

**Depaul
Trust**

Report and Accounts

31 December 2005



**Company Limited by Guarantee
Registration Number
2440093 (England and Wales)**

**Charity Registration Number
802384**



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For ease of use we have provided the following definitions of terms used within this document:

Definitions used

The Charity	Depaul Trust
Depaul Trust Group, or the Group	Depaul Trust and its subsidiary company, Step Ahead Trust Limited
Depaul Foundation	Depaul Foundation, the parent company of Depaul Trust
Depaul Foundation Group	Depaul Foundation and its subsidiaries, including Depaul Trust
Depaul Trust (Ireland)	A fellow member of Depaul Foundation Group
Depaul Trust (Northern Ireland)	A subsidiary of Depaul Trust (Ireland)
Step Ahead Trust	A subsidiary of Depaul Trust

Legal and administrative information

Patron	Cardinal Cormac Murphy-O'Connor Archbishop of Westminster
President	Sir Trevor McDonald OBE
Council of Management members	Chair Tim Haigh Deputy Chair The Rev Terence Phipps Honorary Treasurer and Chair of Finance and Fundraising Executive Committee Clare Gardner ACA (resigned as Treasurer November 2005) Anne Worlledge CA (appointed as Treasurer November 2005) Chair of Development Executive Committee Margaret Pitt Chair of Services and Personnel Executive Committee – The Rev Jonathan Wilkes Ordinary Members Lady Arnold (resigned November 2005) Sister Margaret Bannerton DC (appointed September 2005) Margaret-Ann Fisker Sister Ellen Flynn DC Quintin Hogg David Hughes BA Oxon Michael Kenny JP Charles Leeming Sister Josephine O'Mahony DC (resigned September 2005) Patrick Revans
Chief Executive	Paul Marriott
Senior Management	Una Barry – Deputy Chief Executive Mark Breedon – Director of Finance and Fundraising and Company Secretary Cherie Smartt - Director of Human Resources
Principal office and registered office	291 -299 Borough High Street London SE1 1JG
Company registration number	2440093 (England and Wales)
Charity registration number	802384

Legal and administrative information

Auditors Buzzacott
12 New Fetter Lane
London
EC4A 1AG

Bankers HSBC plc
89 Buckingham Palace Road
London
SW1W 0QL

Solicitors Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Council of Management report for the nine months to 31 December 2005

Chair's Report

The Council of Management, whose members are the directors of Depaul Trust for the purposes of company law and trustees for the purposes of charity law, submit their annual report and the audited financial statements for the nine months ended 31 December 2005. This report fulfils the requirements of Part VI of the Charities Act 1993 and of the Companies Act 1985.

Following the establishment of Depaul Trust (Ireland) and Depaul Trust (Northern Ireland) in previous years and the possibility of working in Eastern Europe in the future, a decision was made by the Council of Management to create a group structure to ensure that the Vincentian ethos of the organisation was carried throughout the Depaul Foundation Group when working overseas. The Depaul Foundation was established on 29 September 2004 and became the parent company of Depaul Trust on 1st April 2005.

The accounting period end for Depaul Trust has changed from 31 March to 31 December. With the creation of Depaul Foundation, the growth of Depaul Trust (Ireland) and the set up of Depaul Trust (Northern Ireland) a common financial year end date simplifies accounting consolidation across the group of charities.

The nine month period ended 31 December 2005 was difficult financially for Depaul Trust. Historically a greater percentage of our donated funds are received in the January to March period than any other which combined with the effect of the third year of no inflationary increases on Supporting People grants produced a deficit for the period. Significant costs were incurred with the closure of our subsidiary company Step Ahead Trust Limited. The group deficit of £212,000 as shown on the Consolidated Statement of Financial Activities includes a net deficit in Step Ahead of £27,000, after reflecting a surplus on revaluation of its leasehold property of £81,000.

The trustees remain fully committed to the vision and mission of Depaul Trust and have worked hard this year to produce a Corporate Plan for the period 2006-2010. This restates our commitment to work with those at greatest disadvantage and sets out the strategy to do this in an increasingly complex and competitive funding environment.

I am extremely grateful to my fellow trustees for the diligence they bring to the governance of Depaul Trust and to the Chief Executive, staff and other volunteers for the skills and enthusiasm with which they approach work that is often difficult.

Although we expect 2006 to be another difficult financial year, we have take steps to ensure the financial health of Depaul Trust so that we can continue to tackle homelessness and its attendant problems.

Tim Haigh

Chair

Council of Management report for the nine months to 31 December 2005

Chief Executive's Report

As the Chair has noted in his report, this has been a difficult period financially for Depaul Trust. However, this must not deflect attention from the many ways in which the nine months under review has been extremely successful.

Depaul Trust again worked with more than 3,000 clients. During the period we independently surveyed the views of our clients on the services they receive from Depaul Trust. The results from the survey were extremely positive and most encouraging. In particular, our clients spoke extremely highly about the quality of our staff and the very respectful way in which they work.

We also, for the first time, engaged an external agency to undertake our annual staff survey. This helped to reinforce the independence of the survey. Additionally, it offered us the opportunity to benchmark our results against other organisations doing similar work, as well as against other charitable organisations in the wider sector. Here too, the results were extremely satisfying with Depaul Trust staff showing the greatest of engagement with the work of their organisation than any of the other organisations taking part in the survey.

