it.

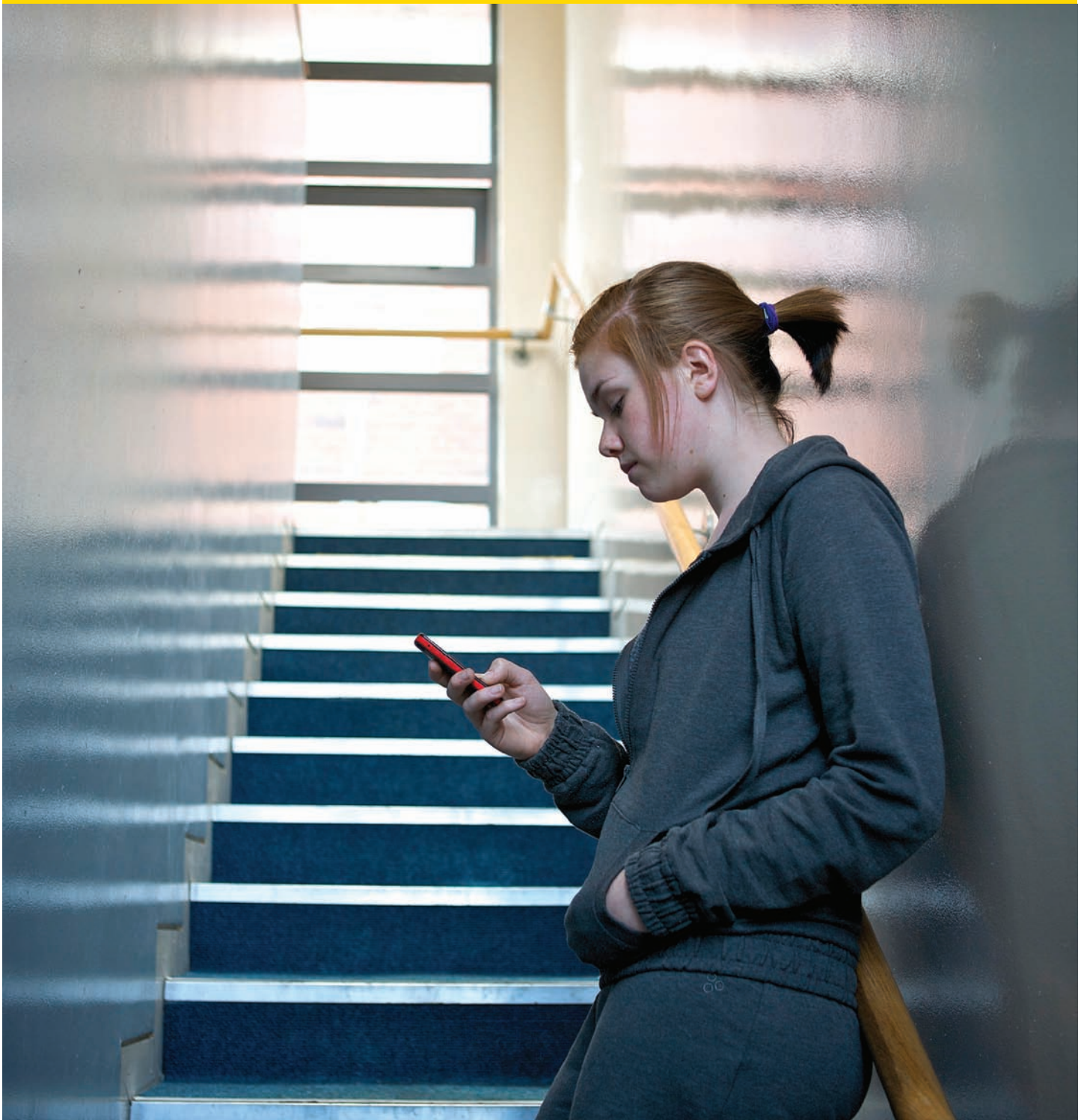
We must build on this work and reach out to the most marginalised if we are to end long-term homelessness and create a more just society. We must turn beliefs and words into action.

If the Government and our society continue to often place economics and short-term thinking above all else, the situation will get much worse for many, and our society will become more fractured. Let us not use economics as an excuse. We still have choices. Let’s work together to make sure we make the right ones.

Sr Stanislaus Kennedy

Founder and Life President

Over **50** young people who left state care were provided with short-term accommodation and we supported an additional **130** young people to live independently



About Focus Ireland

Focus Ireland works with people who are homeless or are at risk of losing their homes across Ireland.

We offer individuals and families advice, support, education and housing to help people to have and keep a home. We believe that everyone has a right to a place they can call home and we campaign to address the causes of homelessness.

Mission

Focus Ireland aims to advance the rights of people out-of-home to live in a place they can call home through delivering quality services and housing, research and advocacy.

Vision

Focus Ireland believes that everyone has the right to a place they can call home.

Objectives

Focus Ireland's objectives are to:

- › respond to the needs of people out-of-home and those at risk of becoming homeless, through delivering a range of appropriate high-quality services
- › provide emergency, transitional and long-term accommodation for people out-of-home
- › campaign and lobby for the rights of people out-of-home and the prevention of homelessness.

Values

Focus Ireland's models of service provision are dictated by the needs of our customers. We believe that the quality of service delivery is as important as the kind of service we provide. There are eight primary values that underpin our models of service delivery, both for our staff and for our customers:

- › respect
- › safety
- › accessibility
- › empowerment
- › stewardship
- › quality
- › partnership
- › integration

Directors and other information

Chief Executive

Joyce Loughnan

Directors

Sr Stanislaus Kennedy (Founder and Life President)

Gerry Danaher (Chairman)

Helen Kilroy (appointed Vice-Chair in March 2012)

Ronan Harris (joined March 2012)

David Martin

Deirdre Connolly

Mary O'Shea

Sean Carey

Declan O'Flaherty

Prof. Tony Fahey (joined Jan 2012)

Trustees

Sr Síle Wall

Dr Helen Burke

Tim Bouchier Hayes

Company Secretary and Registered Office

Mark Byrne, 9-12 High Street, Christchurch, Dublin 8

Company Registered Number

106149

Registered Charity Number

CHY 7220

Solicitors

Arthur Cox

Ferrys Solicitors

McCann FitzGerald

Bankers

Allied Irish Banks plc

Bank of Ireland

Rabobank

Ulster Bank

Auditors

Deloitte and Touche,

Chartered Accountants and Statutory Audit Firm,

Deloitte and Touche House,

Earlsfort Terrace, Dublin 2



WORKING TO END HOMELESSNESS FOR SUSAN

After years of hurt and uncertainty, Susan said she finally had a place where she felt safe – ‘It felt like home.’

Today, aged 19, Susan is thriving. With the help of Focus Ireland, she has taken the first steps into adulthood and is looking forward to a brighter future.

Photograph by Cyril Byrne, courtesy of The Irish Times.

Susan's story

When children in care reach the age of 18, they are no longer entitled to State support. Our research shows that these young adults can be particularly vulnerable to homelessness as they are unprepared for independent living. Focus Ireland provides a range of supports and accommodation for these young people. Susan* became homeless at the age of 18. This is her story.

Susan's childhood was chaotic. Sometimes her parents were in a position to care for her; sometimes they were not. As a result, she was in and out of foster homes and care facilities. At times, her entire family was homeless. She remembers sleeping in hostels by night that she said were 'scary' and having to walk the streets by day.

At the age of 16, Susan was living in a house with her mother and three of her four younger siblings. Due to problems at home, she felt solely responsible for her younger sisters and brother. When she was 18 and in sixth year in school Susan had to look after her mother as well as her siblings while studying for the Leaving Certificate.

One morning it all became too much when Susan rushed downstairs to see her mother in the middle of a violent rage. She found her youngest sister cowering on a bunk bed. 'It reminded me of myself when I was younger,' she said. With this memory came the painful realisation that in spite of all she had done to protect her younger siblings, history was repeating itself. If anything were to really change for her family, she would have to change her own life first.

So she packed a bag and left home. In Susan's own words: 'I felt suicidal. I couldn't go back to live with my ma.' Her friends wanted to help but she felt like a burden. Susan's social worker explained to her that because of her age she was judged to be an adult and there was very little that could be done for her in terms of care. She was devastated.

However, the social worker managed to get Susan a place in Focus Ireland's aftercare project in central Dublin. Chéad Chéim is an aftercare service that helps young people from a care background to move on to independent living. After years of hurt and uncertainty, Susan said she finally had a place where she felt safe – 'It felt like home.'

Susan was at Chéad Chéim when she received her Leaving Cert results and the news that she had been accepted for a college course. Even though everything had fallen into place, she still felt low and was having suicidal thoughts. At first, she refused to seek help.

Staff at Chéad Chéim helped her to realise that she needed to ask for help on top of the support they were providing for her. She went to see a counsellor, started taking medication for her depression and decided to leave her college course. With the help and support of Focus Ireland staff, she recovered and later applied for a placement in a retail store – a three-week placement that eventually turned into a full-time job offer.

Today, aged 19, Susan is thriving. With the help of Focus Ireland, she has taken the first steps into adulthood and is looking forward to a brighter future. Susan says that she can now see that the decision to leave her siblings, though painful at the time, was the right one. She is still in touch with her family and getting on well.

* To protect the identity of our customers, their names have been changed.



TV Presenter Pamela Flood with Focus Ireland chef's Paddy Markey (left) and Piotr Kasprzyk (right) launching the annual Sponsor a Star campaign. Photo James Horan, Collins Photos.

In 2012, more than **70,000** hot meals were provided by our coffee shop to people who were homeless

Focus Ireland Services

Prevention · Support · Housing

The deepening impact of the recession on the most vulnerable people in society is reflected in the increased demand for our services and support during the year. In 2012, Focus Ireland engaged directly with over 8,000 customers.

This work provided vital support for many families and individuals who are homeless and we managed to help settle 379 households into a place they can call home. Focus Ireland has also worked hard to respond effectively to the changes in society which have placed more people at risk of losing their home.

In line with our current strategy – Holding on to a Place You Can Call Home – we are working to strategically shift our work to focus more on prevention. This involves building on the highly developed prevention services we already provide to our customers and expanding these services where needed. We are already seeing the positive impact of this work and will continue to develop this very targeted approach.

Focus Ireland has a proud record since 1985 of working to build on the experience of providing housing and homeless services in order to contribute to the goal of ending long-term homelessness across Ireland. This work has touched many thousands of lives over the last 28 years and continues to do so today.

Our services range from targeted prevention work with those at risk of losing their home and providing support for those who are homeless to help them to secure and settle into long-term housing.

While Focus Ireland responds in some way to all experiences of homelessness or the risk of becoming homeless, it has developed specialised skills and competencies to support young people and families facing homelessness.

These particularly vulnerable groups often require a complex range of interventions to assist them in

sustaining a place they can call home. Focus Ireland continues to provide and develop these specialised services and is working hard to extend them to other areas where they are needed.

People who are at risk of homelessness often have a range of complex problems. They can often be disadvantaged in terms of educational attainment, life skills and future prospects. Focus Ireland has found through our work that early prevention and intervention measures help people to address such problems before they become entrenched and possibly become homelessness. Of course a key part of this prevention includes the provision of affordable and secure accommodation.

Targeted prevention services also improve people's quality of life and help to break intergenerational cycles of disadvantage. If a family secures a home it provides a more stable environment for children. We know that living in a settled home greatly reduces the chances of these children experiencing homelessness in the future.

Preventative work means tackling the real root causes of homelessness so that the incidence of risk is greatly reduced among vulnerable groups. Such interventions not only support the people involved, they also benefit the larger community both at a social and economic level. Focus Ireland firmly believes that these type services need to continue to be innovated and developed. We will continue to implement our strategy to advance these services to provide more effective early prevention and bring about this change in how we tackle the problem of homelessness.

Prevention

The key outcomes delivered in 2012 were:

- › Our **Aftercare Service** is a partnership with the HSE, providing a residential and support and settlement service to young people in Dublin and Waterford. The residential service provided short-term accommodation for over 50 young people who were leaving State care in 2012, while our support and settlement service supported 170 young people to live independently for the first time.
- › Our experience indicates that early access to advice and information is crucial in preventing homelessness and supporting people out of homelessness. Our **Advice and Information Services** in Kilkenny, Dublin, Limerick, Cork, Waterford and Sligo offered advice and information to over 2,500 people who were homeless or in danger of becoming homeless.
- › Our **Prison In-Reach Programme** works to prevent people becoming homeless or returning to homelessness after leaving prison. The programme aims to provide a seamless transition between prison services and permanent housing in order to prevent people moving into homeless services. In 2012, almost 130 customers engaged with the three Prison In-Reach projects in Limerick, Dublin and Cork.
- › As part of Focus Ireland's strategy towards developing more prevention-centred services, in 2012, we began to deliver individualised, person-centred support to people with mental health issues who are living with their families or in HSE-funded accommodation but who want to live independently and require support to do so. The **Genio Mental Health Projects** in Kildare and Limerick work closely with multi-disciplinary mental health teams, providing a flexible, person-centred, home-visiting service to support these individuals to settle into their new home and sustain it successfully into the future. Seventeen people were supported in 2012.
- › Our **Dublin Prevention Case Management Service** helps single and family households living in Dublin to develop the necessary skills and tools to overcome the risks and challenges associated with maintaining their homes. Child support workers also engage with parents, supporting and facilitating them in improving their parenting skills and taking an active part in their children's emotional, physical and educational development and, in the process, reducing the risk of the family experiencing or returning to homelessness in the long-term. Nearly 140 households were supported in 2012.
- › Focus Ireland's **Preparation for Training and Education Programme (PETE)** operates in Dublin and Waterford, supporting people over 18 in preparing for education or training. We supported 230 participants in gaining the skills and confidence necessary to take the first steps in accessing mainstream training, education and employment in 2012. The service is being extended to Limerick in 2013.

'Our experience indicates that early access to advice and information is crucial in preventing homelessness and supporting people out of homelessness.'



In 2012 **2,500** people who were homeless or in danger of becoming homeless were offered advice and information

Focus Ireland's National Family Case Management began operating in 2012 and supported **132** families and **112** children during the year



Support

The key support services provide in 2012 were:

- › The **Coffee Shop** in Temple Bar provides quality and affordable meals for adults, families and children who are homeless. The Coffee Shop is open seven days a week and is operated by Focus Ireland. We also partner with Merchant's Quay Ireland in delivering the **Extended Day Service** from John's Lane West from Monday to Friday. This service provides free food for the most marginalised in a safe and warm environment. Over 6,000 customers engaged with the Coffee Shop and Extended Day Service in 2012. An **Advice and Information Service** is also available in both locations.
- › In Dublin, our **Off-the-Streets** short-term residential programme, which supports 16–18-year-olds with high-support and complex needs, worked with 16 young people during the year.
- › Our **Supported Temporary Accommodation** for families in **Aylward Green**, Dublin, provides a safe, supportive and secure environment where families can explore and address the factors that contributed to them becoming homeless. The project supported 23 families in 2012. In addition, the childcare centre linked to the service provided a place of learning, development and fun for 22 young children living in emergency accommodation.
- › Our **Supported Temporary Accommodation Service** in **George's Hill**, Dublin, meets the needs of single people and couples aged 18–25 years who are homeless and have support needs. The service offers a 6-month key-working and case management service to support customers in accessing services and progressing towards long-term accommodation. Support staff are available throughout the day. A total of 40 young people engaged with the service in 2012.
- › Our **Childcare Centres** in Dublin and Waterford worked with 70 children in 2012.
- › Focus Ireland's **National Family Case Management Service** engages with families living in private emergency accommodation who have been entrenched in long-term homelessness; the over-arching objective of the service being to move them into long-term accommodation. Child support workers also conduct detailed childcare assessments of children living in these families and liaise with the relevant statutory and non-statutory support and clinical services. The service began operating in 2012 and engaged with 132 families and 112 children during the year.
- › The **Regional Contact and Outreach Service**, a jointly led partnership between Focus Ireland and the Dublin Simon Community, provides a single, integrated service covering the greater Dublin area. Staff proactively engage with service users, building relationships and assessing their needs. The team will engage with anyone presenting to the service, regardless of age or nationality, and will target all adults, youth, children and families who are sleeping rough or at risk of sleeping rough. The service utilises the skills and experience of both organisations to ensure an effective response to the needs of people sleeping rough. In 2012, the service engaged with over 750 individuals on the streets.

'Our Childcare Centres in Dublin and Waterford worked with 70 children in 2012.'

Housing

Focus Ireland provided homes for a total of 685 households in long- and short-term properties in Dublin, Waterford, Kilkenny, Limerick, Clare, Sligo and Cork in 2012. These homes are managed, leased or owned by Focus Ireland.

- ▶ Our **Tenancy Support and Sustainment Services** provide support for households moving out of homelessness and for those at risk of becoming homeless. Focus Ireland provided tenancy support and sustainment services for 675 households in Dublin, Kildare, Cork, Sligo, Limerick, Wexford, Waterford and Kilkenny in 2012. In partnership with The Peter McVerry Trust, we also operate the Support to Live Independently (SLI) service for households living in the Dublin region, facilitating these households to access mainstream services and supports.
- ▶ Focus Ireland provides **Long-term Supported Housing** in Dublin, Cork, Waterford, Sligo and Limerick, targeting single people, families and couples who have identified support needs. Our long-term housing supports people who are in vulnerable situations or living with issues such as mental health or other health difficulties, and who may not be able to sustain their tenancy in their own home without this housing support. In 2012, Focus Ireland supported nearly 500 households in our long-term accommodation throughout the country.
- ▶ While our **Housing Development Programme** encountered obstacles in securing properties in 2012, we committed substantial resources and efforts to laying the groundwork for success in 2013.

This included looking at models like leasing, stock transfers, void management and private investment as possible ways of securing the homes we need for our customers in the future. We are confident that our work in 2012 will pay dividends in the coming year and that we will acquire the housing necessary to move people from homelessness or potential homelessness to long-term accommodation and facilitate their progression along the path towards independent living.