The quality of our service continues to be recognised by external agencies. All of the accommodation services reviewed by their local Supporting People teams in 2005 achieved a high level B, moving up from grade C in the previous year.

We were able to launch our re-vamped website which, as well as giving people the opportunity to donate online, means that there is up to date information about the work of Depaul Trust available to its visitors. This is particularly important with an organisation that is developing and growing as quickly as Depaul. www.depaultrust.org

We were also able to launch a unique online learning tool that will help our clients develop the skills they need to live independently while at the same time developing their literacy and numeracy skills. I look forward to seeing the impact of this truly innovative tool in the coming year.

The continuing skill and dedication of our staff, the commitment of our increasing army of volunteers, the support of our partners and funders and the willingness of our clients to engage with the opportunities we are able to create for them continues to be at the heart of everything we do and achieve. Helping young people escape the streets, reducing re-offending, saving lives, improving communities - Depaul Trust continues to make a real and lasting difference.

Paul Marriott

Chief Executive

Council of Management report for the nine months to 31 December 2005

Structure, Governance and Management

Depaul Trust aims:

Our vision is that “Everyone has a place to call home and a stake in their community”

Our mission is to offer homeless and disadvantaged people the opportunity to fulfil their potential and move towards a positive and independent future.

The principal activity of Depaul Trust is to offer disadvantaged people opportunities to fulfil their potential and move towards an independent and positive future.

The Charity is a company limited by guarantee, governed by a Memorandum and Articles of Association. The objects for which the Company is established are:

- To promote and advance the relief of poverty by such means as the Council of Management shall in their absolute discretion determine, and in particular (without limitation) by the provision of shelter, accommodation, training and other services to persons whom the Council of Management shall deem to be in need of such provision by reasons of homelessness, deprivation or social or economic circumstances (“eligible persons”);
- The advancement of education including (without limitation) the provision of education and training to eligible persons;
- To provide facilities for leisure-time activities for eligible persons in the interests of social welfare so that their conditions of life may be improved.

The governing body of the Charity is the Council of Management, which comprises 14 members and meets five times a year, including an annual review conference to review strategy and performance, together with the Chief Executive and the Senior Management Group.

The Council of Management has established three formally constituted sub-committees, each with specific terms of reference and functions delegated by the Council of Management, and with a trustee as Chair, appointed by the Council of Management :

- Finance and Fundraising
- Services and Personnel
- Development

The Finance and Fundraising Committee reviews and monitors the financial policy for the Charity and oversees all financial aspects of the Charity’s operations so as to ensure short term and long term viability. It reviews plans, including fundraising plans, budgets, and strategy and monitors performance against them and financial performance.

Council of Management report for the nine months to 31 December 2005

The Services and Personnel Committee oversees and reviews the Charity's strategy for working with disadvantaged young people, ensuring the work carried out is of quality. It also oversees our biggest resource, our personnel (both staff and volunteers).

The Development Committee oversees reviews and approves all areas of development and new areas of work that the Charity may be involved in.

All decisions of sub committees are approved and ratified by the full Council of Management.

The Chief Executive and Director of Finance and Fundraising attend meetings of the Finance and Fundraising Committee. The Deputy Chief Executive and Director of Human Resources attend the Services and Personnel Committee, and the Chief Executive and the Deputy Chief Executive attend meetings of the Development Committee.

A review of governance was conducted in November and December 2005.

The members of the Council of Management who held office during the nine month period to 31 December 2005 are set out on page 1.

The members of Council of Management are appointed as follows. The members of Depaul Trust at the Annual General Meeting may appoint up to nine ordinary members, each for a term of two years. The Council of Management may appoint up to four additional members, subject to their confirmation in post at the Annual General Meeting. In addition, the three charities which provided assistance in setting up Depaul Trust in 1989 may each appoint an ordinary member of the Council of Management. Depaul Foundation must approve the majority of members of the Council of Management of Depaul Trust.

The Council of Management manages the process for the recruitment and appointment of new trustees and the appointment of the Chair of the Council of Management, and decides on the appropriate process for recruiting new trustees, based on agreed policy and an evaluation of the balance of diverse skills and experience needed to govern the Charity. Skills needs are based on an annual audit of current skills within the current Council of Management. The members of the Council of Management are part of our large volunteer support and as such training and relevant support are available to ensure that the expertise and skills of our Council of Management remain up to date and relevant to the management of Depaul Trust. There is an approved policy for the recruitment and appointment of new trustees, through an open process. Newly appointed Trustees receive a letter of appointment, and are involved in an induction programme covering responsibilities and involvement both within and outside of formal trustees meetings.

Sr Ellen Flynn is appointed by The Passage (charity number 287207) and David Hughes is appointed by the Society of St Vincent de Paul in England and Wales (charity number 231863). Sr Josephine O'Mahony was the appointee of the Sisters of Charity of St Vincent de Paul (charity number 236804) until her resignation in September 2005 when Sr Margaret Bannerton was appointed in her place.

Our Structure

The trustees delegate responsibility for the running of the Charity through the three formally constituted sub-committees to the Chief Executive and in turn to the staff appointed by the organisation.

Council of Management report for the nine months to 31 December 2005

Depaul Trust is organised regionally in order to maximise its involvement in the local community.

It is divided into several divisions.

- **Direct Services** – works to provide direct services to young people, including accommodation and resettlement projects, prisons resettlement, family mediation, community work, education and training, mentoring and volunteering
- **Fundraising and Communication** – raises funds from many sources, including individuals, legacies, trusts, corporate and community
- **Chief Executives Office** – provides governance and central administration functions to the Charity
- **Finance** – supports the Charity and is responsible for financial reporting and management, IT, legal and other support services
- **Human Resources** – works to recruit, retain and develop the Charity's employees and volunteers

Geographically Depaul Trust has regional offices throughout England - the North West, the North East, Yorkshire and the Humberside, West Midlands and London. Their role is to deliver services to disadvantaged young people, based on local need, taking into account the regional environment in which they work, local priorities and methods of delivery. The focus is on the prevention of homelessness for young people.

Related party transactions

None of the members of the Council of Management had any beneficial interest in any contract with the Charity during the nine month period reported on.

Statement of Trustees Responsibilities

UK Company and charity law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charity and its subsidiaries as at the end of the financial period, and of the surplus or deficit for that period. In preparing those financial statements, the trustees must;

- select suitable accounting policies and apply them consistently, ensuring that judgments and estimates are both reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures that have been disclosed and explained in the financial statements; and
- state that, as far as they are aware there is no relevant audit information of which the Charity's auditors are unaware
- state that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information

Council of Management report for the nine months to 31 December 2005

- prepare the financial statements on a going concern basis, unless it is inappropriate to do so.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and its subsidiaries and enable them to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

Risk Management

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reliable; and
- the Charity complies with relevant laws and regulations.

As part of the Charity's risk management process the trustees acknowledge their responsibility for the Charity's system of internal control and reviewing its effectiveness. It is recognised by the trustees that such a system is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss. The trustees, through the executive directors, have set policies on risk and internal controls, which cover the following:

- the responsibility of management to implement the trustees' policies and identify and evaluate risks for their consideration on an ongoing basis;
- consideration of the type of risks the Charity faces;
- identifying the level of risks which they regard as acceptable;
- assessing the likelihood of the risks concerned materialising;
- assessing the Charity's ability to reduce the incidence and impact on the business of risks that do materialise;
- the costs of operating particular controls relative to the benefit obtained; and
- arrangements for monitoring and reporting on risk and control matters of importance, together with details of corrective action being undertaken.

Council of Management report for the nine months to 31 December 2005

During this nine month financial period the Charity has further improved and embedded the formal risk management process originally introduced in 2002/3 and progressed in subsequent years. In this period the trustees have reviewed and revised the policy statement on risk management and further strengthened the Charity's approach to the management of its reputational risks. Workshops have again been held, both by the Senior Managers as a group and individually with their teams, aimed at reviewing the types of risks the Charity and each operating division and its departments face, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks.

A risk map and risk register, together with individual divisional risk registers, identifying strengths and weaknesses of control together with actions required and taken to rectify the latter, have been prepared, for the Charity. They are formally reviewed and updated by the Senior Management team each year, and are reviewed by the Council of Management annually. During the nine month period the trustees have received reports from Senior Managers and from the external and internal audits relating to risk and control. These include an overall report on the status of the risk management process and the system of internal control at the end of the financial period. The reports have enabled the trustees to satisfy themselves that the above policies are being implemented, that significant weaknesses of control identified are being promptly addressed and on the overall adequacy and effectiveness of the Charity's system of internal control at the end of the financial period.

The major risks identified within the register were the risks associated with fundraising and its inherent uncertainties, and the necessity for the Charity to secure income for a number of years in order to assist with the longer term planning of the organisation and its services.

Our Objectives

The Corporate Plan sets out the strategic objectives of Depaul Trust, which can be summarised as follows:

- 1 Maintain the safety net
- 2 Continue to develop steps away from the street
- 3 Provide employment and training opportunities
- 4 Be innovative in preventing homelessness and exclusion
- 5 Develop our European connections
- 6 Continue our commitment to quality management
- 7 Expand and develop volunteering
- 8 Engage in partnerships

Our Strategies

- 1 To maintain and develop an innovative and flexible range of projects aimed at crisis intervention and prevention

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- 2 To establish the causes of homelessness and social exclusion in order to inform our work and educate and influence policy makers**

- 3 To extend the work of the Depaul Trust into Europe**

- 4 To successfully develop our organisational capacity to achieve the above aims**

Review of operations

Depaul Trust has remained committed in its drive to provide a safe refuge and support for disadvantaged, homeless and vulnerable people. During the nine month period we increased expenditure by 10% which allowed us to work with and help 3,012 of the most vulnerable and disadvantaged people in the UK today. Depaul Trust provides holistic support to every person with whom it works by offering assistance in dealing with personal problems, health issues, life skills, employment and training as well as housing needs.

Significant Activities

Accommodation and Resettlement

At the core of Depaul Trust's work is the aim to provide safe housing for those most in need. Depaul Trust runs a variety of hostels and housing to accommodate a wide range of needs. Each is distinctive in what it offers but all are committed to working with people on the margins of society in a non-judgemental way. To ensure we meet our commitments to the people who live in the projects, we have a range of quality standards and procedures adapted to meet the specific needs of each client group.

At each of our projects, people receive one-to-one key work sessions and advice on a range of subjects from cooking and budgeting, literacy and numeracy, through to finding a new home. We also encourage young people to enrol on a variety of training and general interest courses, some operated by Depaul Trust and others by partner organisations. In the nine month period to 31 December 2005, a total of 322 young people stayed at a Depaul Trust accommodation project and 112 people were helped with their resettlement needs. A further 126 young people benefited from floating support.