- ▶ We launched a major redevelopment project in our **Stanhope Green Housing Project**. It involves the extensive redevelopment of all units of accommodation, with the creation of larger, better-quality accommodation over a two year period with increased energy efficiency. Fifty-one long-term units and nineteen short-term units will be available to our customers after completion.
- ▶ Focus Ireland is committed to the on-going maintenance and upgrade of our existing housing stock to ensure that our accommodation meets the desired standard and is suitable for the needs of our customers. A ten-year maintenance property plan for all Focus Ireland stock is currently in operation and is reviewed annually to take into account the needs of our customers, the changing number of homes, works completed and survey information.

These are just some of the services Focus Ireland provides. To read more about all of our services, please go to www.focusireland.ie.

‘In 2012, Focus Ireland supported nearly 500 households in our long-term accommodation throughout the country.’

Customer survey

Focus Ireland has a long and proud tradition of customer participation in our work and in fact was first established following a customer participation project.

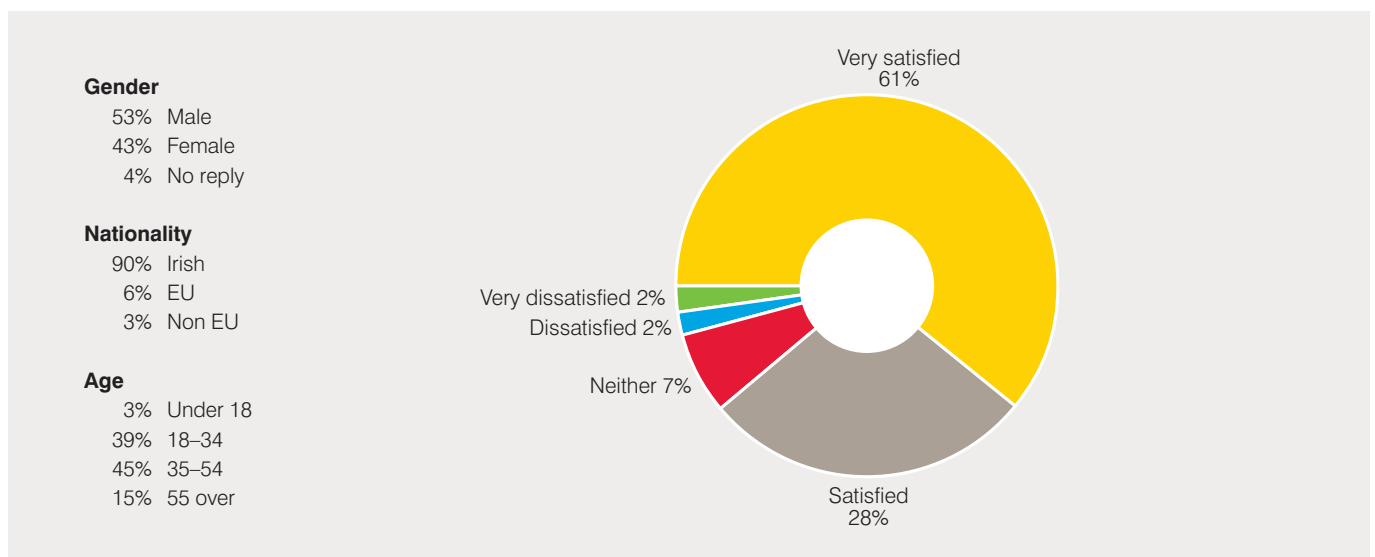
The organisation was established by Sr Stanislaus Kennedy in 1985 after she worked with women who were homeless in Dublin. This led to a piece of research which identified services needed for people who are homeless. The results showed the importance of involving people who are homeless to help inform service development.

Listening to customers has always been central to the work of Focus Ireland and our customers have taken part in many pieces of research and services development over the years.

In recent years, this work has included developing a customer charter and handbook detailing the rights of people using our services. This charter was developed by our customers in collaboration with Focus Ireland.

We need to know what our customers think about our services to ensure that we are meeting

their needs. With this in mind people using Focus Ireland were asked to take part in a survey to see how satisfied they were with the service provided to them. A total of 612 people across 47 services took part in the survey between October and December 2012. There was much valuable information gathered during this process as customers had a chance to have their say. In all, 594 people answered the question 'How satisfied are you with Focus Ireland?' Of these, almost 90% were either very satisfied or satisfied with Focus Ireland. However, with 4% of those that answered this question dissatisfied, we can see there's room for improvement. Later this year a full detailed report of the survey will be available in every Focus Ireland service and our customers can talk to staff to find out more.



'A survey in 2012 found that 89% of people using Focus Ireland services were either very satisfied or satisfied'.

Minister for Housing Jan O'Sullivan speaking at the Focus Ireland prevention conference in Oct 2012.



Advocacy

During 2012, Focus Ireland highlighted the continuing barriers faced by people who are homeless in moving on to sustainable homes, and the growing risk of homelessness experienced by many households. These stark warnings came amid rising unemployment and further funding cutbacks, which were affecting our customers and the organisation.

Focus Ireland not only provides services for people who are homeless or at risk of becoming homeless, but also works to inform, influence and shape policies and attitudes that can result in homelessness.

The key elements of this work are as follows:

Influencing housing and homeless policy

During the Government's first full year in office, Focus Ireland highlighted changes needed in homeless and housing policy. This work included making submissions on a range of issues, including reviews of the Homeless Strategy and the Youth Homeless Strategy. It also involved meeting with officials and ministers, as appropriate.

A key contribution was our Pre-Budget Submission, launched in both national and local media, which highlighted that Budget 2013 could be a 'tipping point' from home to homelessness for many people if the wrong decisions were made. Focus Ireland was invited to present to the Oireachtas Committee on Finance and Public Expenditure prior to the Budget.

Much of our advocacy and lobbying work was targeted at urging Government to improve access to affordable housing. Another key theme was the need to set new deadlines for tackling long-term homelessness in a revised homeless strategy. Our work was also very focused on blocking pathways into homelessness; this included continuing our work in the area of informing policy on youth homelessness.

Focus Ireland also continued its **Statutory Right to Aftercare** campaign. There was an important breakthrough during the year as the Minister for

Children and Youth Affairs committed to introducing new legislation to ensure that all children in care should be entitled to an assessment of their needs before they are 18.

In July, our advocacy team launched a campaign to get the Constitutional Convention to consider putting the 'Right to a Home' into the Irish Constitution. The first stage of the **Right to a Home** campaign was to highlight the issue across the political and public arena; a briefing document was issued to all members of the Oireachtas. A survey carried out on behalf of Focus Ireland found that over 80 per cent of the public support a constitutional 'Right to a Home'. The next stage of the campaign will be timed to tie in with the schedule of the Constitutional Convention during 2013.

Conferences

In May, Focus Ireland was the local partner when the European Alliances to Fight Poverty held a two-day international conference in Dublin on the theme of 'A Torn Europe'. This highlighted that austerity measures across EU States are falling disproportionately on those living in poverty.

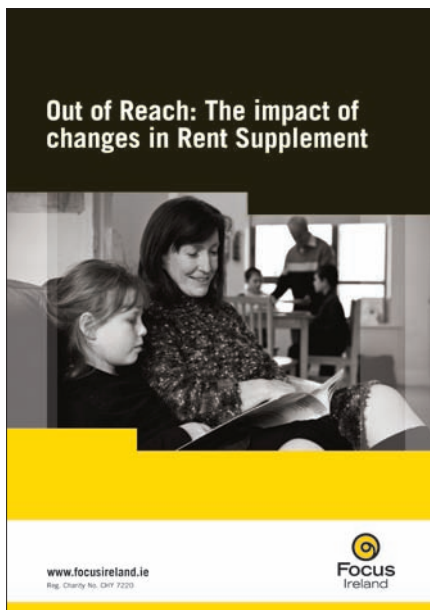
In line with Focus Ireland's strategy to increase the attention given to preventing homelessness, Focus Ireland held an international conference in Dublin in September – 'Holding On To A Place You Can Call Home'. The conference heard speakers from the EU, Australia and the US who highlighted that a shift in national policy towards prevention not only works but saves the State money as well.

Research

Effective responses to homelessness must be based on evidence and quality research. Focus Ireland keeps abreast of emerging research and also makes a specific contribution through its own research.

In March, Focus Ireland and the Immigrant Council of Ireland launched their joint report *Homeless in My New Home: Migrants' experiences of homelessness in Dublin*. This study reports on the experience of a number of migrants who were sleeping rough or accessing homeless accommodation and day services in Dublin. The barriers they face in accessing services and adequate/sustainable housing are highlighted.

Focus Ireland also published *Out of Reach: The impact of changes in Rent Supplement*, which examines the impact of recent changes in Rent Supplement on transitions into and out of homelessness. A detailed analysis of rental trends is supported by a number of case studies, which demonstrate that repeated cuts to Rent Supplement contributed to some people becoming homeless and blocked exits from homelessness for others.



Quality services informed by research and evaluation

As part of Focus Ireland's commitment to developing and delivering services of the highest standard, the advocacy team undertakes an annual programme of

project evaluations. In 2012, the team undertook external evaluations of the 'Prison In-Reach Programme' and of the LEAP (Learning, Education and Progression) Programme.

The LEAP evaluation, by Sandra Velthuis, was launched at a roundtable meeting in July, attended by a range of stakeholders, including the Department of Social Protection, the Department of Education and Skills, CDVEC, IVEA, Aontas and the Dublin Region Homeless Executive. The meeting discussed the range of issues related to training and labour market integration for people who are homeless, who have recently exited homelessness or are at risk of homelessness. The 'Prison In-Reach' evaluation will be completed in 2013.

An outcomes-measurement framework was developed for Focus Ireland's new pilot therapeutic service, and an evaluation which will track the interventions and outcomes of this service will be completed in 2013.

Communication

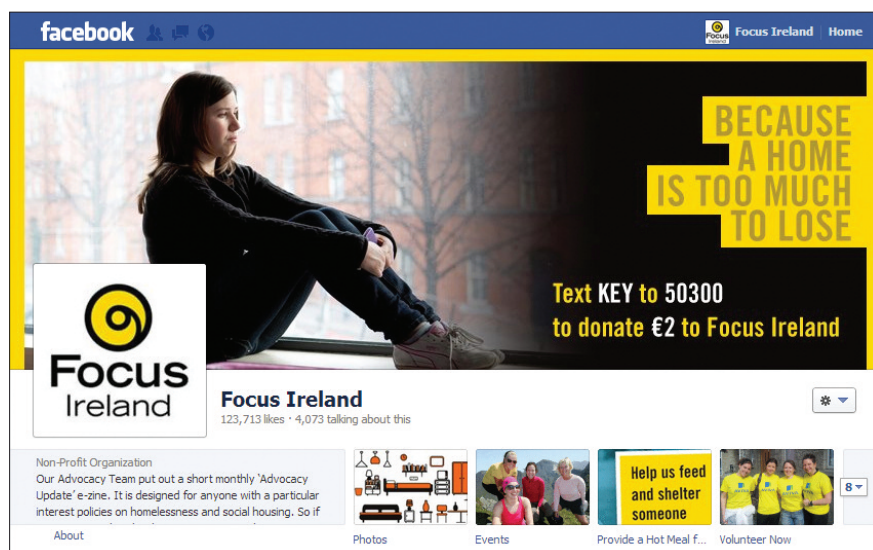
There is so much bad news during a recession that it can become more difficult for the voice of the marginalised to be heard. However, Focus Ireland works hard through its communications to ensure that it highlights not only the problems but also puts forward realistic solutions.

Highlights in our broadcast coverage included one of our customers, who had taken part in the 'Out of Reach' research, appearing on RTÉ TV news and speaking passionately about her experience.

We also supported other customers in highlighting important issues by speaking about their experiences in a number of interviews and at events during the year. This included an excellent interview with a young woman living in our aftercare project in Dublin city centre, who told how the support she received had allowed her to overcome serious depression, build her confidence and return to work.

It is important for these stories to be told, as it shows the life-changing difference that effective support can make to people's lives. It builds public support for Focus Ireland's work and also gives hope to others by showing that people can overcome difficulties in life.

‘By the end of the year, Focus Ireland had over 100,000 fans on Facebook and over 27,000 on Twitter. We are now the 22nd largest Facebook page in Ireland.’



Social media

By the end of the year, Focus Ireland had over 100,000 fans on Facebook and over 27,000 on Twitter. We are now the 22nd largest Facebook page in Ireland. The use of social media has become a vital part of our work to reach new audiences and to engage with our supporters in a new way. Interesting social media projects included publishing online a short booklet by one of our customers who wrote about his life, including his experiences of being homeless and settling into a home.

Partnerships/External representation


Focus Ireland has always recognised the value of working in partnership with other voluntary and statutory bodies to tackle homelessness. The advocacy team represents Focus Ireland on a range of networks, including The Poor Can't Pay campaign; End Child Poverty Coalition; Energy Poverty Coalition; Action for Aftercare; Mental Health Reform; Habitual Residency Condition group; European Anti-Poverty Network; the Community Platform; Claiming our Future; Advocacy Initiative. We also support services staff in their representative roles on bodies, including the Board of the Irish Council for Social Housing; the Dublin Homeless Network; the Dublin Region

Homeless Executive and regional homeless forums in the South, Mid-West, South East, East and North West. We are also active participants in a number of working groups in FEANTSA (European Federation of National Organisations working with the Homeless).

Education and training

A core aspect of our public awareness work is the development and dissemination of education and training programmes to promote improved understanding and responses to homelessness. Our education work in 2012 focused on the following:

- › schools-based resources
- › Schools-based resources: two education modules targeted at primary (*No Place Like Home*) and secondary (*Without your home, your life develops differently*) school students
- › Responses to nearly 300 information requests from the general public, school students, teachers and third-level students
- › School Talks: delivery of school talks to secondary schools by a team of specially trained School Talks Ambassadors to raise awareness and understanding of the issues associated with homelessness.



WORKING TO END HOMELESSNESS FOR JOE

‘Today Joe is doing well. He finally has a place he can call home, and with it, the support and security to manage his illness’.

Adrian Quinn, Services Project Leader, Focus Ireland
pictured outside the Coffee Shop in Temple Bar

Adrian Quinn

Services Project Leader, Focus Ireland

Early access to advice and information is essential in preventing homelessness and helping people at risk of losing their homes. Focus Ireland provides free and confidential support, advice and information at centres in Dublin, Cork, Limerick, Sligo, Waterford and Wexford. Adrian Quinn is a Services Project Leader for Focus Ireland and he talks here about his work.

My name is Adrian and my job involves working with a lot of different types of people from different backgrounds who are in difficult circumstances. What they all have in common is they are either homeless or at risk of losing their home.

Every situation is unique and every person I work with makes an impression on me. Sometimes in the course of talking to people who come to ask for help with a housing issue, I'll realise that there are other very pressing issues with which they need help.

To help explain about my work I think it's good to talk about a person who really stood out for me. I want to talk to you about Joe.

Joe* had become homeless back in the last recession in the 1980s. He had suffered a bereavement and was struggling with mental health issues; alcohol had also become a problem. Focus Ireland's street outreach team first met Joe. The outreach team referred Joe to the Focus Ireland Coffee Shop in Temple Bar which provides advice and information as well as nutritional meals at a low cost. Joe had recently moved from sleeping rough into emergency accommodation of a very low standard.

When I met Joe, he told me that he had recently been diagnosed with a terminal illness. But because of

his housing situation he wasn't as able to access mainstream health services. This really struck a chord with me. Not having a permanent address means that simple things like travelling to medical appointments can become virtually impossible.

Joe spoke with the staff at our advice and information desk and explained his situation in detail. The staff organised a supported housing tenancy arrangement for him. This meant that he had access to proper medical treatment for his illness. We were able to accompany him to his medical appointments and in this way give him emotional and practical support.

Along with changing his housing situation and providing support during his treatment, our work helped Joe to get the skills he needed to advocate for himself. Focus Ireland has an extensive range of services, from advice and information to individual case management, and we work with a range of partners to find the best possible result for our customers, whatever their needs.

Seeing people like Joe taking back control of their lives, against all the odds, is one of the best things about my job. Today, Joe is doing well. He finally has a place he can call home, and with it, the support and security to manage his illness.

* To protect the identity of our customers, their names have been changed.

Taking part in the Shine A Light Night, Iveagh Gardens, Dublin, Oct 19th 2012, left to right:
Ronan Harris, Vice President, Large Customer Sales, EMEA at Google and Board member of Focus Ireland,
Lisa-Nicole Dunne, Director of Fundraising and Marketing, Focus Ireland,
and Brendan Jennings, Managing Partner, Deloitte.



We would like to thank over **600** volunteers for contributing their valuable time to help us to reach our fundraising targets

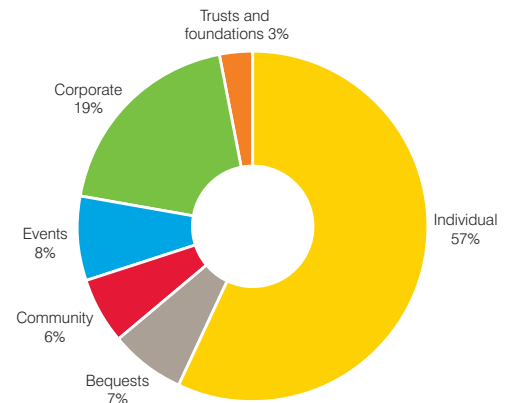
Fundraising

With an increase in demand for our services, we depend on the support of community groups, volunteers, companies and people giving donations across Ireland.

Thank you

Thanks to the great support of thousands of individual donors, hundreds of corporates and many trusts and foundations this year we have raised **€5.5 Million** to fund our vital prevention, support and housing Services. We would also like to thank all of our volunteers for contributing their valuable time.

Who helped support our Services



Individual Supporters

Last year again thanks to support from men and women throughout Ireland donating once off gifts and regular donations we raised a total of **€3.1 Million**. In 2012, a total of 7,000 people supported us on a regular basis through direct debits or standing orders and almost 7,000 supported our work through cash donations.

Legacies

A total of 33 people left a legacy that we will use to change many people's lives. We received a total of **€407,000** in bequests in 2012. We are extremely grateful for this generous gift that these people chose to make to help others live a better life over many lifetimes.