In 2005 we aimed to:	During 2005 we:
Continue to upgrade the quality of accommodation through a programme of refurbishment for our accommodation projects ensuring young people have a safe and secure place to stay.	Carried out an extensive refurbishment of Westbourne House in London to ensure that our New to London project has a new safe, secure environment for 2006.
Ensure our accommodation was affordable for young people to allow young people to have an opportunity to work or engage in full or part time education.	Carried out a review of all our rent charges to young people to ensure they are affordable.
Ensure we provided the support that young people need.	Carried out reviews of our service delivery, resulting in some structural changes to the support mechanisms for young people.
Open a new accommodation project in Oldham.	In August 2005 a new accommodation project, catering for marginalised and disadvantaged young people, was opened in Oldham, in partnership with St Vincent's Housing Association & Oldham City Council.

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During 2006 we will:

- Work on the re-development of our Lord Clyde project in the London Borough of Lambeth
- Introduce a web based support system to help identify key issues for young people
- Continue to increase the quality of the work that we carry out

Council of Management report for the nine months to 31 December 2005

Employment and Training

Depaul Trust's employment and training sector has continued to deliver tailored training in response to the needs of the young people we work with. During the nine month period Depaul Trust worked with 778 clients in its training and mentoring projects.

In 2005 we aimed to:	During 2005 we:
Benchmark our projects against an external quality standard.	Agreed to adopt the Common Inspection Framework (CIF) as the quality assurance tool for our employment and training projects.
Raise awareness of employers about the potential of our clients.	Ran a seminar for employers, in partnership with Rank Foundation and Business in the Community, in Brixton prison.
Expand and develop our successful Working Out mentoring project.	Increased the pool of volunteers involved in mentoring.

During 2006 we will:

- Undertake an internal audit of all our employment and training projects against the Common Inspection Framework
- Complete a feasibility study into the establishment of a social business
- Continue to develop routes into employment for our clients

Council of Management report for the nine months to 31 December 2005

Prison work and Resettlement

The One-to-One and Outside Link projects support homeless young offenders in prison and prepares them for release. The project also ensures that they have somewhere safe to stay on release. These projects began in 1998 and have been shown to significantly reduce the young person's chance of re-offending. During the nine month period these projects worked with 424 clients.

In 2005 we aimed to:	During 2005 we:
Extend the number of prisons in which we work.	Developed services in HMP Featherstone and HMYOI Rochester.
Benchmark our prisons projects against an external quality standard.	Adopted the matrix quality standard (externally recognised quality mark) for our prisons projects in order to measure the quality of our prisons work against a national quality standard.

During 2006 we will:

- Undertake an internal quality audit of all our prisons projects
- Seek resources to increase our resettlement capacity in the South East
- Position Depaul Trust for the advent of commissioning of services by the National Offender Management Service (NOMS) in 2007

Work in the Community

One of our core values is our belief in civic society. We strongly believe in the importance of engaging the community in our work and in supporting the young people we work with to become full and active members of their community. At our Community Centre in Birmingham, we are pleased to welcome members of the local community into the Learn Direct Centre that we run. This gives them the opportunity to meet and work alongside residents of our neighbouring supported accommodation project. We were also pleased to commence an outreach project in Birmingham, working with young people who are not engaged with their local community and aimed at helping them to access and participate in community activities. During the nine month period we worked with 249 clients.

<i>In 2005 we aimed to:</i>	<i>During 2005 we:</i>
Develop our youth work provision.	Opened a new outreach project in Birmingham
Extend our Learn Direct provision.	Considered extending our Learn Direct provision but were unable to proceed due to funding constraints

During 2006 we will:

- Establish a quality framework for youth projects
- Seek to extend our successful Drive Ahead course
- Seek continuation funding for our Sports Coaching and ICT training projects

Council of Management report for the nine months to 31 December 2005

Family Mediation

In April 2004, we launched our Family Mediation project in Liverpool following its success in Manchester since 2002. During 2005, we opened an additional project serving our clients in London. The three projects were renamed 'Reconnect' reflecting the aim of the projects; to improve the understanding and communication between young people and their families in order to develop an on-going relationship. Reconnect supported 228 young people over the nine month period.

In 2005 we aimed to:	In 2005 we:
Extend the provision of family mediation.	Opened a new family mediation project for our clients in London.
Establish the reputation of the service nationally.	Were recognised as a beacon of good practice by Shelter.

During 2006 we will:

- Identify further ways in which family mediation can reduce re-offending
- Seek to maintain and develop the existing projects

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Volunteering and Mentoring

The Council of Management recognises the significant contribution made by volunteers, who give freely of their time, or in the case of full time volunteers, make a significant contribution in return for a modest reimbursement of travel and subsistence costs. Volunteering is of crucial importance to Depaul Trust. Volunteers provide a qualitatively different service to that provided by paid staff, purely because they are unpaid. This is greatly appreciated by our clients. Volunteers help to improve our accountability to the communities in which we work. And volunteering is one of the hallmarks of civil society and is therefore an important way of putting our core value around civil society into action. During the nine month period, volunteers contributed 11,949 hours to the service users of Depaul Trust.

Volunteer hours: nine months to 31 December 2005

	Hours
North East	4,295
West Midlands	1,795
North West	168
Yorkshire and Humberside	1,159
London and Kent	3,195
Central Office	1,048
Committee of Management	289
Excluded from the Consolidated Statement of Financial Activities	<u>11,949</u>

We receive donations in kind in the form of clothing, toiletries, tinned food and household furniture which we are able to pass on to the people we help. The Council of Management has not attributed a value to donated goods that provide welfare to the beneficiaries of Depaul Trust, as to do so would be impracticable.

The value of other donated goods and services, excluding volunteer time, has been included in the Statement of Financial Activities. The Council of Management has estimated the value of these as:

	Value £
Donated goods – all sites	<u>34,304</u>
Included in the Consolidated Statement of Financial Activities	<u>34,304</u>

Volunteering and Mentoring (continued)

In 2005 we aimed to:	In 2005 we:
Increase the number of volunteers working with Depaul Trust.	Increased the number of volunteers working with Depaul Trust, especially in the North East where we employed a volunteer co-ordinator in 2004.
Ensure volunteers were integral to the work of Depaul Trust.	Promoted the European Volunteer Scheme throughout the organisation.
Develop further our successful European Volunteering programme.	Undertook a volunteer survey.

During 2006 we will:

- Increase the number of volunteer co-ordinators in order to increase the number of volunteers
- Investigate whether the Investors in Volunteers award will complement our Investors in People award
- Create placements for our clients to volunteer abroad as part of their personal development

Financial Review

Depaul Trust became part of the Depaul Foundation Group of companies as from 1 April 2005 at which date, the Depaul Foundation became the parent company. These accounts have been prepared for the nine month period in order to bring accounting year end dates in line throughout the Depaul Foundation Group.

Review of results

Depaul Trust raised a total of £4.8m in the nine months ended 31 December 2005, through both voluntary and statutory sources (2004/5 12 months - £8.4m including £2.4m of funding to meet capital costs).

Total expenditure for the nine month period was £5.1m, an increase of 10% over the 2004/5 expenditure on an annualised basis. A gain of £81,000 on the revaluation of the leasehold property held by Step Ahead, has resulted in an overall deficit, or net movement in funds for Depaul Trust Group of £212,000.

Step Ahead Trust Limited, our subsidiary charity, incurred a trading deficit of £108,000 and was closed in September 2005. A total of £44,000 (2004/5 Year £96,000) was paid to Depaul Foundation, our parent undertaking which was set up in September 2004 to develop our work throughout Europe. These costs are included in the Consolidated Statement of Financial Activities under the heading 'International Development'.

The results for the nine month period to 31 December 2005 are set out in the Consolidated Statement of Financial Activities on page 24 and the financial position at 31 December 2005 is shown on the Balance Sheets on page 26.

Reserves

The trustees have adopted a reserves policy which they consider appropriate to ensure the continued ability of the Charity to meet its objectives. During the period, the trustees reviewed the reserves policy and consideration was given to assessing the risk, probability and likely impact on our ability to meet our financial obligations or reduce our expenditure in the short term as a result of a decline in income.

As a result, over the medium term, the Charity aims to build free reserves to a level which will provide a minimum of 12% of total resources expended. Based on this policy, at 31 December 2005, general funds would be some £815,000. The actual general funds at 31 December 2005 (Note 15 to the accounts) is £181,000. The trustees have agreed a business plan that shows that further progress towards the target should be achieved during 2006.

The Council of Management considers that there are sufficient reserves held at year end to avoid an unacceptable level of disruption to the organisation in the event of a downturn in future income. The Council of Management continues to adopt policies and procedures to build up the reserves to a sufficient level.

Council of Management report for the nine months to 31 December 2005

Funding sources

In the nine months to 31 December 2005 voluntary income accounted for 30% of our total revenue income with the remaining 70% coming from statutory sources. This is in line with the revenue figures for 2004/2005 (12 month period) and well within our target ratio of 20% voluntary: 80% statutory. However it should be noted that 41% of our revenue income comes from 'Supporting People' contracts to provide accommodation for homeless young people and in the main these contracts have not attracted any increase to account for inflation. This is putting increased pressure on the financial position overall and means that we increasingly have to rely on voluntary income to complement the statutory contracts.

How expenditure has supported key objectives

Expenditure of £5.1m has been applied in the furtherance of our key objective - delivering direct services to young people. This is in accord with our vision 'that everyone should have a place to call home and a stake in their community'.

Council of Management report for the nine months to 31 December 2005

Investments

Investment decisions are taken by the Finance and Fundraising Committee whose members have a finance, investment or commercial background.

The Charity's investment policy is to maximise real returns over time subject to holding a portfolio of cash and equity investments in order to diversify risk. It is the Charity's intention to hold sufficient cash levels to meet fluctuating needs. The Charity is currently consulting on an ethical investment policy following a donation of shares.

Subsidiary Charity

Depaul Trust took over operational control of Step Ahead Trust Limited on 1 April 2003, at which date it became a subsidiary charitable company. The consolidated financial statements incorporate the results of Depaul Trust ("the Charity") and its subsidiary undertaking, Step Ahead Trust Limited. The consolidated entity is hereafter referred to as "the Group". Due to withdrawal of external funding, the decision was taken to close the project and operations of Step Ahead Trust Limited in September 2005.