Community fundraising

In 2012, an impressive total of **€259,000** was raised in support of our work through the efforts of community groups and organisations right across the country. Some of the key events held are listed below. Thanks to all who organised and supported community events in aid of Focus Ireland.

Belvedere Boys Sleepout	€53,000
Spring Clean for Charity	€20,000
Portmarnock Golf Club	€18,000

Fundraising events

Throughout the year, hundreds of fundraisers found ways to help support the important work of Focus Ireland to prevent and combat homelessness. Some people volunteered to help run events including our Key To A Home Campaign which raised over **€72,000**, while others scaled the heights in our annual Four Peaks Challenge which raised **€300,000**. Others took to the roads to take part in the Focus Ireland's Dublin Tunnel Run or the Flora mini-marathon to raise funds for our work. Some brave souls even travelled all the way up Kilimanjaro. We thank everyone for taking the time and making the effort to support our events in 2012.

Corporate campaigns

This year we launched two new corporate events. In May we asked company employees to **Bake or Buy** a cake a give the proceeds to Focus Ireland, this event was sponsored by Aviva and raised a total of **€50,000**. **Shine a Light Night** was launched in October where we invited business leaders to highlight homelessness by raising funds and sleeping out for one night.

A total of 55 Irish business leaders participated and made the great effort to support this campaign and raised **€350,000** for Focus Ireland's prevention services.

Once again we ran a very successful **Sponsor a Star** campaign calling on businesses to sponsor a star on a special Christmas tree at the top of Grafton Street, kindly donated by Dublin City Council and dedicated to people who are homeless in Ireland.

Bake or Buy	€45,000
Shine a Light	€350,000
Sponsor a star	€250,000

Key corporate partnerships

Corporate support remains key to our fundraising efforts. It was great to see that support for our work remained strong in 2012 – despite a very challenging environment for companies – and we raised a total of **€1,065,996** during the year from this great support.

Key corporate partnerships

AVIVA	€101,000
Bord Gais	€40,000
Butlers Cafes	€20,000
Kraft	€31,000
UK Greetings	€20,000

A number of other companies supported out work in the following ways in 2012.

- **Marks & Spencer:** Supported us once again in 2012 through pledging money from their 'Food to Go' range and their Christmas cards.
- **UPS:** Issued a grant in support of our PETE programme in Waterford.
- **Statstreet:** Supported our Summer Programme for families who are homeless through grant aid.
- **Bord na Móna:** Launched their book 'Short Stories For A Long Night' in support of Focus Ireland in December.

Advertising and media partners

Our fundraising was made more cost effective and impactful as a result of the support of key media partners and advertising suppliers including Beacon Studios, Big Fish TV, Blinder Films, Carat, Identikit design, Irish Times, Javelin Advertising, RR Donnelley, RTÉ, Today FM and Zenith Media. Thank-you to all our suppliers and partners.

Trusts and Foundations

In 2012, the Human Dignity Foundation made a significant contribution (**€164,000**) to the funding of our Dublin childcare service and to the development of our fundraising sustainability. We extend our thanks for their on-going commitment to our work.

Facing page

- TV3's Karen Koster and 4 year old Ava O'Donnell promote the annual Key to a Home Collections.
- Focus Ireland's Sponsor a Star Campaign, Pamela Flood with Luke Edward Harding Bradley and Charly Clifford who helped to switch on the lights on the Focus Ireland Christmas tree on Grafton Street.
- The BT 5 Peaks take part in the 2012 Four Peaks.
- Mary Kearney, MasterChef winner 2011, launching the 'Bake or Buy' campaign which raised over **€50,000**.
- Focus Ireland Ambassador Caroline Morahan launched a new text line donation line 50300 for the charity, 100% of the donation goes directly to Focus Ireland.





We had **103** long-term volunteers working with us during the 12 months of 2012 with **1,493** volunteers assisting in our once-off events and fundraising activities

Human Resources

Supporting staff in a challenging environment

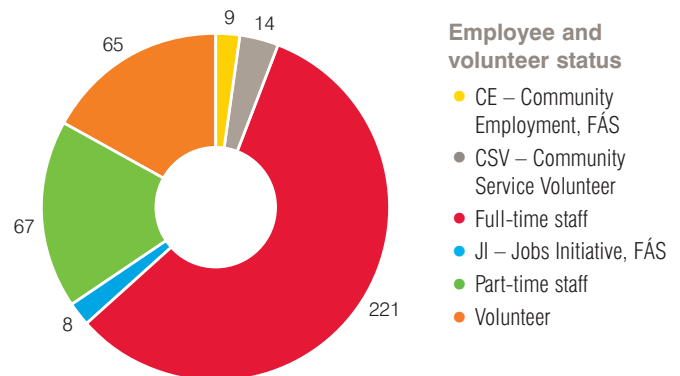
Focus Ireland seeks to attract the best people into the organisation by establishing high employment standards and ensuring that all employees are qualified, experienced and professional in their delivery of service to customers. The HR team plays a vital role in the recruitment and development of all employees while also ensuring that everyone works in a healthy and safe environment.

The HR team is committed to the provision of a professional service through supporting staff and management in ensuring that best-practice procedures are maintained throughout the organisation. This commitment, linked to the excellent processes and procedures in place, means that we are continuously working to deliver quality services and successful outcomes for our customers.

In 2012, the continuing uncertainty in the economic environment and the demand and changing nature of homelessness, presented challenges for employees and the organisation. Employees remained committed to their work and they adapted their roles, working hours and practices to meet these challenges. At year end, the total headcount across Focus Ireland was 319 employees. This includes Community Employment (CE) and Jobs Initiative (JI) employees and also our Community Service Volunteers (CSVs).

In any organisation the number of staff and volunteers fluctuates during the year. The chart above provides the breakdown of staff and volunteers for a fixed point of time as of December 2012.

Focus Ireland recognises and accepts that the achievement of its goals and values is best served by the active participation of the wider community and, therefore, volunteering is a key part of the Focus Ireland strategy. We believe that involving volunteers is



a way of furthering active citizenship and community involvement and that volunteering with Focus Ireland will help to change public perceptions of our customers and will also engage the public in our advocacy and fundraising campaigns. There were 30 different volunteer roles identified throughout the organisation, including befriending, drama and literacy tutors, career guidance, schools ambassadors, gardeners, archivists and administrators. We had 103 long-term volunteers working with Focus Ireland at different points during 2012 and there were 65 volunteers engaged with us at year end.

Our Training and Development Programme facilitated 119 training courses for employees throughout the organisation, ensuring that learning and development needs were met and continuous learning encouraged and supported. The average attendance rate overall was three days for this annual programme. Courses included Therapeutic Crisis Intervention, Occupational First Aid, Fire Marshal, Train the Trainer, Developing Fundraising Skills and Dignity in the Workplace – all of which are in line with our commitment to health and safety and continuous learning. The line management team attended its second year of the Leadership Development

‘At year end, the total headcount across Focus Ireland was 319 employees. This includes Community Employment (CE) and Jobs Initiative (JI) employees and also our Community Service Volunteers (CSVs).’

programme and all line managers participated in 360-degree feedback, based on increasing self-awareness and developing leadership capability.

All employees are encouraged and supported to up-skill by seeking further qualifications and to apply continuous learning and growth in their areas of expertise through our education policy. Educational support was given to 18 employees who applied for financial assistance in 2012, and 5 employees gained external qualifications through this programme.

Adherence to **Health and Safety** is important for both employees and customers. Our Health and Safety Officer provided support and advice to line management and their teams in relation to best practice and legislative compliance. Our Health and Safety Committee completed safety inspections of all sites during the year, in line with legislation and policy.

We also test Business Continuity Plans annually to ensure that they are up-to-date should we need to utilise them in an emergency.

The second annual staff survey was completed in 2012, with a 61 per cent response rate. Overall, the results were very positive, with 80–90 per cent of respondents stating that they were satisfied with their work, that Focus Ireland is a good place to work, that their work impacts positively on customers and that they trust senior management to manage the organisation well.

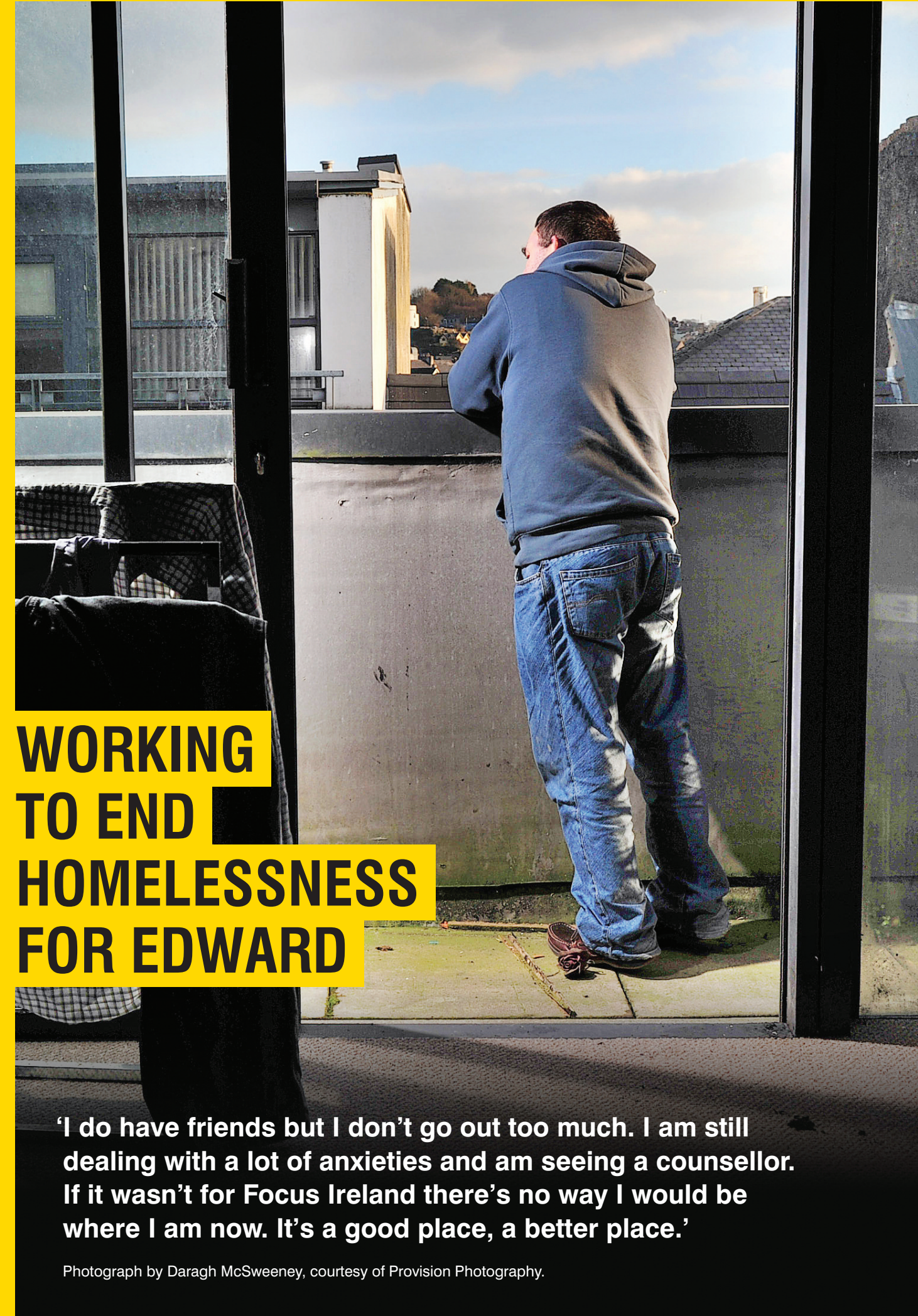
The HR team will continue to work in partnership with all of our colleagues to ensure that a professional level of service is provided to our customers and to support the achievement of Focus Ireland’s objectives and strategy in line with the organisation’s core values.



Aviva staff volunteer in our Aylward Green Project.

Focus Ireland provided **70** young children with a place in our childcare centres in Dublin and Waterford during 2012



A photograph of a man in a blue hoodie and jeans standing on a balcony, looking out at a cityscape. The man is seen from the back, looking out a large window. The view outside shows a city with buildings and a clear sky. The man is wearing a blue hoodie and blue jeans. The balcony has a metal railing. The overall scene is bright and clear.

WORKING TO END HOMELESSNESS FOR EDWARD

'I do have friends but I don't go out too much. I am still dealing with a lot of anxieties and am seeing a counsellor. If it wasn't for Focus Ireland there's no way I would be where I am now. It's a good place, a better place.'

Photograph by Daragh McSweeney, courtesy of Provision Photography.

Edward's story

In his 20s and early 30s Edward* was drinking heavily and was arrested a few times as a result. He said he was in a very unhealthy relationship at the time and needed to get away as things were getting too much for him. However, he became homeless for a while and things went from bad to worse before he got his life back on track through his own great determination and the support of Focus Ireland staff in Cork. He is now living in Focus Ireland supported housing in Cork City. This is his story.

Edward (34) said that he has never been supported to the degree that Focus Ireland in Cork has helped him during the past year. He went through some very difficult times in previous years and became homeless for a while before moving on to live in some unsuitable accommodation on the outskirts of Cork. He was very depressed in the accommodation which was of a very poor standard and he had no support at the time.

He said: 'I had been living in Kerry before that and was in a very unhealthy relationship, drinking a lot and getting arrested several times. One morning about two years ago I just woke up and had to get away as it all got too much for me. So I jumped on a bus to Cork, but I had nowhere to stay.'

He got a place in a hostel for people who are homeless where he stayed for a few months before he managed to get a flat. However, the flat was of a very low standard and was miles from any shops and the city centre. Edward said he was very isolated and he sunk into depression.

He said one of his neighbours drank a lot and was very violent, so he never felt safe even though he now had a roof over his head. Then Edward

witnessed a very bad road crash which left him very traumatised as he was already on edge and in a very vulnerable state.

Things got so bad for him and he felt so isolated after this that at one stage he tried to take his own life. He said: 'My outreach worker got me some application forms and I filled them in and then I got this apartment that I am in now from Focus Ireland.'

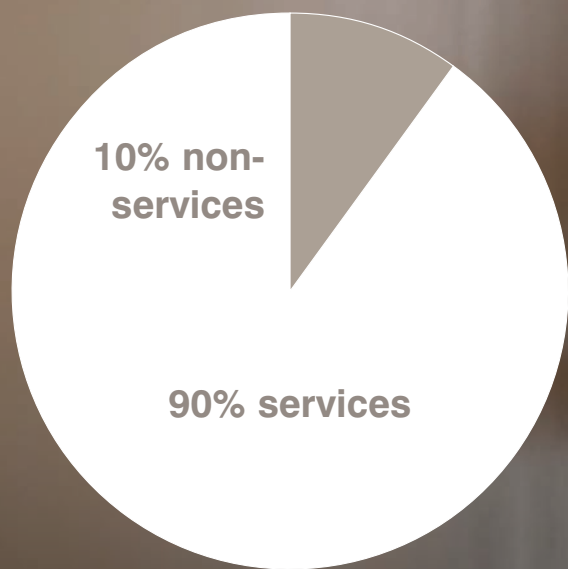
'I was really happy to get a place to live where I felt safe. Ever since then Focus Ireland has given me so much support. I have never, ever got so much support from anyone in my life. Not even my family.'

'Focus Ireland supported me to help me learn how to manage my money, pay my bills and even in got me on a course about getting back into work.'

Things are looking much brighter for Edward but he said he still needs the support he gets to help him along.

'I do have friends but I don't go out too much. I am still dealing with a lot of anxieties and am seeing a counsellor. If it wasn't for Focus Ireland there's no way I would be where I am now. It's a good place, a better place.'

* To protect the identity of our customers, their names have been changed.



In 2012, we spent 90c of every euro we received on our services for people who are homeless or at risk of homelessness.



Focus Ireland Limited and Subsidiaries

Directors' Report and Financial Statements

Year Ended 31 December 2012

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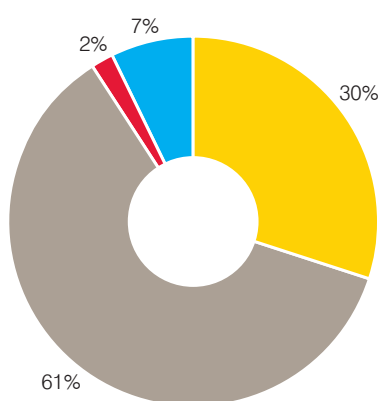
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Notes to the Financial Statements are highlighted in blue text. Click on the number required to view each specific note. To view full 'Director's Report' and the 'Statement of Accounting Policies' please click [here](#).

Financial Review

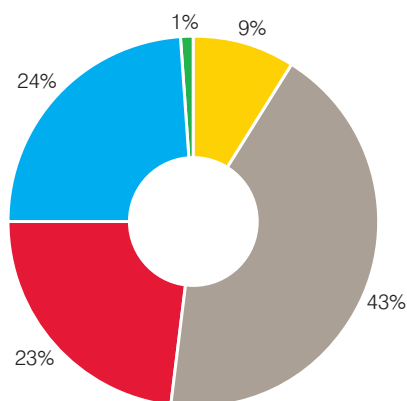
	2012		2011	
	€m	%	€m	%
Mix of income				
Grant income	11.01	61%	11.26	61%
Fundraising income	5.48	30%	5.49	30%
Rental income	1.29	7%	1.22	7%
Other income	0.32	2%	0.38	2%
	<u>18.10</u>	<u>100%</u>	<u>18.35</u>	<u>100%</u>
Mix of expenditure				
Direct charitable activity costs	16.35	90%	15,778	90%
Governance and support costs	0.15	1%	300	2%
Fundraising and event costs	1.67	9%	1,372	8%
	<u>18.17</u>	<u>100%</u>	<u>17,450</u>	<u>100%</u>
Fundraising cost to income ratio				
Fundraising income	5.479		5.492	
Fundraising costs	1.665		1.372	
	<u>3.814</u>	<u>70%</u>	<u>4.120</u>	<u>75%</u>

Analysis of Income and Expenditure



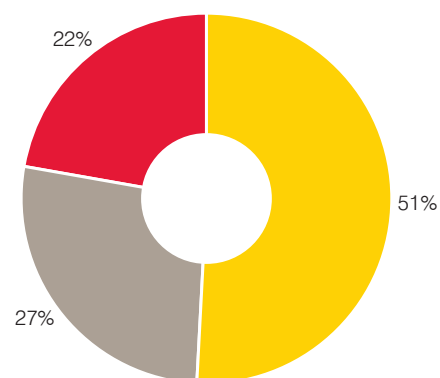
Breakdown of income

- Fundraising
- Grants
- Other
- Rental income



Breakdown of expenditure

- Fundraising
- Homeless support
- Housing support
- Prevention
- Support services



Breakdown of service costs by service type

- Homeless support
- Housing support
- Prevention

Directors' Report

The directors present their annual report together with the audited financial statements of the company and of the group for the year ended 31 December 2012.

Principal activities

The company is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Acts, 1963 to 2012 and although not obliged to comply with the Statement of Recommended Practice (SORP) as issued by the Charity Commissioners for England and Wales in October 2005 the group has implemented many of its recommendations in these accounts. The main activities of the company and the group are charitable.

Legal status

Focus Ireland Limited is a company limited by guarantee, not having a share capital, incorporated in Ireland on March 7, 1985 under the Companies Acts, 1963 to 2012, registered number 106149.

The objectives of the company and of the group are charitable in nature with established charitable status (Registered Charity No: CHY 7220). All income is applied solely towards the promotion of the charitable objectives of the group.

Organisational structure

The group includes the holding company, its wholly owned subsidiary – Focus Housing Association Limited (Registered Charity No: CHY 9040), and its joint venture undertaking – The Caretakers Project Limited (Registered Charity No: CHY 15489). The holding company is principally concerned with the provision of support services to homeless people and the conduct of research and advocacy. The subsidiary company provides accommodation in Dublin, Waterford, Limerick, Cork, Sligo and Kilkenny and the joint venture undertaking provides overnight accommodation and support to young people in Dublin.

The Board of directors who meet approximately six times annually retain overall responsibility for the strategic development of the company in close liaison with the executive officers. (To view attendance at board meetings click [here](#).)

Joyce Loughnan, Chief Executive, manages the operation of the company with delegated divisional responsibility to the following:

Services and Housing Development and Property Management	Catherine Maher
Fundraising and Marketing	Lisa-Nicole Dunne
Finance, Administration and IT	Mark Byrne
Research, Policy, Communication and Education	Mike Allen
Human Resources	Madeleine Clarke

Results for the year and review of operations

The results for the year as set out on page 44 are considered satisfactory by the Board.

Grant funding represents 61% (2011: 61%) of total income, while fundraising income represented 30% of total income (2011: 30%).

In 2012 Focus Ireland continued to provide services to our customers. We have continued to develop our services in Dublin, Waterford, Kilkenny, Cork, Limerick and Sligo and continued to deliver our housing programme. We also expanded into Kildare securing funding to work with people with mental health issues who require support in moving from HSE-funded hostels or family homes to live independently in the community.

Housing properties

The board is conscious of the continuing need for accommodation for people who are homeless and disadvantaged and is fully committed to playing our part in meeting these needs. 2012 proved to be another challenging year for Focus Ireland, with an increased demand for our services on the one hand and a reduction in funding on the other. As an organisation however, we faced these challenges through innovation, commitment and a willingness to continue to deliver the most appropriate services to our customers. While our Housing Development Programme encountered barriers and obstacles to securing properties in 2012, we expended substantial resources and efforts into laying the groundwork for success in 2013. This included looking at models like leasing, stock transfers, void management and private investment as possible ways of securing the homes we need for our customers in the future. We are confident that our work in 2012 will pay dividends in the coming year and we will acquire the housing necessary to move people from homelessness or potential homelessness to long-term accommodation and facilitate their progression along the path towards independent living.

Designated funds and strategy 2011–2016

Focus Ireland holds a bank position of approx. €8.2m as at 31 December 2012. This has been built up over the last number of years through prudent financial management and actively reducing costs. These funds are ear-marked by the organisation for the following reasons:

13 weeks operating reserve

In line with best practice and UK SORP the organisation wants to ensure strong corporate governance and protect itself against possible unforeseen eventualities. The board decided to maintain the equivalent of 13 weeks of operational costs for this purpose.

Strategic initiatives

During 2010, the organisation completed its strategic review 2011-2016. In order to implement this strategy a total of €3,868,750 was designated from the group's reserves.

This is ear-marked and expended as follows:

	Total designated	Expended to 31/12/2012	Designated fund at 31/12/2012
Preventative services	€666,500	€241,628	€424,872
Homeless services	€1,202,250	€572,538	€629,712
Housing and property	€450,000	€45,465	€404,535
Growth of fundraising	€1,100,000	€488,121	€611,879
Other initiatives	€450,000	€112,825	€337,175
Total	€3,868,750	€1,460,577	€2,408,173

The board expects the organisation may incur losses in 2013 and 2014 in order to expend these designated reserves and implement the strategy.

The above investment in our fundraising activities is a proactive measure to ensure we have sufficient funding to address homeless issues and ensure a strong sustainable organisation. Focus Ireland generally adheres to a principle that the costs of generating fundraising income should not exceed 20% of the amount raised. For the duration of the strategic initiatives and while investment is being made to grow our fundraising, the organisation will deviate from the above principle as appropriate. In 2012 strategic spend in fundraising resulted in a ratio of 30% (2011: 25%)

Housing development

During 2012 the Board approved and work commenced on the major re-development of one of the organisation's properties in Stanhope Green. Expected costs of this project are €3.2m which will be incurred over a two-year period.

Pensions

The group operated a Defined Benefit pension scheme to 31st March 2010, of which the company provided two-thirds of the contribution and the employees contributed one-third. The pension scheme assets and liabilities are administered and held independently under an approved trust.

A Defined Contribution scheme, open to all permanent staff operated from 1 April 2010. The company contributions are 7% of pensionable salary while employee contributions are 5% of pensionable salary.

On 8 January 2013 Focus Ireland Limited notified the trustees of the Defined Benefit Scheme of its decision to terminate employer contributions to the scheme with effect from 8 April 2013. The company and the trustees are currently in consultation and hope to conclude the matter in 2013.

FRS17 retirement benefits

The Accounting Standards Board (ASB) issued Financial Reporting Standard 17 (FRS 17) Retirement Benefits on 30 November 2000. FRS 17 deals with the treatment of pensions and other retirement benefits in an employer's accounts and abandons the use of long term actuarial values for assets in a pension scheme in favour of a market based approach for valuing both assets and liabilities.

On an FRS 17 basis the scheme disclosed a deficit of €4,304,800 as at 31 December 2012 (2011: deficit €450,000), on the basis of the funding programme recommended by the scheme's actuaries, Towers Watson Ireland Limited. In placing a cost on the liabilities, FRS 17 dictates that the discount rate to be used should be the yield on high quality corporate bonds of a similar duration to that of the liabilities. Whereas in a formal on-going actuarial valuation, long term assumptions are recommended by the Scheme Actuary taking into account the actual investment strategy of the scheme. Apart from the discount rate, other key assumptions used in determining the financial commitment of the company in respect of retirement benefits are consistent under the FRS 17 and the previous formal actuarial valuation as at 31 December 2008.

The current service pension cost expense for the year amounted to €Nil (2011: €Nil).

The scheme actuary has advised that, as with the majority of similar arrangements in the Irish market, the Focus Ireland Pension Scheme did not meet the statutory funding standard as at 31 December 2012.

Corporate governance

The directors are committed to maintaining the highest standard of corporate governance and they believe that this is a key element in ensuring the proper operation of the company's activities. Although the company is not a listed company and therefore not subject to the "Principles of Good Governance and Code of Best Practice" (as adopted by the Irish Stock Exchange), the board nevertheless has determined that the group should, at the very least comply with the basic principles of Corporate Governance as outlined in this code. As part of this policy an effective board and a competent executive team head the company.

During 2012 the board complied and adopted The Governance Code: A Code of Practice for Good

Governance for Community, Voluntary and Charitable Organisations in Ireland. Although this is a voluntary code the organisation wants to ensure that it continually adheres to the highest standards of Governance and as such adopted the Code in 2012. This will be reviewed annually to ensure the organisation is still in compliance.

The board is responsible for providing leadership, setting strategy and ensuring control. It comprises of nine non-executive directors including one employee director. The board's non-executive directors are drawn from diverse backgrounds in business and professions, who bring to board deliberations, their significant business and decision-making skills achieved in their respective fields together with a broad range of experience and views.

There is clear division of responsibility at the company with the board retaining control of major decisions under a formal schedule of matters reserved to the board for decision, with the Chief Executive responsible for devising strategy and policy within the authorities delegated to her by the board.

The company has a comprehensive process for reporting management information to the board. The board is provided with regular information, which includes key performance and risk indicators for all aspects of the organisation. The board meets regularly as required and met six times during 2012 (six in 2011).

On appointment, directors receive briefing sessions and comprehensive briefing documents designed to familiarise them with the company's operations, management and governance structures. All non-executive directors are appointed for an initial three year term, which may be renewed for two further three year periods, giving a maximum of nine continuous years for any director. The employee director is appointed for a term of three years following a nomination and election process among the staff.

One-third of directors are required to retire annually by rotation and if eligible may offer themselves for re-election. During the year Ms Mary O'Shea, Ms Helen Kilroy and Ms Deirdre Connolly retired from the board and were re-elected. The role of Chairman and Chief Executive are separate and all directors (with the exception of the employee director) are independent of the management of the company.

Board committees

Committees of the board are established for good governance under the code of practice as follows:

1 Audit committee

The function of the audit committee is to review internal financial controls and risk management processes. It liaises with external and internal auditors and reports directly to the board. The committee met once in 2012 (three in 2011).

2 Nominations committee

Assists the board in ensuring that the composition of the board and its committees have the appropriate skills, knowledge and experience. It also ensures that there is effective succession planning. The committee met once in 2012 (nine in 2011).

3 Remuneration committee

Established in 2004, it determines and approves remuneration for the executive management of the organisation. The committee met once during 2012 (twice in 2011).

Sub-committees established for good governance including but not confined to board members are:

1 Finance committee

Monitors and reviews the financial performance of the group. It provides an independent review of the annual budgets, monthly management and financial accounts and makes recommendations to the Board where relevant. The committee met seven times during 2012 (six in 2011).

2 Property committee

This committee is charged with considering key policy decisions relating to the acquisition, holding and use of property by the group. The committee met six times during 2012 (six in 2011).

Internal controls

The Directors acknowledge their overall responsibility for the group's systems of internal control and for reviewing its effectiveness. They have delegated responsibility for the implementation of this system to the executive management. This system includes financial controls, which enable the board to meet its responsibilities for the integrity and accuracy of the group's accounting records.

The board has also established a process of compliance which addresses the board's wider responsibility to maintain, review and report on all internal controls, including financial, operation and compliance risk management.

The key elements of internal control systems

- 1 The group has strict policies and procedures in place for the receipt, recording and control of donations received from private individuals and the corporate sector. These procedures are regularly reviewed and independently audited.
- 2 The group has an established Risk Management programme. Quarterly workshops are held to review the risk register and each risk is owned and monitored by an executive who reports on their areas of risk fortnightly at the executive meeting. Risks are reviewed by the board twice annually.
- 3 An independent internal audit is conducted annually to evaluate the internal financial controls and assessment of business risk. The most recent audit report was positive stating that the internal controls of the organisation were well documented and sufficiently robust to safeguard the assets of the company.

An audit committee reports independently to the board on all aspects of controls and risks.

- 4 Procedures and control systems are formally documented in a series of Service Level Agreements, within all departments of the group. These were implemented in 2003 and are reviewed regularly.
- 5 There is a formal organisational structure in place with clearly defined lines of responsibility, division of duties and delegation of authority.
- 6 Detailed budgets are prepared annually, in line with the strategic plan these are reviewed by the finance sub-committee and further reviewed and approved by the board. Actual results and service outcomes are compared regularly against these budgets to ensure; alignment with plan, tight budgetary control and value for money.
- 7 As part of the Reserve policy we will endeavour to maintain reserve levels to mitigate risks and to ensure sustainability of our services.

Health and safety

As with other years, health & safety has remained a core function and value of the work of Focus Ireland. During 2012, we continued to ensure that our workplaces, practices and procedures were in compliance with the requirements of the Safety, Health & Welfare at Work Act, 2005. Our Health and Safety Officer provided support and advice to line management and their teams in relation to best practice and legislative compliance. Our Health & Safety Committee completed safety inspections of all sites as a monitoring mechanism, during the year in line with the Health & Safety policy.

Environment

The group has a proactive approach to assisting all personnel to conduct our business in a manner that protects the environment of our customers, employees and the community.

During 2012 the group continued to look at new ways of reducing its impact on the environment. Volume of office waste that was recycled increased in 2012 against previous years. In addition to office waste recovery according to Repak regulations, the group is now recycling its domestic waste through DCC.

Dividends and retention

The group is precluded by its Memorandum of Association from paying dividends either as part of normal operations or on a distribution of its assets in the event of a winding-up.

Post balance sheet events

On 8 January 2013 Focus Ireland Limited notified the trustees of the Defined Benefit Scheme of its decision to terminate employer contributions to the scheme with effect from 8th April 2013. The company and the trustees are currently in consultation and hope to conclude the matter in 2013.

Companies (Amendment) Act, 1986

The reporting requirements of the Companies (Amendment) Act, 1986 relating to financial statements do not apply to the company, as it is a company limited by guarantee not having a share capital and does not trade for the acquisition of gain by its members.

Statement of 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 Accounting Standards Board 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 preparing books of accounts which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish 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 measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures, and employment of competent persons. The books of account are kept at 9/12 High Street, Dublin 8.

Auditors

The auditors, Deloitte & Touche, continue in office in accordance with the provisions of Section 160 of the Companies Act, 1963.

On behalf of the board



Ms Helen Kilroy, Director

Mr Declan O'Flaherty, Director

5th April 2013

Independent Auditor's Report to the members of Focus Ireland Limited

We have audited the financial statements of Focus Ireland Limited for the year ended 31 December 2012 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Total Recognised Gains and Losses, Consolidated Balance Sheet, Consolidated Cashflow Statement, the Statement of Accounting Policies and the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements 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 affairs of the company as at 31 December 2012 and of the net outgoing resources of the group for the year then ended; and
- ▶ have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

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.
- › In our opinion the information given in the directors' report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies 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.

The logo for Deloitte & Touche, featuring the company name in a stylized, handwritten-style font.

Deloitte & Touche

Chartered Accountants and Registered Auditors, Dublin

5th April 2013

Consolidated Statement of Financial Activities

(including Consolidated Statement of Total Recognised Gains and Losses)

For the year ended 31 December 2012

	Notes	2012 Restricted funds €	2012 Unrestricted funds €	2012 Designated funds €	2012 Total €	2011 Total €
Incoming resources						
Voluntary income						
Donations and fundraising income		300,932	5,178,323	–	5,479,255	5,491,600
Incoming resources from charitable activities						
Revenue based grants	9	11,010,361	–	–	11,010,361	11,254,010
Rents and charges to residents		–	1,290,800	–	1,290,800	1,221,286
Other income	3	–	142,726	–	142,726	202,769
Activities for generating funds						
Investment income	4	–	174,609	–	174,609	178,534
Total incoming resources		<u>11,311,293</u>	<u>6,786,458</u>	<u>–</u>	<u>18,097,751</u>	<u>18,348,199</u>
Resources expended						
Charitable activities						
Homeless services		5,570,331	1,726,160	597,505	7,893,996	7,609,150
Housing support		2,756,293	1,363,555	44,387	4,164,235	4,457,861
Prevention services		2,714,163	698,064	91,780	3,504,007	3,198,622
Advocacy		2,985	835,541	–	838,526	749,752
Costs of generating funds						
Fundraising and events costs	2	–	1,339,610	325,239	1,664,849	1,371,839
Governance costs						
Governance costs		–	104,568	–	104,568	62,169
Total resources expended		<u>11,043,772</u>	<u>6,067,498</u>	<u>1,058,911</u>	<u>18,170,181</u>	<u>17,449,393</u>
Net (outgoing)/ incoming resources						
	7	<u>267,521</u>	<u>718,960</u>	<u>(1,058,911)</u>	<u>(72,430)</u>	<u>898,806</u>
Net movement in funds	20	<u>267,521</u>	<u>718,960</u>	<u>(1,058,911)</u>	<u>(72,430)</u>	<u>898,806</u>

Consolidated Statement of Financial Activities (continued)

(including Consolidated Statement of Total Recognised Gains and Losses)

For the year ended 31 December 2012

	2012 Restricted funds €	2012 Unrestricted funds €	2012 Designated funds €	2012 Total €	2011 Total €
Net movement in funds	267,521	718,960	(1,058,911)	(72,430)	898,806
Actuarial loss in respect of pension scheme	24	(3,831,700)	–	(3,831,700)	(454,000)
Total recognised gains and losses relating to the year	<u>267,521</u>	<u>(3,112,740)</u>	<u>(1,058,911)</u>	<u>(3,904,130)</u>	<u>444,806</u>

There is no difference between the net outgoing resources for the period and the deficit retained for the period and their historical cost equivalents.

Incoming resources and net outgoing resources arose solely from continuing operations.