Auditors

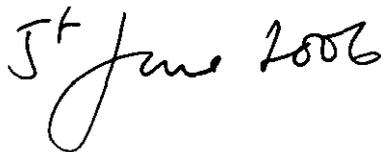
The auditors, Buzzacott, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the Council of Management:



Chair

Approved on:



Report of the independent auditors to the members of Depaul Trust

We have audited the accounts on pages 24 to 42 which have been prepared under the historical cost convention as modified by the inclusion of certain tangible fixed assets at a valuation, and the accounting policies set out on pages 28.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 12 the Council of Management (the members of which act as trustees of the charity under charity law and as directors for the purposes of company law) are responsible for the preparation of the Council of Management report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Council of Management report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Council of Management in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts:

- give a true and fair view of the Group's and of the charitable company's state of affairs as at 31 December 2005 and of the incoming resources and application of resources, including income and expenditure, of the Group in the nine months period then ended; and have been properly prepared in accordance with the Companies Act 1985; and the information in the Council of Management report is consistent with the accounts.



Buzzacott
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG



Consolidated statement of financial activities for the nine months to 31 December 2005

	Note	Restricted funds	Unrestricted funds	31 Dec 9 months 2005 Total funds	31 Mar 12 months 2005 Total funds
		£'000	£'000	£'000	£'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	1	737	561	1,298	1,616
Activities for generating funds	2	-	34	34	86
Investment income	3	-	83	83	45
Total incoming resources from generated funds		737	678	1,415	1,747
Incoming resources from charitable activities					
Accommodation and resettlement		176	2,313	2,489	3,021
Employment and training		16	251	267	272
Prison work and resettlement		5	82	87	68
Work in the Community		63	-	63	276
Family Mediation		194	-	194	212
Volunteering and mentoring		29	48	77	63
International development		-	-	-	-
Furniture restoration and sales		21	-	21	146
Other charitable activities		3	18	21	-
Revenue incoming resources from charitable activities		507	2,712	3,219	4,058
Capital refurbishment of projects		165	-	165	2,434
Total incoming resources from charitable activities	4	672	2,712	3,384	6,492
Other incoming resources		1	4	5	184
Total incoming resources		1,410	3,394	4,804	8,423
Less costs of generating funds	5	-	(460)	(460)	(502)
Net incoming resources available for charitable application		1,410	2,934	4,344	7,921

Consolidated statement of financial activities for the nine months to 31 December 2005

	Note	Restricted funds	Unrestricted funds	31 Dec 9 months 2005 Total funds	31 Mar 12 months 2005 Total funds
		£'000	£'000	£'000	£'000
Resources expended on charitable activities					
Accommodation and resettlement		302	2,579	2,881	3,341
Employment and training		205	353	558	662
Prison work and resettlement		310	132	442	463
Work in the Community		132	60	192	303
Family Mediation		190	-	190	208
Volunteering and mentoring		35	100	135	147
International development		-	44	44	96
Furniture restoration and sales		146	-	146	228
Other charitable activities		-	18	18	152
Resources expended on charitable activities	5	1,320	3,286	4,606	5,600
Governance costs	5	7	24	31	65
Resources expended on charitable activities & governance costs		1,327	3,310	4,637	5,665
Net (resources expended) / Incoming resources before transfers		83	(376)	(293)	2,256
Comprises of:					
Total incoming resources		1,410	3,394	4,804	8,423
Total resources expended		(1,327)	(3,770)	(5,097)	(6,167)
Net (resources expended) / Incoming resources before transfers		83	(376)	(293)	2,256
Transfers between funds		(323)	323	-	-
Net resources expended before other recognised gains		(240)	(53)	(293)	2,256
Gain on revaluation of fixed assets		81	-	81	-
NET MOVEMENT IN FUNDS		(159)	(53)	(212)	2,256
FUND BALANCES at beginning of period		3,452	1,060	4,512	2,256
FUND BALANCES at end of period		3,293	1,007	4,300	4,512

All gains and losses recognised in the period are included in the Consolidated Statement of Financial Activities.

The notes on pages 32 to 43 form part of these accounts.

£ (27,000) of the net movement in funds relates to discontinued operations in Step Ahead Trust Limited which ceased trading in September 2005. The results of the Step Ahead Trust are included within restricted funds. The results are detailed in note 18 to the accounts.

There is no material difference between the reserves shown above and those which would have been prepared on an historical cost basis.

Balance Sheet at 31 December 2005

	Notes	Group Dec 2005 £'000	Group Mar 2005 £'000	Charity Dec 2005 £'000	Charity Mar 2005 £'000
Fixed assets					
Tangible assets	9	3,077	2,182	2,711	1,864
Current assets					
Stock		1	2	-	-
Debtors	10	703	856	782	839
Investments		19	-	19	-
Cash at bank and in hand	11	1,578	2,466	1,579	2,476
Total current assets		2,301	3,324	2,380	3,315
Creditors: amounts falling due within one year	12	(840)	(727)	(824)	(699)
Net current assets		1,461	2,597	1,556	2,616
Total assets less current liabilities		4,538	4,779	4,267	4,480
Creditors: amounts falling due after one year					
Loans	13	(238)	(267)	(238)	(267)
Total net assets		4,300	4,512	4,029	4,213
Represented by:					
Funds and reserves					
Restricted funds	14	3,293	3,452	3,020	3,153
Unrestricted funds					
Designated funds					
. Fixed assets		711	518	711	383
. New developments fund		35	35	35	35
. Contingencies fund		80	80	80	80
	15	826	633	826	498
General fund	15	181	427	183	562
Total funds		4,300	4,512	4,029	4,213