On behalf of the board

Helen Kilroy



Ms Helen Kilroy, Director

Mr Declan O'Flaherty, Director

5th April 2013

Consolidated Balance Sheet

As at 31 December 2012

	Notes	2012 €	2011 €
Fixed assets			
Properties	11	56,572,439	56,229,124
Less Capital Assistance Scheme loans	11	(50,201,649)	(50,065,206)
		6,370,790	6,163,918
Other tangible assets	12	480,203	403,206
		6,850,993	6,567,124
Current assets			
Cash in bank and at hand		8,192,660	8,660,521
Debtors	13	221,170	158,804
Grants receivable		597,191	871,604
		9,011,021	9,690,929
Creditors (amounts falling due within one year)			
Creditors, accruals and deferred income	14	(2,197,062)	(2,390,428)
Grants received in advance		(122,811)	(258,067)
		(2,319,873)	(2,648,495)
Net current assets		6,691,148	7,042,434
Total assets less current liabilities		13,542,141	13,609,558
Net assets excluding pension liability		13,542,141	13,609,558
Pension liability	24	(4,304,800)	(450,000)
Net assets including pension liability		9,237,341	13,159,558
Capital and reserves			
Capital grants and donations	15	3,152,645	3,170,732
Unrestricted capital reserve	16	2,590,266	2,590,266
Accumulated funds – restricted	20	588,375	320,854
Accumulated funds – unrestricted	20	497,882	3,610,622
Designated funds	20	2,408,173	3,467,084
		9,237,341	13,159,558

On behalf of the board

Helen Kilroy

Declan O'Flaherty

Ms Helen Kilroy, Director

Mr Declan O'Flaherty, Director

5th April 2013

Company Balance Sheet

As at 31 December 2012

	Notes	2012 €	2011 €
Fixed assets			
Properties	11	2,626,180	2,613,873
Less Capital Assistance Scheme loans	11	(2,403,121)	(2,403,121)
		223,059	210,752
Other tangible assets	12	479,730	402,412
		702,789	613,164
Current assets			
Cash at bank and in hand		8,060,902	8,484,161
Debtors	13	145,916	109,140
Grants receivable		176,030	286,758
		8,382,848	8,880,059
Creditors (amounts falling due within one year)			
Creditors, accruals and deferred income	14	(2,434,108)	(2,068,576)
Grants received in advance		(77,608)	(209,233)
		(2,511,716)	(2,277,809)
Net current assets		5,871,132	6,602,250
Net assets excluding pension liability		6,573,921	7,215,414
Creditors (amounts falling due after more than one year)			
Pension liability	23	(4,304,800)	(450,000)
Net assets including pension liability		2,269,121	6,765,414
Reserves			
Capital grants and donations	15	813,712	824,332
Accumulated funds – restricted	21	368,360	150,428
Accumulated (deficit)/funds unrestricted	21	(940,009)	2,722,164
Designated fund	21	2,027,058	3,068,490
		2,269,121	6,765,414

On behalf of the board

Helen Kilroy



Ms Helen Kilroy, Director

Mr Declan O'Flaherty, Director

5th April 2013

Consolidated Cash Flow Statement

For the year ended 31 December 2012

	Notes	2012 €	2011 €
Net cash (outflow)/inflow from charitable activities	18	(105,155)	2,491,384
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(501,134)	(4,474,799)
Financing			
CAS loans received		136,443	4,136,074
Capital donation received		1,985	50,785
Capital element of term loan repaid		–	(50,785)
		138,428	4,136,074
(Decrease)/increase in cash		(467,861)	2,152,659
Reconciliation of net cashflow to movement in net funds			
(Decrease)/Increase in cash in the year		(467,861)	2,152,659
Cashflow from changes in borrowings		–	50,785
Movement in net funds in the year		(467,861)	2,203,444
Net funds at 1 January 2012		8,660,521	6,457,077
Net funds at 31 December 2012	19	8,192,660	8,660,521

Design Identikit Design Consultants
Photography John Hanlon, Roughan McNamara, Cyril Byrne, Daragh McSweeney

To protect the identity and privacy of our customers, names, place names and references to family members have been changed in their stories; otherwise, all details represent real-life stories as told by our customers. In order to protect the identity of our customers, the photographs in this publication are not those of people who have experienced homelessness.

WORKING TO END HOMELESSNESS



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In order to protect the identity of our customers the photographs in this document are of volunteers.

Registered charity CHY 7220



**FOCUS
IRELAND**

Focus Ireland Limited and Subsidiaries

**Directors' Report, Statement of Accounting Policies and Notes to the
Financial Statements**

Year Ended 31 December 2012

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DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of the Company and of the Group for the year ended 31 December 2012.

Principal activities

The company is a registered charity and hence the report and results are presented in a form which complies with the requirements of the Companies Acts, 1963 to 2012 and although not obliged to comply with the Statement of Recommended Practice (SORP) as issued by the Charity Commissioners for England and Wales in October 2005 the Group has implemented many of its recommendations in these accounts. The main activities of the company and the group are charitable.

Legal status

Focus Ireland Limited is a company limited by guarantee, not having a share capital, incorporated in Ireland on March 7, 1985 under the Companies Acts, 1963 to 2012, registered number 106149.

The objectives of the company and of the group are charitable in nature with established charitable status (Registered Charity No: CHY 7220). All income is applied solely towards the promotion of the charitable objectives of the group.

Organisational structure

The group includes the holding company, its wholly owned subsidiary – Focus Housing Association Limited (Registered Charity No: CHY 9040), and its joint venture undertaking – The Caretakers Project Limited (Registered Charity No: CHY 15489). The holding company is principally concerned with the provision of support services to people who are homeless and the conduct of research and advocacy. The subsidiary company provides accommodation in Dublin, Waterford, Limerick, Cork, Sligo and Kilkenny and the joint venture undertaking provides overnight accommodation and support to young people in Dublin.

The Board of directors who meet approximately six times annually retains overall responsibility for the strategic development of the company in close liaison with the executive officers.

Joyce Loughnan, Chief Executive, manages the operation of the company with delegated divisional responsibility to the following:

Services & Housing Development and Property Management	Catherine Maher
Fundraising and Marketing	Lisa-Nicole Dunne
Finance, Administration & IT	Mark Byrne
Research, Policy, Communication and Education	Mike Allen
Human Resources	Madeleine Clarke

Results for the year and review of operations

The results for the year as set out on page 18 are considered satisfactory by the Board.

Grant funding represents 61% (2011:61%) of total income, while fundraising income represented 30% of total income (2011:30%).

In 2012 Focus Ireland continued to provide services to our customers. We have continued to develop our services in Dublin, Waterford, Kilkenny, Cork, Limerick and Sligo and continued to deliver our housing programme. We also expanded into Kildare in 2012, securing funding to work with people with mental health issues who require support in moving from HSE-funded hostels or family homes to live independently in the community.

Housing Properties

The board is conscious of the continuing need for accommodation for the homeless and disadvantaged and is fully committed to playing our part in meeting these needs. 2012 proved to be another challenging year for Focus Ireland, with an increased demand for our services on the one hand and a reduction in funding on the other. As an organisation however, we faced these challenges through innovation, commitment and a willingness to continue to deliver the most appropriate services to our customers. While our Housing Development Programme encountered

DIRECTORS' REPORT

Housing Properties (continued)

barriers and obstacles to securing properties in 2012, we expended substantial resources and efforts into laying the groundwork for success in 2013. This included looking at models like leasing, stock transfers, void management and private investment as possible ways of securing the homes we need for our customers in the future. We are confident that our work in 2012 will pay dividends in the coming year and we will acquire the housing necessary to move people from homelessness or potential homelessness to long-term accommodation and facilitate their progression along the path towards independent living.

Designated Funds & Strategy 2011 – 2016

Focus Ireland holds a bank position of approx. €8.2m as at 31 December 2012. This has been built up over the last number of years through prudent financial management and actively reducing costs. These funds are ear-marked by the organisation for the following reasons;

- 13 Weeks Operating Reserve

In line with best practice and UK SORP the organisation wants to ensure strong corporate governance and protect itself against possible unforeseen eventualities. The board decided to maintain the equivalent of 13 weeks of operational costs for this purpose.

- Strategic Initiatives

During 2010, the organisation completed its strategic review 2011-2016. In order to implement this strategy a total of €3,868,750 was designated from the group's reserves.

This is ear-marked and expended as follows;

	Total Designated	Expended to 31/12/2012	Designated Fund at 31/12/2012
Preventative Services	€666,500	€241,628	€424,872
Homeless Services	€1,202,250	€572,538	€629,712
Housing & Property	€450,000	€45,465	€404,535
Growth of Fundraising	€1,100,000	€488,121	€611,879
Other Initiatives	<u>€450,000</u>	<u>€112,825</u>	<u>€337,175</u>
Total	€3,868,750	€1,460,577	€2,408,173

The board expects the organisation may incur losses in 2013 and 2014 in order to expend these designated reserves and implement the strategy.

The above investment in our fundraising activities is a proactive measure to ensure we have sufficient funding to address homeless issues and ensure a strong sustainable organisation. Focus Ireland generally adheres to a principle that the costs of generating fundraising income should not exceed 20% of the amount raised. For the duration of the strategic initiatives and while investment is being made to grow our fundraising, the organisation will deviate from the above principle as appropriate. In 2012 strategic spend in fundraising resulted in a ratio of 30% (2011:25%)

- Housing Development

During 2012 the board approved and work commenced on the major re-development of one of the organisation's properties in Stanhope Green. Expected costs of this project are €3.2m which will be incurred over a two-year period.

DIRECTORS' REPORT (CONTINUED)

Pensions

The group operated a Defined Benefit pension scheme to 31st March 2010, of which the company provided two-thirds of the contribution and the employees contributed one-third. The pension scheme assets and liabilities are administered and held independently under an approved trust.

A Defined Contribution scheme, open to all permanent staff operated from 1 April 2010. The company contributions are 7% of pensionable salary while employee contributions are 5% of pensionable salary.

On 8 January 2013 Focus Ireland Limited notified the Trustees of the Defined Benefit Scheme of its decision to terminate employer contributions to the Scheme with effect from 8 April 2013. The company and the trustees are currently in consultation and hope to conclude the matter in 2013.

FRS17 Retirement Benefits

The Accounting Standards Board (ASB) issued Financial Reporting Standard 17 (FRS 17) Retirement Benefits on 30 November 2000. FRS 17 deals with the treatment of pensions and other retirement benefits in an employer's accounts and abandons the use of long term actuarial values for assets in a pension scheme in favour of a market based approach for valuing both assets and liabilities.

FRS17 Retirement Benefits

On an FRS 17 basis the scheme disclosed a deficit of €4,304,800 as at 31 December 2012 (2011 : deficit €450,000), on the basis of the funding programme recommended by the scheme's actuaries, Towers Watson Ireland Limited. In placing a cost on the liabilities, FRS 17 dictates that the discount rate to be used should be the yield on high quality corporate bonds of a similar duration to that of the liabilities. Whereas in a formal on-going actuarial valuation, long term assumptions are recommended by the scheme actuary taking into account the actual investment strategy of the scheme. Apart from the discount rate, other key assumptions used in determining the financial commitment of the company in respect of retirement benefits are consistent under the FRS 17 and the previous formal actuarial valuation as at 31 December 2008.

The current service pension cost expense for the year amounted to €Nil (2011 : €Nil).

The scheme actuary has advised that, as with the majority of similar arrangements in the Irish market, the Focus Ireland Pension Scheme did not meet the statutory Funding Standard as at 31 December 2012.

Corporate governance

The directors are committed to maintaining the highest standard of corporate governance and they believe that this is a key element in ensuring the proper operation of the company's activities. Although the company is not a listed company and therefore not subject to the "Principles of Good Governance and Code of Best Practice" (as adopted by the Irish Stock Exchange), the board nevertheless has determined that the group should, at the very least comply with the basic principles of corporate governance as outlined in this code. As part of this policy an effective board and a competent executive team head the company.

During 2012 the board complied and adopted The Governance Code : A Code of Practice for Good Governance for Community, Voluntary and Charitable Organisations in Ireland. Although this is a voluntary code the organisation wants to ensure that it continually adheres to the highest standards of governance and as such adopted the Code in 2012. This will be reviewed annually to ensure the organisation is still in compliance.

The board is responsible for providing leadership, setting strategy and ensuring control. It comprises of nine non-executive directors including one employee director. The board's non-executive directors are drawn from diverse backgrounds in business and professions, who bring to board deliberations, their significant business and decision-making skills achieved in their respective fields together with a broad range of experience and views.

Corporate governance (continued)

DIRECTORS' REPORT (CONTINUED)

There is clear division of responsibility at the company with the board retaining control of major decisions under a formal schedule of matters reserved to the board for decision, with the Chief Executive responsible for devising strategy and policy within the authorities delegated to her by the board.

The company has a comprehensive process for reporting management information to the board. The board is provided with regular information, which includes key performance and risk indicators for all aspects of the organisation. The board meets regularly as required and met six times during 2012 (six in 2011).

On appointment, directors receive briefing sessions and comprehensive briefing documents designed to familiarise them with the company's operations, management and governance structures. All non-executive directors are appointed for an initial three year term, which may be renewed for two further three year periods, giving a maximum of nine continuous years for any director. The employee director is appointed for a term of three years following a nomination and election process among the staff.

One-third of directors are required to retire annually by rotation and if eligible may offer themselves for re-election. During the year Ms Mary O'Shea, Ms Helen Kilroy and Ms Deirdre Connolly retired from the board and were re-elected. The role of Chairman and Chief Executive are separate and all directors (with the exception of the employee director) are independent of the management of the company.

Board committees

Committees of the board are established for good governance under the code of practice as follows:

1. Audit committee

The function of the audit committee is to review internal financial controls and risk management processes. It liaises with external and internal auditors and reports directly to the Board. The committee met once in 2012 (three in 2011).

2. Nominations committee

Assists the board in ensuring that the composition of the Board and its committees have the appropriate skills, knowledge and experience. It also ensures that there is effective succession planning. The committee met once in 2012 (nine in 2011).

3. Remuneration committee

Established in 2004, it determines and approves remuneration for the executive management of the organisation. The committee met once during 2012 (twice in 2011).

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1. Finance committee

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This committee is charged with considering key policy decisions relating to the acquisition, holding and use of property by the group. The committee met six times during 2012 (six in 2011).

DIRECTORS' REPORT (CONTINUED)

Internal controls

The directors acknowledge their overall responsibility for the group's systems of internal control and for reviewing its effectiveness. They have delegated responsibility for the implementation of this system to the executive management. This system includes financial controls, which enable the Board to meet its responsibilities for the integrity and accuracy of the group's accounting records.

The board has also established a process of compliance which addresses the board's wider responsibility to maintain, review and report on all internal controls, including financial, operation and compliance risk management.

The key elements of internal control systems

- 1) The group has strict policies and procedures in place for the receipt, recording and control of Donations received from private individuals and the corporate sector. These procedures are regularly reviewed and independently audited.
- 2) The group has an established Risk Management programme. Quarterly workshops are held to review the risk register and each risk is owned and monitored by an executive who reports on their areas of risk fortnightly at the executive meeting. Risks are reviewed by the board twice annually.
- 3) An independent internal audit is conducted annually to evaluate the internal financial controls and assessment of business risk. The most recent audit report was positive stating that the internal controls of the organisation were well documented and sufficiently robust to safeguard the assets of the company.

An Audit Committee reports independently to the Board on all aspects of controls and risks.

- 4) Procedures and control systems are formally documented in a series of Service Level Agreements, within all departments of the group. These were implemented in 2003 and are reviewed regularly.
- 5) There is a formal organisational structure in place with clearly defined lines of responsibility, division of duties and delegation of authority.
- 6) Detailed budgets are prepared annually, in line with the strategic plan these are reviewed by the finance sub-committee and further reviewed and approved by the board. Actual results and service outcomes are compared regularly against these Budgets to ensure; alignment with plan, tight budgetary control and value for money.
- 7) As part of the Reserve policy we will endeavour to maintain reserve levels to mitigate risks and to ensure sustainability of our services.

Focus Ireland Services

Homeless Support: Day services

The Coffee Shop

Focus Ireland's "Day Service" operates from the Coffee Shop in Temple Bar, providing quality, affordable meals for homeless adults, families and children, in a safe and warm environment. Lunch is served from 12pm-3pm, Monday to Friday, and from 11.30am-3pm, Saturday and Sunday. Our Advice & Information Service also operates from this location five days a week.

Extended Day Services – John's Lane West

Focus Ireland also partner with Merchant's Quay Ireland in delivering the "Extended Day Service" from John's Lane West, Monday to Friday from 5pm-8.15pm. This service provides free food for the most marginalised in a safe and warm environment and also operates an Advice & Information Service from this location from 5pm to 8pm, Monday to Friday.

Homeless Support: Day services (continued)

DIRECTORS' REPORT (CONTINUED)

Extension Day Service

Our Extension offers young people aged 16-25 years the opportunity to avail of basic facilities such as a shower, food and laundry. Our staff spend time building relationships with these young people, providing them with support and assistance in accessing services and building a pathway out of homelessness and towards long term accommodation. An advice and information service is also available to young people accessing the service.

Focus Ireland South Dublin Day Services

As well as providing an advice and information service to people who are homeless or in danger of becoming homeless, our South Dublin Day service also offers a drop-in service providing basic support to those who are homeless through the provision of food, laundry and storage facilities, access to clothes and access to showers.

Regional Contact Outreach Service

Focus Ireland partners with Dublin Simon Community in delivering a regional contact outreach service to homeless people in the greater Dublin area, in line with the Pathway to Home Model. This jointly-run service utilises the skills and experience of both Dublin Simon and Focus Ireland and works to ensure that the needs of those sleeping rough are responded to. Staff proactively engages with entrenched rough sleepers, building relationships and assessing their needs in working towards moving them into accommodation.

Open Access Case Management

Our Open Access Case Management team supports people experiencing homelessness to identify and address the issues leading to their homelessness and provide support in overcoming obstacles to settlement. We work with customers to plan appropriate routes out of homelessness by offering assessment, support and identifying the appropriate actions required to address their immediate circumstances and source appropriate accommodation for them.

The Caretakers Project Limited

The Caretakers Project Limited was incorporated on April 3, 2003 (Company No. 369456 CHY 15489) as a company limited by guarantee, for the purposes of operating short term emergency accommodation and social services to young people (16 -21 years of age) from a property made available to the Company by the Society of St. Vincent de Paul. All operational and financial activities are administered by Focus Ireland Limited and the Company is controlled jointly by the Group and the Society of St. Vincent de Paul to reflect their joint participation in the project. The Company prepares separate statutory audited financial statements, which are filed at the Companies Registration Office as required by law.

The Caretakers Hostel

This Caretakers Hostel targets hard-to-reach young people aged between 16 and 21 who are sleeping rough and actively using drugs. We offer young people a safe and welcoming place away from the street to sleep, have a hot meal and access basic facilities. Staff in the Caretakers work with young people to support them overcome serious addiction issues and work with them to refer to appropriate services who will support them on their journey out of homelessness.

Caretakers Case Management

The Caretakers Case Management & Liaison service provides one-to-one advice and support to young people aged 16-21 years. The service is targeted at young people who are hard-to-reach, who are not engaging in other services, who are homeless and engaging in high-risk behaviours or who are active in drug addiction. We work with these young people by assisting them to access services and by advocating on their behalf to ensure an effective response to the complex needs of these young people. We work with them in moving towards long term accommodation and independent living.

Aylward Green Supported Temporary Accommodation for Families

Our Supported Temporary Accommodation is operated in line with the Dublin Regional Homeless Executive's Pathway model, working with families who are homeless and have complex needs. We provide a safe, supportive and secure environment where these families can explore and address the issues contributing to their becoming homeless. Intensive support is provided in response to a variety of needs, including drug and alcohol addiction; relationship difficulties;

Aylward Green Supported Temporary Accommodation for Families(continued)

DIRECTORS' REPORT (CONTINUED)

anger management; and mental and physical health issues. We work with these families for six months and in this time identify appropriate long term accommodation for move on.

We also offer a childcare facility to children of these families, providing a place of learning, development and fun for young children, as well as a one-to-one homework mentoring programme and afterschool activities. Our breakfast club ensures that children living in Aylward Green receive a nutritional breakfast before attending school.

Crisis Intervention Services Partnership (CISP)

The Crisis Intervention Services Partnership is delivered in partnership with the HSE, who manage the service, to ensure that there is a responsive and protective service available for young people out-of-home and in crisis.

The CISP team work in partnership with Local Health Officers in identifying the necessary steps required to return young people under 18 years to their family, to link them with local community services that can help them, or to find an appropriate care option for them. The service also provides hands-on support to young people using the out-of-hours service. (The out-of-hours service responds to emergency circumstances where a young person is seeking accommodation). We respond to hospitals and Gardaí where there are concerns about the immediate welfare of a child.

Off-the-Streets

Focus Ireland's Off-the-Streets service is a short-term residential programme for high needs young people aged between 16 and 18 years. Our service is part of the HSE Crisis Intervention Service. We support and develop programmes tailored to the individual needs of the young person. We offer assistance to access education and employment programmes as well as with practical living skills. We support young people to develop confidence and self-esteem and prepare for a time when they move on to a home of their own.

The Preparation for Training and Education Programme (PETE)

Focus Ireland's PETE programme aims to support people in preparing for education or training and delivers foundation education & training to people who are resident in emergency accommodation up to FETAC Level 3. We support participants in gaining the skills and confidence necessary to take the first steps in accessing mainstream training, education and employment. Participants are assessed and provided with the support required to further their skills in preparation for a time when they are living independently. The PETE programme is available in Dublin and Waterford.

Childcare

Our childcare centres in Waterford and Finglas provide a place of learning, development and fun for young children of families who are homeless or at-risk of homelessness. In Waterford children of families living in the community can also access the service. We assess the needs of all children who attend the centres to ensure that both their developmental and social needs are met. We also work with the families of these children in developing their parenting skills. The service facilitates children of families who are experiencing homelessness in integrating into the community and plays a key role in supporting Focus Ireland's ethos of social inclusion.

DIRECTORS' REPORT (CONTINUED)

Short-term Accommodation

Focus Ireland offers short-term accommodation programmes for families and single people in our housing projects in Dublin, Limerick, Cork, Kilkenny, Waterford City and County. Our programme is designed to help people who have been homeless to address issues that have contributed to their homelessness. We support households to develop and achieve independent living skills and social integration. Every household is supported by a case worker who works with them until they are ready to move on to a home of their own.

Housing & Housing Support Services:

Long Term Housing

Focus Ireland provide long-term supported housing in Dublin, Cork, Limerick, Sligo, Waterford and Kilkenny in our own properties or in partnership arrangements with Local Authorities and other voluntary sector housing providers.

Support is offered to households in long-term accommodation commensurate with their level of need. This support is provided on-site or as part of a visiting support service. Support is reviewed and monitored on a regular basis.

Tenancy Support & Settlement Service

The Support & Settlement service works with people who are moving from homelessness into long-term accommodation by supporting them as they settle into a new home. Staff offer practical support with all aspects of keeping a home, including budgeting, accessing schools and childcare and ensuring the household is in receipt of all of their entitlements. We link households to budgeting, educational or training services and offer support where there are emotional, behavioural and health-related issues that can contribute to a person becoming homeless.

Our Support & Settlement service is available in Dublin, Cork, Waterford, Limerick, Kilkenny, Wexford and Sligo. In Dublin support and settlement is offered through the Support to Live Independently (SLI) programme, which we deliver in partnership with the Peter McVerry Trust. The SLI programme is operated across the four Dublin Local Authorities.

Prevention Services:

Advice & Information

Our Advice & Information services in Dublin, Waterford, Cork, Kilkenny, Sligo and Limerick offer advice and information on accessing short-term and permanent housing, addiction-related issues and accessing health services. We also provide a link to Community Welfare Officers and other services. We focus our expertise in preventing households becoming homeless.

The Prison In-Reach Programme

Recognising that leaving prison can often be a pathway into homelessness, Focus Ireland, in partnership with the Probation Service, the Irish Prison Service and the HSE operate a Prison In-Reach Programme which works with prisoners to provide a seamless response between prison services, homeless services and housing services in order to prevent people becoming or returning to homelessness upon leaving prison. We also provide short term housing which complements the work of the Prison In-reach programme.

In-Reach Housing Programme

Focus Ireland's Prison In-reach programme offers up to a 6 month short-term accommodation service for men who are coming out of prison, who are homeless, or at risk of homelessness, and who have high-support needs.

After leaving prison, some men may lack the necessary ability to find their way through the current system and require a period of support. We work with them to identify their specific needs that, for one reason or another, may not be able to be met. Depending on our customers' needs, we can offer financial and debt management advice, identify appropriate accommodation needs, as well as looking at life skills, education, training and employment needs.

Focus Ireland's Aftercare Service

DIRECTORS' REPORT (CONTINUED)

Focus Ireland's Aftercare service is a partnership with the HSE, providing a Residential and Support & Settlement Aftercare service to young people in North and South Dublin. The service began in 2011 operating in Waterford. The residential service provides short-term accommodation to young people who have been in the care of the state while the support & settlement service works with young people who are living independently in the community for the first time or are preparing to do so. We support these young people in accessing and settling into accommodation as well as offering them advice and assistance with life skills and their welfare entitlements, education and training. We encourage the young person's involvement in all decisions around their support plan and facilitate and promote their active participation in the preparation and process of leaving care.

The Step-Down Programme

Our Step-Down Residential programme offers people who have completed a drug rehabilitation programme support in learning to manage a home of their own. We work in partnership with organisations like Keltoi Residential Therapeutic Facility, the Health Board's Rehabilitation Integration Service (RIS), Coolmine and Ashlinn in the delivery of the service.

Georges Hill Supported Temporary Accommodation for Young People aged 18 to 26

Our Supported Temporary Accommodation is operated in line with the Dublin Regional Homeless Executive's Pathway model, working with young people aged 18 to 26 who are homeless and have complex needs for a period of six months. During this period we link young people to budgeting, educational or training services and offer support where there are life skills, emotional, behavioural and health-related issues that can contribute to the person becoming homeless. Our aim is to prepare the young person for independent living in their own long term accommodation which we support them in sourcing and move on.

Preventative Tenancy Sustainment Service

The preventative part of our tenancy sustainment service offers a preventative service to vulnerable households who are in danger of losing their home. We work with the household to move them from crisis to stability and support them in addressing the underlying issues placing their tenancy at risk, i.e. rent arrears, addiction issues, mental health issues, family breakdown and neighbourhood relations, and support them in sustaining their tenancy.

Our preventative tenancy sustainment team encourages links to social groups, encourages community integration, addresses any antisocial behaviour issues, supports households in accessing relevant external services and offers practical support with all aspects of keeping a home, including budgeting and accessing schools and childcare. This service is available in Cork, Waterford, Wexford, Limerick, Kilkenny, Sligo.

Our Prevention Tenancy Support & Sustainment & Case Management service in Dublin provides support to single and family households living in Dublin to develop the necessary skills and tools to overcome the risks and challenges to their maintaining their homes. Child support workers also engage with parents, supporting and facilitating them in improving their parenting skills and taking an active part in their children's emotion, physical and educational development and, in the process, reducing the risk of the family returning to homelessness in the long-term.

The Genio Mental Health Project

As part of Focus Ireland's strategy towards developing more prevention-centred services, we began delivering individualised person-centred support to people with mental health issues who are living with their families or in a HSE-funded hostel but who want to live independently and require support to do so in 2012. The Genio mental health projects, in Kildare and Limerick, works closely with multi-disciplinary mental health teams, providing a flexible, person-centred, home-visiting service to support these individuals settle into their new home and sustain it successfully into the future.

National Family Case Management Service

The National Family Case Management Service engages with families in Dublin, who have been entrenched in long-term homelessness. The over-arching objective of the service is to move them into long term accommodation. The settlement of these families facilitates the decanting and subsequent closure of Private Emergency Accommodations across the Dublin area. Child Support workers also conduct detailed childcare assessments of children living in these families

National Family Case Management Service (continued)

DIRECTORS' REPORT (CONTINUED)

and liaise with relevant statutory and non-statutory support and clinical services. The family support workers will provide monitoring and practical support under the child support workers guidance.

Relationships with other charities

The Group has entered into a joint venture with the Society of St. Vincent de Paul, known as The Caretakers Project Limited, as disclosed above.

Focus Ireland actively promotes partnership working with statutory bodies and other charitable organisations in the provision of services and the pursuit of its advocacy goals. Examples of this work include participation in the Dublin Homeless Network and partnership work with local authorities and health services around the country in the Regional Homeless Forums. In addition Focus Ireland has progressed its objectives through partnerships with other voluntary organisations, including the 'MakeRoom' campaign (a joint initiative between Focus Ireland, the Simon Communities of Ireland, the Society of St Vincent de Paul and Threshold), the Advocacy Initiative and Claiming our Future campaign. Focus Ireland is also a member of the Irish Council for Social Housing; the Irish Charities Tax Reform Group and FEANTSA (European network of organisations working with homeless people).

Research, Policy, Communication and Education

The Focus Ireland Advocacy Team works for the achievement of the organisations vision through the coordinated use of research, policy analysis and public awareness, areas of work include:

- Preventing homelessness through education, training and public awareness programmes that directly and indirectly target people at risk of homelessness.
- Carrying out research, providing information and policy input that will assist Focus Ireland to deliver quality front-line services.
- Promoting more effective policies for the provision of affordable housing, with tenancy supports as necessary, for people moving out of homelessness, or at risk of becoming homeless.
- Deepening the public understanding of homelessness, and the work of Focus Ireland, through social media, press statements and information events.
- Investigating emerging trends which may impact on future homelessness

Staff and Volunteers

Focus Ireland continues to attract the best people into the organisation by establishing high employment standards, ensuring that all employees are qualified, experienced and professional in their delivery of service to our customers. We are committed to the continuing development of all our staff and we allocate resources annually towards a comprehensive training and development programme. In addition, we provide opportunities and support to those wishing to up-skill, through the attainment of further qualifications, and this is managed through the organisations Education policy.

Focus Ireland recognise that the achievement of the goals and values of the organisation are best served through the active participation of those in the wider community. Therefore, volunteering has become a key part of the Focus Ireland strategy. We believe that involving volunteers is a way of furthering active citizenship and community involvement, and that it will help change the publics' perceptions of our customers. The type of volunteer roles vary and have included activities with customers such as befriending, drama and literacy tutors, career guidance and also roles as schools ambassadors, gardeners, archivists and administrators.

Focus Ireland also benefits from voluntary work under corporate social responsibility; whilst we do not recognise the monetary value of this volunteer work (under SORP 2005 guidelines) we greatly appreciate the breadth of experience this brings to the organisation

DIRECTORS' REPORT (CONTINUED)

Health and safety

As with other years, health & safety has remained a core function and value of the work of Focus Ireland. During 2012, we continued to ensure that our workplaces, practices and procedures were in compliance with the requirements of the Safety, Health & Welfare at Work Act, 2005. Our Health and Safety Officer provided support and advice to line management and their teams in relation to best practice and legislative compliance. Our Health & Safety Committee completed safety inspections of all sites as a monitoring mechanism, during the year in line with the Health & Safety policy.

Environment

The group has a proactive approach to assisting all personnel to conduct our business in a manner that protects the environment of our customers, employees and the community.

During 2012 the group continued to look at new ways of reducing its impact on the environment. Volume of office waste that was recycled increased in 2012 against previous years. In addition to office waste recovery according to Repak regulations, the Group is now recycling its domestic waste through DCC.

Dividends and retention

The group is precluded by its Memorandum of Association from paying dividends either as part of normal operations or on a distribution of its assets in the event of a winding-up.

Post balance sheet events

On 8 January 2013 Focus Ireland Limited notified the trustees of the Defined Benefit Scheme of its decision to terminate employer contributions to the Scheme with effect from 8th April 2013. The company and the trustees are currently in consultation and hope to conclude the matter in 2013.

Companies (Amendment) Act, 1986

The reporting requirements of the Companies (Amendment) Act, 1986 relating to financial statements do not apply to the Company, as it is a company limited by guarantee not having a share capital and does not trade for the acquisition of gain by its members.

Statement of 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 Accounting Standards Board 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 preparing books of accounts which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish 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 measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures, and employment of competent persons. The books of account are kept at 9/12 High Street, Dublin 8.

Auditors

DIRECTORS' REPORT (CONTINUED)

The auditors, Deloitte & Touche, continue in office in accordance with the provisions of Section 160 of the Companies Act, 1963.

On behalf of the board

Director

Director

Date:

STATEMENT OF ACCOUNTING POLICIES

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

Accounting convention

The financial statements are presented in Euro (€) under the historical cost convention.

Basis of consolidation

Focus Housing Association Limited became a Subsidiary by alteration of its Memorandum and Articles of Association on March 5, 1998. These Articles provide that Focus Ireland Limited shall at all times hold voting control of the Subsidiary Company.

The Caretakers Project Limited is treated as a subsidiary and the full financial results of the Company are incorporated in the Group accounts as the Group has control of the management and administration of all the financial activities of the entity.

Basis of Preparation

The financial statements are prepared under Irish GAAP and the Group has implemented many of the recommendations of the Charities SORP 2005. The financial statements do however depart from the Charities SORP 2005 in regard to the accounting for Capital Assistance Scheme Loans and Capital Grants and Donations, as follows:

- **Capital Assistance Scheme Loans (CAS)**

The departure arises as a result of the financial statements of the Group being prepared in accordance with the Statement of Recommended Practice (SORP) for Registered Social Landlords - updated 2010. The loans have been accounted for using the Registered Landlords SORP as the Directors of Focus Ireland believe it to be the most appropriate method of accounting for the Loans.

By adopting the Registered Landlords SORP instead of the Charities SORP the loans are recognised as a deduction from the properties in the Balance Sheet rather than as incoming resources in the Statements of Financial Activity (SOFA).

The financial impact on the accounts if Focus Ireland were to adopt the Charities SORP to account for the loans would result in the cumulative restricted reserves and net assets of the Charity increasing by the loans recognised in the year.

Loans under capital assistance schemes have not been amortised on the basis that they remain repayable in full for period from the date of advance. On completion of the loan period, provided certain conditions are met, the loans and interest, if applicable, are relieved in full and will be released to unrestricted capital reserves and not amortised.

The majority of Housing Properties acquired by Focus Ireland Limited have been financed by way of Capital Assistance Scheme (CAS) loans which are repayable in full for twenty years (purchases prior to 2002) or thirty years (purchases post 2002). Loans under CAS have not been amortised on the basis that the loans remain repayable in full, for term noted above, if certain conditions are not met during the loan term.

- **Capital Grants and Donations**

The departure arises as a result of the financial statements of the Group being prepared in accordance with the SSAP 4 – Accounting for Government Grants which the Directors of Focus Ireland believe to be the most appropriate method of accounting for Capital Grants and Donations.

By adopting SSAP 4, instead of the Charities SORP, the Capital Grants and Donations, received in relation to Housing properties, are taken directly to Capital Reserves and not recognised as income in the SOFA.

The financial impact on the accounts, if Focus Ireland were to adopt the Charities SORP to account for the Capital Grants and Donations through the SOFA would result in the cumulative restricted income increasing by the amount of Capital Grants and Donations received in the year and resulting in increased cumulative restricted reserves.

STATEMENT OF ACCOUNTING POLICIES

Capital Grants and Donations - continued

Capital Grants and Donations received in relation to Housing properties are taken directly to Capital Reserves and Donations. These are not amortised to the SOFA as depreciation is not charged on the corresponding property.

Grants received to fund other capital expenditure are taken to Capital Grants and Donations and amortised to income over the estimated useful lives of the related fixed assets.

Fixed assets

Fixed Assets are accounted for as follows;

1. Housing Properties. All initial expenditure, to ensure the property is fit for purpose, is capitalised at cost. Depreciation is not provided on housing properties on the grounds that the estimated useful lives of these properties exceeds 50 years.

In addition, under the terms of our loan agreements with respective local authorities, the Group is required to keep the mortgaged properties in good structural order, repair and condition and not to permit the mortgaged properties to depreciate by neglect or mismanagement. Detailed reviews for impairment are therefore only carried out if the Directors are satisfied that there are definite indications that impairment has occurred. The Directors are satisfied that an annual charge for depreciation would be inappropriate.

2. Other Tangible Assets are stated at cost less accumulated depreciation. Low value items are charged to the SOFA, in full, in the period the cost is incurred.