The accounts were approved by the members of the Council of Management on

5th June 2006

and signed on their behalf by:



Tim Haigh
Chair

Consolidated cash flow statement nine months to 31 December 2005

	Notes	Dec 2005 £'000	Mar 2005 £'000
Net cash inflow from operating activities	B	22	2,698
Returns on investments and servicing of finance			
Interest received		64	45
Loan interest paid		(12)	(3)
		52	42
Capital expenditure and financing investments			
Payments to acquire tangible fixed assets		(940)	(1,465)
Proceeds from disposal of tangible fixed assets		-	550
Net cash (outflow) / inflow before financing		(866)	1,825
Financing			
Inception of loans		50	250
Repayment of loans		(68)	(5)
Capital element of finance lease rental payments		(4)	(7)
		(22)	238
(Decrease) / Increase in cash in the period		(888)	2,063
Net cash resources at 1 April 2005		2,466	403
Net cash resources at 31 December 2005		1,578	2,466

NOTE A	Balance at 1 April 2005 £'000	Cashflows £'000	Other changes £'000	Balance at 31 December 2005 £'000
Reconciliation of net cash flow to movement in net funds				
Cash at bank and in hand	2,466	(888)	-	1,578
Loans due within one year	(19)	(9)	-	(28)
Loans due after one year	(263)	27	-	(236)
Finance leases	(9)	-	4	(5)
Net funds	2,175	(870)	4	1,309

NOTE B	Dec 2005 £'000	Mar 2005 £'000
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net (outgoing) / Incoming resources	(212)	2,256
Depreciation charges	110	169
Gain on disposal of asset	-	(59)
Gain on revaluation of asset	(81)	-
Interest receivable	(64)	(45)
Loan interest payable	12	3
Increase / (decrease) in stock	(1)	-
(Increase) / decrease in debtors	153	307
Increase / (decrease) in creditors (net)	105	67
Net cash inflow from operating activities	22	2,698

Principal accounting policies 31 December 2005

Accounting convention and basis of preparation

The accounts have been prepared under the historical cost convention, as modified by the inclusion of certain fixed assets at a valuation, and in accordance with applicable Accounting Standards, the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" and the requirements of the Companies Act 1985.

The consolidated financial statements of Depaul Trust for the nine month period ended 31 December 2005 comprise the consolidated statement of financial activities (SOFA), the balance sheets and the consolidated cash flow statement. These incorporate the results of Depaul Trust (the "Charity") and its subsidiary charitable company, Step Ahead Trust Limited. (referred to as the Group)

The Group has availed itself of Paragraph 3(3) of schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the group's activities. No separate SOFA has been presented for the Charity as is permitted by section 230 of the Companies Act 1985 and paragraph 304 of the SORP. The Charity's net decrease in funds for the nine months ended 31 December 2005 was £212,000 (2005: net increase in funds £2,356,000)

Incoming resources

Income is recognised in the period in which the Group is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the Group has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Incoming resources from generated funds

Donations from individuals are included gross of any attributable tax recoverable.

Legacies are included in the statement of financial activities when the Group is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Donated investments and property are included at their probate value or their market value on the date of receipt.

Other donated goods and services, excluding volunteer time, are included in the consolidated statement of financial activities at their estimated market value. The value of donated goods and services and the total of volunteer time have been noted in the report of the Council of Management.

Incoming resources from charitable activities

Rents and charges to residents are included at amounts recoverable from agencies and clients.

Grants receivable are credited to the consolidated statement of financial activities in the period in which they fall due. Grants from the Government and other agencies have been included as 'Income from activities in furtherance of the group's objects' where these amount to a contract for services, but as donations where the money is given in response to a fundraising appeal or with greater freedom of use.

Principal accounting policies 31 December 2005

Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure is attributed directly to the headings set out in the consolidated statement of financial activities where possible.

Costs of generating funds represent the costs of fundraising for incoming resources including donations, gifts, contracts and statutory grants.

Resources expended on charitable activities comprises expenditure, incurred on the defined charitable purpose and includes grants payable, direct staff and other costs attributable to those activities including allocated support costs.

Governance costs represent costs which are attributable to the running of Depaul Trust as a charity and a company including compliance with its statutory requirements.

Support costs - where members of staff carry out duties which fall into more than one category, costs (including related overhead costs) have been allocated on the basis of full time equivalent staff numbers in the relevant project. The exception is the cost of the Finance department which have been allocated in proportion to the level of direct costs attributable to the relevant projects.

Foreign currency transactions

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the period end.

Pensions scheme

Depaul Trust operates a group personal pension scheme. Contributions payable for the nine month period are expensed as incurred.

Tangible fixed assets

Tangible fixed assets are initially capitalised at cost or, if donated in kind, their value at the time of donation. Freehold properties are periodically revalued and any excess of valuation over book value is credited in the consolidated statement of financial activities and attributed to the fund for which the property is held. All properties included in the accounts have been acquired or revalued within the past five years.

Freehold and long leasehold property is written off over a period of 50 years.

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

◆	Leasehold improvements	- Lesser of life of lease or their useful life
◆	Computer equipment	- 3 years
◆	Furniture and general office equipment	- 2 - 5 years
◆	Plant and machinery	- 6 - 7 years

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the Group. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Funds held by the subsidiary charity are shown as restricted funds in the Group accounts. *Designated funds* are funds set aside by the Council of Management out of unrestricted general funds for specific future purposes or projects. *Unrestricted general funds* are those funds which can be used in accordance with the charitable objectives of the Group at the discretion of the Council of Management.