Depreciation is provided on a straight line basis to write off the cost of the assets over their estimated useful lives at the following annual rates:

• Freehold Land	0%
• Leasehold improvements	5%
• Office furniture and equipment	25%
• Housing furniture and equipment	10%
• Motor vehicles	20%

Unrestricted Capital Reserve

Capital Assistance Scheme (CAS) Loans received for the acquisition of property are released to the Unrestricted Capital Reserve when the term of the CAS mortgage is completed.

On completion of the loan period, the loans and interest, if applicable, are relieved in full and are released to Unrestricted Capital Reserves.

Recognition of Income including Revenue Grants

Revenue Grants received from State bodies are recorded as income on a receivable basis. In the main, Grants are received for a specific time period and purpose and are subject to Service Level Agreements. In such cases Grants are released to the SOFA in accordance with the period to which they relate. Other Grants can be received in advance and are recorded in or deferred to the period in which the related expenditure is charged.

Grants and assistance due but not yet received are included as "Grants receivable" in the balance sheet. Grants and assistance received which relate to the funding of expenditure not yet incurred are deferred and included under "Grants received in advance" in the balance sheet.

Rental Income is recorded on a receivable basis

STATEMENT OF ACCOUNTING POLICIES

Recognition of Income including Revenue Grants - continued

In accordance with best practice, Fundraising Income is shown gross without deduction of any overhead costs involved in raising such funds. Fundraising and Event costs, shown separately in the financial statements, include staff, direct and indirect overheads and event costs.

Legacy income is recognised in either the period in which it is received or where the Group is reasonably certain that the legacy will be received and the value of the legacy can be measured with sufficient accuracy. In this case, legacy income must have been received post year end, and the personal representatives must have agreed to the amount thereof prior to the year end.

Gifts in kind for use by the Group are included as incoming resources when received. Gifts are valued at open market value or at a reasonable estimate of the gross value to the Group.

Leases

All operating lease rentals are charged to the SOFA on a straight line basis.

Retirement benefits

We comply fully with FRS 17 basis of calculation of pension liability in the accounts.

On this basis, 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 credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The excess of scheme liabilities over scheme assets is presented on the balance sheet as a liability.

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 SOFA as other finance income. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the statement of total recognised gains and losses for the year in which they occur.

Reserves Policy

Focus Ireland needs reserves to:

- Ensure that the charity can continue to provide a stable and quality service to those who need them. Meet contractual liabilities should the organisation have to close. This includes redundancy pay, amounts due to creditors and commitments under leases.
- Meet unexpected costs like break down of essential office machinery, staff cover re illness, maternity leave, parental leave, and legal costs defending the charities interest.
- Provide working capital when funding is paid in arrears and place the charity in a position where it could bid for funding which can be paid in arrears.
- Meet the costs of winding up the organisation in the event that this was necessary.
- Be adequate to cover 3 months of current expenditure for Focus Ireland.

Restricted Funds

Restricted funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority or created through legal process, but still within the wider objectives of the charity. Restricted funds may be restricted income funds, which are expendable at the discretion of the trustees in furtherance of some particular aspect(s) of the objectives of the charity. Or they may be capital funds, where the assets are required to be invested, or retained for actual use, rather than expended.

Unrestricted and Designated funds

Unrestricted funds are expendable at the discretion of the Board in furtherance of the charity's objectives. The Directors can designate part or all, of the Unrestricted Funds for specific purposes. These designations have an administrative purpose only, and do not legally restrict the Board's discretion to apply the fund.

NOTES TO THE FINANCIAL STATEMENTS

1 Ownership and operations

The Company and each of its subsidiaries are limited by guarantee and do not have a share capital.

The Company and each of its subsidiaries is precluded by its Memorandum of Association from paying a dividend either as part of normal operations or on distribution of the Company's assets in the event of it being wound up. All income must be applied solely towards the promotion of the charitable objectives of the Company.

2 Fundraising income and costs

Fundraising income represents the gross money raised including all gross income from events held. Fundraising costs cover all costs incurred in raising funds including staff and event costs. Focus Ireland generally adheres to a principle that the costs of generating fundraising income should not exceed 20% of the amount raised. For the duration of the strategic initiatives and while investment is being made to grow our fundraising the Organisation will deviate from the above principle as appropriate. These costs are 30% (2011:25%) of funds raised.

3 Other Income

Other income includes parents' contributions towards childcare centres, restaurant sales, capital management income for properties and other miscellaneous income.

4 Investment Income

Investment income represents interest earned on deposits held.

5 Breakdown of Costs of Charitable Activity

The resources expended on charitable activities have been classified to comply with SORP 2005. Such costs include the direct costs of the charitable activities together with those Support costs (Finance and Administration cost) incurred that enable these activities to be undertaken. These Support costs have been allocated across the activities based on headcount and floor space occupied. Total support costs for 2012 were 2.7% (2011: 2.6%) of total costs.

Support costs totaling €394,045 (2011: €304,386) comprise Headcount and Administration costs of €299,695 (2011: €132,652) and Premises costs of €94,350 (2011: €171,734) are reflected in the Statement of Financial Activity as follows:

Headcount and Administration costs traditionally reflected in Support Services have been allocated to the activities based on direct headcount in the Direct Services as follows:

	2012	2011
Homeless Services	45%	48%
Housing Support	28%	27%
Prevention Services	24%	22%
Advocacy	3%	3%

Premises costs traditionally reflected in Support Services have been allocated based on Floor space occupied by the Direct Services under Housing Support.

Included in Note 9 is a breakdown of these costs by project.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Resources expended

	2012	2011
	€	€
Included in resources expended are wages, salaries and pension costs comprising:		
Wages and salaries - Direct Services	10,728,901	10,187,716
Wages and salaries – Administration	236,242	408,920
Wages and salaries – Fundraising	719,910	544,549
Social welfare costs	1,176,555	1,099,194
Pension costs	214,002	227,604
	<u>13,075,610</u>	<u>12,467,983</u>

The average number of persons employed by the Group during the year was 314 (2011: 284). In addition to this we have relief staff which equates to 34 full time equivalents (2011: 20).

The Group operated a contributory pension scheme which provided defined benefits for its employees. This scheme was closed at 31st March 2010 and all entitlements (through Defined Benefit scheme) are ring fenced and protected. The assets of the Scheme are held separately from those of the Company under a Trust.

On 8 January 2013 Focus Ireland Limited notified the Trustees of the Defined Benefit Scheme of its decision to terminate employer contributions to the Scheme with effect from 8 April 2013. The Company and the Trustees are currently in consultation and hope to conclude the matter in 2013.

A Defined Contribution scheme was operated from 1st April 2010. Company contributions are 7% of pensionable salary and employee contributions are 5% of pensionable salary.

Amounts outstanding at year end were €30,198 and AVC's of €2,213 (2011: €36,188) and were paid within thirty days of the year end.

No salaries are payable to the directors or trustees of the Company. An employees' representative to the Board is remunerated for employment only. The company's Chief Executive, Joyce Loughnan receives an annual salary of €125,000.

7 Net outgoing resources

	2012	2011
	€	€
The net outgoing resources for the year is stated after charging/(crediting):		
Directors Remuneration	-	-
Fees paid to auditors (Exclusive of VAT)		
Audit fees	20,500	20,500
Other Assurance Services	1,000	1,000
Non – Audit Services	-	-
Taxation	-	-
Other items		
Depreciation	80,822	41,629
Amortisation	(20,072)	(20,072)
Deposit Interest	<u>(174,609)</u>	<u>(178,534)</u>

8 Taxation

The Holding Company and its Subsidiaries has been granted charitable tax exemption by the Revenue Commissioners.

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Incoming Resources and Resources Expended on Charitable Activities

Income	Advice & Info	Aftercare	Case Mgmt	Childcare	Day Services	Education Training & Employment	Long Term Supported Accommodation	Outreach	Prevention & Tenancy Sustainment	Short Term Supported Accommodation	Supported Temporary Accommodation	Advocacy	Fundraising	Admin including governance	Total
Revenue Based Grants															
City of Dublin Youth Service Board (CDYSB)	-	-	-	-	447,716	31,066	-	-	-	-	78,098	-	-	-	556,880
City of Dublin Vocational Educational Committee (CDVEC)	-	-	-	-	-	15,200	-	-	-	-	-	-	-	-	15,200
Cork County Council	-	-	-	-	-	-	-	-	21,977	-	-	-	-	-	21,977
Dept of Gaeltacht	-	-	-	-	-	-	-	-	-	-	-	-	-	68,430	68,430
DLR Co Council	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	5,000
Dublin City Council	-	-	-	-	-	-	22,575	-	75,600	-	6,245	-	-	-	104,420
FAS	8,221	-	-	5,772	5,775	5,775	231,024	-	11,298	-	44,349	-	-	-	312,214
DRHE - Local Authority	154,716	-	374,823	-	696,099	-	959,029	298,676	346,680	-	1,020,520	-	-	-	3,850,543
- HSE	-	-	167,663	319,081	146,008	-	268,367	98,022	102,695	-	214,987	-	-	-	1,316,823
Genio	-	-	-	-	-	-	21,978	-	15,000	-	-	-	-	-	36,978
HSE - Other area	-	-	-	-	-	-	103,776	-	-	-	-	-	-	-	103,776
- Childcare	-	518,599	136,919	-	315,382	-	-	-	-	664,019	991,937	-	-	-	2,626,856
- Mid Leinster	-	664,537	-	-	-	-	-	-	-	-	-	-	-	-	664,537
-South East	-	492,089	-	21,814	-	-	43,628	-	-	38,174	-	-	-	-	595,705
Limerick City Council	-	-	-	-	-	-	57,464	-	72,078	-	-	-	-	-	129,542
Limerick County Council	-	-	-	-	-	-	-	-	6,750	-	-	-	-	-	6,750
Mid Western Health Board	-	-	-	-	-	-	92,072	-	-	-	-	-	-	-	92,072
Office of Minister for Children	-	-	-	77,600	-	-	-	-	-	-	-	-	-	-	77,600
Pobal	-	-	50,826	-	-	22,930	22,917	-	-	-	-	-	-	-	96,673
Sligo County Council	-	-	-	-	-	-	10,000	-	48,000	-	-	-	-	-	58,000
Waterford City Council	-	-	-	-	-	-	201,905	-	85,347	73,113	-	-	-	-	360,365
Miscellaneous	-	-	-	-	-	-	(89,980)	-	-	-	-	-	-	-	(89,980)
Total Grant Income	162,937	1,675,225	730,231	424,267	1,610,980	74,971	1,949,755	396,698	785,425	775,306	2,356,136	-	-	68,430	11,010,361
Rents & Charges to residents	-	48,652	1,273	-	-	-	1,143,786	-	1,337	59,623	36,129	-	-	-	1,290,800
Restaurant Sales	-	-	-	-	72,341	-	-	-	-	-	-	-	-	-	72,341
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	174,609	174,609
Other Income	-	2,798	-	38,858	-	-	11,967	-	3,101	-	30	12,490	-	1,141	70,385
Allocation of Administration Income	5,552	32,383	29,403	12,637	35,016	2,873	46,132	9,656	24,997	15,003	21,945	8,583	-	(244,180)	-
Total Income (Excl Fundraising Allocation)	168,489	1,759,058	760,907	475,762	1,718,337	77,844	3,151,640	406,354	814,860	849,932	2,414,240	21,073	-	-	12,618,496

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Incoming Resources and Resources Expended on Charitable Activities (continued)

	Advice & Info	Aftercare	Case Mgmt	Childcare	Day Services	Education Training & Employment	Long Term Supported Accommodation	Outreach	Prevention & Tenancy Sustainment	Short Term Supported Accommodation	Supported Temporary Accommodation	Advocacy	Fundraising	Admin including governance	Total
Direct Resources Expended	328,622	1,941,342	1,293,554	719,622	2,372,180	301,115	2,936,866	455,542	1,134,717	1,202,809	2,493,946	826,404	1,664,849	498,613	18,170,181
Support Costs Allocated	8,960	52,260	47,449	20,394	56,506	4,636	74,446	15,583	40,339	24,211	35,411	13,850	-	(394,045)	-
Total Resources Expended	337,582	1,993,602	1,341,003	740,016	2,428,686	305,751	3,011,312	471,125	1,175,056	1,227,020	2,529,357	840,254	1,664,849	104,568	18,170,181
Net Movement in Funds before allocation of Fundraising	(169,093)	(234,544)	(580,096)	(264,254)	(710,349)	(227,907)	140,328	(64,771)	(360,196)	(377,088)	(115,117)	(819,181)	(1,664,849)	(104,568)	(5,551,685)
Allocation of fundraising income	81,891	481,836	441,456	309,754	518,772	56,602	740,992	142,419	368,686	221,778	323,646	126,574	1,664,849	-	5,479,255
Net Movement in Funds	(87,202)	247,292	(138,640)	45,500	(191,577)	(171,305)	881,320	77,648	8,490	(155,310)	208,529	(692,607)	-	(104,568)	(72,430)

The resources expended on charitable include the direct costs of the charitable activities together with those Support costs (Finance and Administration cost) incurred that enable these activities to be undertaken. These have been allocated across the activities based on headcount and floor space occupied. Total support costs for 2012 were 2.7% (2011 2.6%) of total costs.

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Financial assets

The Caretakers Project Limited was established as a joint venture to manage a project under which Focus Ireland Limited would provide all the administrative and financial input into the Company and the Society of St. Vincent de Paul would make available the property from which the Company would operate.

The effect of the results of this joint venture (which is treated as a subsidiary) on the Group are summarised as follows:

	2012	2011
	€'000	€'000
Statement of financial activities		
Grants received (HSE)	842	871
Restricted donation	-	54
	<u>842</u>	<u>925</u>
Less:		
Support and advocacy services	<u>(841)</u>	<u>(894)</u>
Surplus	<u>1</u>	<u>31</u>
Balance sheet		
Cash at bank and in hand	73	72
Creditors, accruals and deferred income	<u>(59)</u>	<u>(59)</u>
Net Assets	<u>14</u>	<u>13</u>
Capital and Reserves		
Reserves brought forward	13	(18)
Surplus for the year	<u>1</u>	<u>31</u>
Accumulated Reserves	<u>14</u>	<u>13</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

11 Housing properties and capital assistance scheme loans

Group/Company	Properties		Capital Assistance Scheme Loans	
	2012 €	2011 €	2012 €	2011 €
Housing Properties				
Stanhope Green	3,187,787	3,022,222	-	-
George's Hill	3,908,935	3,908,937	3,421,023	3,421,023
Buckingham Street	93,097	93,097	93,987	93,987
Ballybough	170,760	170,760	172,488	172,488
Finglas	4,895,398	4,895,398	4,895,398	4,895,398
Basin Lane	1,132,230	1,132,230	1,077,956	1,077,956
Parnell Street, Limerick	877,856	877,856	740,257	740,257
Grange Cohen, Waterford	5,732,377	5,732,377	5,453,940	5,453,940
Corbrac House, Limerick	1,127,803	1,127,803	1,129,429	1,129,429
Waterford units	12,725,124	12,725,064	12,322,033	12,322,033
Belmont, Waterford	8,054,329	8,053,314	8,047,876	8,047,876
Dublin units	3,220,849	3,223,576	2,679,960	2,679,960
Limerick units	4,279,855	4,208,821	3,616,743	3,616,743
Cork Units	2,695,522	2,604,715	2,643,938	2,507,495
George's Hill Block 4	335,198	329,541	-	-
Kilkenny Units	607,791	607,791	613,400	613,400
Sligo Units	901,348	901,749	890,100	890,100
Sub Total Housing properties	<u>53,946,259</u>	<u>53,615,251</u>	<u>47,798,528</u>	<u>47,662,085</u>
Services Properties (Company)				
Aftercare, North Circular Rd, Dublin 7	2,626,180	2,613,873	2,403,121	2,403,121
Group	<u>56,572,439</u>	<u>56,229,124</u>	<u>50,201,649</u>	<u>50,065,206</u>

The title deeds of the properties at Stanhope Green, George's Hill, Ballybough, Finglas and Basin Lane are held by Arthur Cox. The title deeds of the properties at Parnell Street, Limerick and Grange Cohen, Waterford, are held by Limerick City Council and Waterford City Council respectively. In regard to certain properties legal charges are registered against the properties by the local authorities. The property, North Circular Rd, Dublin 7 is held by the Holding company, all other properties are held by the Subsidiary company, Focus Housing Association Limited

Loans advanced by municipal (housing) authorities to the Subsidiary company have a twenty year repayment period for those advances prior to 2002, and a thirty year repayment period for those advanced post 2002. However, the Subsidiary company will be relieved in full of repayments of capital and interest so long as the housing authority is satisfied that the accommodation continues to be properly maintained and to be let to eligible categories of persons at reasonable rent levels. In 2010 the CAS loan for Stanhope Green was transferred from CAS to Unrestricted Capital Reserve as the term of the loan was completed.

In the event of the accommodation not continuing to be let in accordance with the terms of the scheme, the Subsidiary company will become liable for repaying the outstanding balance of the loan together with any accrued interest. In the event of default of repayments, the housing authorities may take appropriate steps to secure redemption of the loan. The Subsidiary company may not, if there is any balance outstanding on the loans, dispose of the accommodation without the consent of the housing authorities.

NOTES TO THE FINANCIAL STATEMENTS – continued

12 Other tangible assets

Group	Freehold buildings	Leasehold improvements	Office furniture and equipment	Housing furniture and equipment	Motor vehicle	Total
	€	€	€	€	€	€
Cost						
At beginning of year	31,763	765,717	328,672	610,291	84,280	1,820,723
Additions	-	-	157,819	-	-	157,819
At end of year	<u>31,763</u>	<u>765,717</u>	<u>486,491</u>	<u>610,291</u>	<u>84,280</u>	<u>1,978,542</u>
Depreciation						
At beginning of year	-	527,510	217,244	609,497	63,266	1,417,517
Charge for year	-	24,878	48,708	322	6,914	80,822
At end of year	<u>-</u>	<u>552,388</u>	<u>265,952</u>	<u>609,819</u>	<u>70,180</u>	<u>1,498,339</u>
Net book value						
At 31 Dec 2012	<u>31,763</u>	<u>213,329</u>	<u>220,539</u>	<u>472</u>	<u>14,100</u>	<u>480,203</u>
At 31 Dec 2011	31,763	238,207	111,428	794	21,014	403,206

Holding company

All of the other fixed assets above, with the exception of housing furniture and equipment, are held within the holding company, Focus Ireland Limited. The housing furniture and equipment is held in the subsidiary company, Focus Housing Association Limited. The NBV of other assets in the holding company at 31 December 2012 and 2011 was €479,730 and €402,412 respectively.

NOTES TO THE FINANCIAL STATEMENTS – continued

13 Debtors	Group		Holding Company	
	2012	2011	2012	2011
	€	€	€	€
Amounts falling due within one year:				
Other debtors	49,273	63,784	5,766	27,268
Prepayments and accrued income	171,897	95,020	140,150	81,872
	<u>221,170</u>	<u>158,804</u>	<u>145,916</u>	<u>109,140</u>

14 Creditors, accruals and deferred income	Group		Holding Company	
	2012	2011	2012	2011
	€	€	€	€
Amounts falling due within one year:				
Trade creditors	377,480	275,717	283,385	216,001
Accruals and other creditors	1,125,391	1,260,432	772,278	892,782
Deferred income	400,514	543,755	227,909	371,149
Amounts owed to subsidiaries	-	-	856,860	278,120
PAYE/PRSI	293,677	310,524	293,676	310,524
	<u>2,197,062</u>	<u>2,390,428</u>	<u>2,434,108</u>	<u>2,068,576</u>

15 Capital grants and donations	Group		Holding Company	
	2012	2011	2012	2011
	€	€	€	€
Received and receivable				
Balance at beginning of year	3,475,921	3,475,921	930,333	930,333
Amounts received during the year	1,985	-	-	-
Balance at end of year	<u>3,477,906</u>	<u>3,475,921</u>	<u>930,333</u>	<u>930,333</u>
Amortisation				
Balance at beginning of year	305,189	285,117	106,001	95,381
Released during year	20,072	20,072	10,620	10,620
Balance at end of year	<u>(325,261)</u>	<u>(305,189)</u>	<u>(116,621)</u>	<u>(106,001)</u>
Net book amount	<u>3,152,645</u>	<u>3,170,732</u>	<u>813,712</u>	<u>824,332</u>

16 Unrestricted Capital Reserves	Group		Holding Company	
	2012	2011	2012	2011
	€	€	€	€
Balance at beginning of year	2,590,266	2,590,266	-	-
Additions	-	-	-	-
Balance at end of year	<u>2,590,266</u>	<u>2,590,666</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

17 Reconciliation of Movement in Funds to Net Cash (Outflow)/ Inflow from Financial Activities

	2012 €	2011 €
Cash as at 1st January 2012		
Cash in bank	8,660,521	6,457,077
Amts due within 1 year (incl in creditors)	-	-
Amounts due over 1 year	-	-
Opening Cash Balance	8,660,521	6,457,077
Net (Outgoing)/Incoming Resources	(72,430)	898,806
Add back Depreciation less Amortisation	60,750	21,557
Less Fixed Asset Additions	(157,819)	(145,217)
FRS 17 Adjustment (including curtailment gain)	23,100	(300,000)
Less Capital Expansion during year	(343,315)	(4,329,582)
Add back Grants received for Capital Expansion during year	136,443	4,136,074
Less Change in Debtors	212,047	1,646,187
Less Change in Creditors	(328,622)	224,834
Add Capital Donations received during year excluding Amortisation	1,985	50,785
Cash as at 31st December 2012	8,192,660	8,660,521
Cash as at 31st December 2012		
Cash in bank	8,192,660	8,660,521
	8,192,660	8,660,521

18 Reconciliation of new incoming resources to net cash (outflow)/inflow from charitable activities

	2012 €	2011 €
Net (outgoing)/incoming resources	(72,430)	898,806
Depreciation, net of amortization	60,750	21,557
Increase/(Decrease) in provisions	23,100	(300,000)
Decrease in debtors	212,047	1,646,187
(Decrease)/Increase in creditors	(328,622)	224,834
Net cash (outflow)/inflow from charitable activities	(105,155)	2,491,384

19 Analysis of net funds

	At 1 Jan 2012 €	Cashflow €	At 31 Dec 2012 €
Cash in hand and at bank	8,660,521	(467,861)	8,192,660
Total cash on demand	8,660,521	(467,861)	8,192,660
Net funds	8,660,521	(467,861)	8,192,660

NOTES TO THE FINANCIAL STATEMENTS - continued

20 Reserves - Group	Accumulated Funds Restricted €	Accumulated Funds Unrestricted €	Designated Funds €	Total €
1 January 2012	320,854	3,610,622	3,467,084	7,398,560
Net incoming/(outgoing) resources	267,521	718,960	(1,058,911)	(72,430)
Actuarial loss in respect of pension scheme	-	(3,831,700)	-	(3,831,700)
Total recognised gains and losses relating to the year	<u>267,521</u>	<u>(3,112,740)</u>	<u>(1,058,911)</u>	<u>(3,904,130)</u>
At 31 December 2012	<u>588,375</u>	<u>497,882</u>	<u>2,408,173</u>	<u>3,494,431</u>

Designated Funds & Strategy Review

Focus Ireland holds a bank position of approx. €8.2m as at 31 December 2012. This has been built up over the last number of years through prudent financial management and actively reducing costs. These funds are earmarked by the Organisation for the following reasons;

- 13 Weeks Operating Reserve

In line with best practice and UK SORP the Organisation wants to ensure strong corporate governance and protect itself against possible unforeseen eventualities. The Board decided to maintain the equivalent of 13 weeks of operational costs for this purpose.

- Strategic Initiatives

During 2010, the organisation completed its strategic review 2011-2016. In order to implement this strategy a total of €3,868,750 was designated from the group's reserves.

This is ear-marked and expended as follows;

	Total Designated	Expended to 31/12/2012	Designated Fund at 31/12/2012
Preventative Services	€666,500	€241,628	€424,872
Homeless Services	€1,202,250	€572,538	€629,712
Housing & Property	€450,000	€45,465	€404,535
Growth of Fundraising	€1,100,000	€488,121	€611,879
Other Initiatives	<u>€450,000</u>	<u>€112,825</u>	<u>€337,175</u>
Total	<u>€3,868,750</u>	<u>€1,460,577</u>	<u>€2,408,173</u>

The Board expects the Organisation may incur losses in 2013 and 2014 in order to expend these designated reserves and implement the strategy.

The above investment in our Fundraising activities is a proactive measure to ensure we have sufficient funding to address homeless issues and ensure a strong sustainable Organisation. Focus Ireland generally adheres to a principle that the costs of generating fundraising income should not exceed 20% of the amount raised. For the duration of the strategic initiatives and while investment is being made to grow our fundraising the Organisation will deviate from the above principle as appropriate. In 2012 strategic spend in fundraising resulted in a ratio of 30% (2011:25%)

- Housing Development

During 2012 the Board approved and work commenced on the major re-development of one of the organisations properties in Stanhope Green. Expected costs of this project are €3.2m which will be incurred over a two year period.

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Reserves – Holding Company	Accumulated Funds Restricted €	Accumulated Funds Unrestricted €	Designated Funds €	Total €
1 January 2012	150,428	2,722,164	3,068,490	5,941,082
Net incoming/(outgoing) resources	217,932	169,527	(1,041,432)	(650,514)
Actual gain/(loss) in respect of pension scheme	-	(3,831,700)	-	(3,831,700)
Total recognised gains and losses relating to the year	217,932	(3,662,173)	(1,041,432)	(4,482,214)
At 31 December 2012	368,360	(940,009)	2,027,058	1,458,868

Included in unrestricted funds as at 31 December 2012 is a total of €4.572m which has been recognised via the Statement of Total Recognised Gains and Losses relating to actuarial loss in respect of the Pension Scheme.

22 Comparative Figures

Comparative amounts have been regrouped, where necessary, on the same basis as those for the current year.

23 Capital & Leasing commitments and contingent assets and liabilities**a) Capital commitments**

The Board have approved a strategy of a housing expansion to be carried on from 2005 - 2016 to meet the growing needs of homeless people. Company capital commitments approved by the Board at 31 December 2012 in respect of a proposed development of houses amounted to €Nil (2011: €Nil).

b) Leasing commitments

The Company occupies a leasehold premises at 9/12 High Street, Dublin 8 for 15 years from August 1, 2003, subject to five yearly reviews at a current rent of €160,000 per annum.

The Company occupies a leasehold premises as 15 Eustace St, Dublin 2 for 35 Years from 1995, at a rent of €36,335 per annum.

We have a number of other short leases of 1 to 5 years in:

Kilkenny
Sligo
Cork
Dublin

c) Contingent liabilities

There were no contingent liabilities at 31 December 2012 (2011: Nil).

d) Contingent asset

During 2009 Focus Ireland was granted deed of transfer of a site in Harold's Cross for a nominal fee of €100. There are a number of restrictions placed on the development and use of this site. If these restrictions are not adhered to, or if Focus Ireland does not develop this site within a six year timeframe, the site is to be sold back to the donor at the nominal price. As such the asset has been recognised in the financial statements at its nominal purchase price of €100. Due to the restrictive clauses in the Agreement a reliable monetary measurement of the site is not available. There has been no major development in 2012 in relation to this asset.

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Pension

FRS 17 - Retirement Benefits, which applies to defined benefit schemes, is mandatory for the Company for the year ending 31 December 2012.

The scheme provides for pension and life assurance based on annual salaries. The assets of the Scheme are held separately from those of the Group vested in independent trustees. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees working lives with the Company and are calculated by a qualified actuary on the basis of a periodic valuation.

The most recent actuarial valuation was at 31 December 2008 and showed that the scheme was in deficit on an ongoing basis. The assumptions which have the most significant effects on the results of the valuation are those relating to the expected rate of return on investment and the rate of increase in salaries. It was assumed that the rate of long term investment returns will exceed the rate of pensionable salary increases by 3.38%.

On 8 January 2013 Focus Ireland Limited notified the Trustees of the Defined Benefit Scheme of its decision to terminate employer contributions to the Scheme with effect from 8 April 2013. The Company and the Trustees are currently in consultation and hope to conclude the matter in 2013.

The defined benefit scheme was closed as at 31 March 2010 and a defined contribution scheme was set up from 1 April 2010. A contribution rate of 15% was being maintained pending a decision to be made on the future of the Defined Benefit Scheme, of which members contributed 5% for the defined benefit scheme. The net benefit pension expense for 2012 amounted to €27,000 (2011: €6,000) relating entirely to employees in the Republic of Ireland. The best estimate for employer's pension contributions for 2013 is €233,000.

- The purpose of the ongoing funding valuation is to come up with a realistic (but prudent) funding programme and a realistic assumption is employed that reflects the actual investment strategy of the Scheme;
- Under FRS 17 the assumption is prescribed and you are forced to ignore the actual investment strategy and assume the Scheme is invested in high quality corporate bonds.

The Scheme Actuary has advised that, as with the majority of similar arrangements in the Irish market, the Focus Ireland Pension Scheme did not meet the statutory Funding Standard as at 31 December 2012. The Company and the Trustees will be working together to put a recovery plan in place which will be submitted to the Pensions Board by 2013.

FRS 17 Retirement Benefits disclosures

Towers Watson Ireland Limited, Actuaries & Consultants, has prepared the valuation of the scheme used for the purpose of FRS 17 disclosures. The financial assumptions used to calculate the retirement benefit liabilities under FRS 17 were as follows:

Assumptions	31 December 2012 %pa	31 December 2011 %pa
Inflation rate	2.0	2.0
Discount rate	3.7	5.8
Expected average return on assets	5.4	5.9
Expected rate of salary increases	N/A	N/A
Rate of pension increases in payment	2.0	2.0
Rate of pension increases in deferment	2.0	2.0

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Pension – continued

Basis of expected rate of return on scheme assets

A range of different assumptions have been used to estimate the expected return on scheme assets. For equities, the long term rate of return is expected to exceed that of fixed interest gilts by a margin. In assessing the equity risk premium, past returns have been analysed giving a risk premium of 5.15% above the long term gilt yields, giving an assumed return of 7.2%

For property assets, the assumed rate of return is 6.1% reflecting an expectation that property returns will not match equity returns in the future. Thus the overall expected return on scheme assets at 31 December 2012 is 5.4%.

FRS 17 Retirement Benefits disclosures				
Scheme assets and expected rate of return				
	At 31 December 2012		At 31 December 2011	
	Market value €'000	Expected long-term rate of return %pa	Market value €'000	Expected long-term rate of return %pa
Equities	3,917	7.20	3,825	7.33
Properties	130	6.10	130	5.80
Fixed interest gilts	1,210	2.05	1,036	3.48
Other	-	2.00	-	2.00
	5,257		4,991	
			2012	2011
(as a percentage of total scheme assets)			%	%
Equities			74.51%	76.65%
Bonds			23.03%	20.75%
Property			2.46%	2.60%
Other			0%	0%

The following amounts have been recognised in respect of the defined pension scheme.

	2012 €'000	2011 €'000
Analysis of amounts charged to operating profits:		
Current service cost	-	-
Total charged to operating profit in respect of members	-	-
Analysis of amount debited to other finance costs:		
Interest on pension scheme liabilities	317	305
Expected return on assets in the pension scheme	(290)	(299)
Net debit to other finance cost	27	6

Analysis of amount recognised in statement of total recognised gains and losses:

Analysis of amounts recognised in statement of realised gains and losses

Loss/(Gain) on assets	(366)	571
Experience loss/(gain) on liabilities	101	12
(Gain)/Loss on change of assumptions (financial and demographic)	4,097	(128)
Actuarial loss/(gain) to be recognised in statement of realised gains and losses	3,832	455

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Pension – continued

Reconciliation to the Balance Sheet	2012 €'000	2011 €'000
Market value of scheme assets	5,257	4,991
Actuarial value of scheme liabilities	(9,562)	(5,441)
Deficit in the scheme	<u>(4,305)</u>	<u>(450)</u>
Analysis of the movement in deficit in the scheme during the period:		
Deficit in the scheme at beginning of period	(450)	(296)
Contributions paid	4	307
Other finance charge	(27)	(6)
Actuarial (gain)/loss	(3,832)	(455)
Deficit in the scheme at end of period	<u>(4,305)</u>	<u>(450)</u>

History of experience gains and losses

	31st Dec 12	31st Dec 11	31st Dec 10	31st Dec 09	31st Dec 08
Asset experience					
Asset loss/(gain) during period	(366)	571	(189)	(561)	1,842
Asset loss/(gain) experienced as a % of scheme assets	(6.96)%	11.44%	(3.81%)	(12.76%)	59.48%
Liability experience					
Liability loss/(gain) during period	101	12	(149)	(323)	(139)
Liability loss/(gain) expressed as a % of scheme liabilities	1.06%	0.22%	(2.835%)	(5.36%)	2.74%
Total actuarial (gain)/loss recognised in STRGL over period	3,832	455	(410)	(558)	1,000
Total actuarial (gain)/loss expressed as a % of scheme liabilities	40.08%	(8.30%)	7.80%	9.26%	19.73%

Development of Net Balance Sheet Position

	31st Dec 12	31st Dec 11	31st Dec 10	31st Dec 09	31st Dec 08
Actuarial value of scheme liabilities	(9,562)	(5,441)	(5,256)	(6,029)	(5,069)
Fair value of assets	5,257	4,991	4,960	4,399	3,097
(Deficit)/surplus in the scheme	(4,305)	(450)	(296)	(1,630)	(1,972)
Unrecognised past service costs	-	-	-	-	-
Irrecoverable surplus	-	-	-	-	-
Pension (liability)/asset recognised in balance sheet	(4,305)	(450)	(296)	(1,630)	(1,972)

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Pension – continued

Mortality

The Mortality table is 62% of PNML00 with 0.39% per annum improvements in annuity value from 2008 for Males and 70% of PNFL00 with 0.39% per annum improvements in annuity value from 2008 for Females

Expected Lifetime

The expected lifetime of a participant who is aged 65 and the expected lifetime (from age 65) of a participant who will be aged 65 in 25 years are shown in years below based on the above mortality tables

	Males	Females
AGE		
65	21.9	23.5
65 in 25 Years	25.0	26.1

Movement in Scheme Assets and Liabilities

	Pension Assets €'000	Pension Liabilities €'000	Pension Deficit €'000
At 1 Jan 2012	4,991	(5,441)	(450)
Current Service Cost	-	-	-
Interest on scheme liabilities	-	(317)	(317)
Expected return on scheme assets	656	-	656
Actual less expected return on scheme assets	-	-	-
Experience losses on liabilities	-	(4,198)	(4,198)
Change in financial assumptions	-	-	-
Contributions by plan participants	-	-	-
Benefits Payments by the fund	(394)	394	-
Employer contributions paid	4	-	4
Curtailment gain	-	-	-
At 31 Dec 2012	<u>5,257</u>	<u>(9,562)</u>	<u>(4,305)</u>

25 Reconciliation of movements in capital and reserves

	2012 €	2011 €
Opening funds	13,159,558	12,734,824
Total recognised (loss)/gain for the year	(3,904,130)	444,806
Movement on capital grants and donations	(18,087)	(20,072)
	<u>9,237,341</u>	<u>13,159,558</u>

26 Approval of financial statements

The financial statements were approved by the directors on April 5th 2013.

Focus Ireland Board Meeting Attendance Schedule

	25-Jan-12	30-Mar-12	01-Jun-12	27-Jul-12	05-Oct-12	30-Nov-12
Gerry Danaher	✓	✓	✓	✓	✓	✓
Sr Stanislaus Kennedy	✓	✓	✓	✓	✓	✓
Sean Carey *	✓	✓	x	x	x	x
David Martin	✓	x	✓	✓	✓	✓
Declan O'Flaherty	✓	✓	x	✓	✓	✓
Mary O'Shea	✓	x	✓	✓	✓	✓
Deirdre Connolly	✓	✓	✓	✓	✓	✓
Helen Kilroy	✓	✓	✓	✓	x	✓
Prof Tony Fahey	✓	✓	✓	✓	x	✓
Ronan Harris	-	x	✓	✓	✓	x
* absence due to illness						