Leased assets

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the consolidated statement of financial activities evenly over the period of the lease.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to the consolidated statement of financial activities over the period of the lease.

1 Incoming resources from generated funds: Voluntary income

	Restricted funds	Unrestricted funds	31 Dec 05 Total funds 9 months	31 Mar 05 Total funds 12 months
	£'000	£'000	£'000	£'000
Donations from individuals	-	127	127	188
Legacies	-	228	228	114
Churches, SVP, schools and other societies	-	33	33	95
Corporate donations	151	79	230	159
Grant making trusts	586	60	646	1,055
Gifts in kind	-	34	34	5
Voluntary income	737	561	1,298	1,616

2 Incoming resources from generated funds: Activities for generating funds

	Restricted funds	Unrestricted funds	31 Dec 05 Total funds 9 months	31 Mar 05 Total funds 12 months
	£'000	£'000	£'000	£'000
Events	-	34	34	86

3 Incoming resources from generated funds: Investment income

	Restricted funds	Unrestricted funds	31 Dec 05 Total funds 9 months	31 Mar 05 Total funds 12 months
	£'000	£'000	£'000	£'000
Dividend income – UK listed investments	-	19	19	2
Interest bearing deposits	-	64	64	43
Investment income	-	83	83	45

4 Incoming resources from charitable activities: restricted funds

	Grants for project work	Rents and charges to residents	Sales from trading activities	Other income	Restricted funds 9 months 31 Dec 05	Restricted funds 12 months 31 Mar 05
	£'000	£'000	£'000	£'000	£'000	£'000
Accommodation and resettlement	147	-	-	29	176	198
Employment and training	16	-	-	-	16	187
Prison work and resettlement	5	-	-	-	5	(6)
Work in the Community	63	-	-	-	63	95
Family mediation	194	-	-	-	194	212
Volunteering and mentoring	29	-	-	-	29	-
International development	-	-	-	-	-	-
Furniture restoration and sales	-	-	21	-	21	146
Other charitable activities	-	-	-	3	3	-
Capital refurbishment of projects	165	-	-	-	165	2,434
Total activities restricted funds	619	-	21	32	672	3,266

Incoming resources from charitable activities: unrestricted funds

	Contracts for project work	Rents and charges to residents	Sales from trading activities	Other income	Unrestricted funds 9 months 31 Dec 05	Unrestricted funds 12 months 31 Mar 05
	£'000	£'000	£'000	£'000	£'000	£'000
Accommodation and resettlement	1,896	400	-	17	2,313	2,823
Employment and training	246	-	-	5	251	85
Prison work and resettlement	81	-	-	1	82	74
Work in the Community	-	-	-	-	-	181
Family mediation	-	-	-	-	-	-
Volunteering and mentoring	45	-	-	3	48	63
International development	-	-	-	-	-	-
Furniture restoration and sales	-	-	-	-	-	-
Other charitable activities	18	-	-	-	18	-
Capital refurbishment of projects	-	-	-	-	-	-
Total activities unrestricted funds	2,286	400	-	26	2,712	3,226

Total incoming resources 31 Dec 05	2,905	400	21	58	3,384	6,492
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Total incoming resources 31 Mar 05	5,924	451	58	59	6,492	
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5 Resources expended

	Staff and volunteer costs	Other direct costs	Support costs	Resources expended 9 months 31 Dec 05	Resources expended 12 months 31 Mar 05
	£'000	£'000	£'000	£'000	£'000
Costs of generating funds	299	65	96	460	502
Charitable activities					
Accommodation and resettlement	1,689	443	749	2,881	3,341
Employment and training	222	209	127	558	662
Prison work and resettlement	271	39	132	442	463
Work in the Community	111	15	66	192	303
Family Mediation	111	25	54	190	208
Volunteering and mentoring	117	4	14	135	147
International development	82	(48)	10	44	96
Furniture restoration and sales	98	48	-	146	228
Other charitable activities	-	18	-	18	152
Resources expended on charitable activities	2,701	753	1,152	4,606	5,600
Governance costs	1	28	2	31	65
Resources expended on charitable activities & governance costs	2,702	781	1,154	4,637	5,665
Total resources expended	3,001	846	1,250	5,097	6,167

Analysis of Support Costs	Staff and volunteer costs	Other direct costs	Support costs 9 months 31 Dec 05	Support costs 12 months 31 Mar 05
	£'000	£'000	£'000	£'000
Support costs				
Services	215	26	241	280
Human Resources	184	1	185	248
Finance	238	54	292	332
Central administration	153	199	352	357
Regional administration	136	44	180	186
Total support costs	926	324	1,250	1,403

Support costs have been apportioned in accordance with the accounting policy on page 29.

6 Net incoming resources

This is stated after charging (crediting):

	31 Dec 2005	31 Mar 2005
	£'000	£'000
Auditors' remuneration		
: Audit 2005	18	-
: Audit 2004/5	1	15
Other fees paid to auditors	2	10
Subsidiary charity auditors	7	9
Depreciation	89	169
Operating lease rentals		
. Land and buildings	323	338
. Plant and machinery	4	6
Interest payable	12	3
Interest receivable	(64)	(45)

7 Staff and volunteer costs

Staff and volunteer costs during the nine months period were as follows:

	31 Dec 05	31 Mar 05
	£'000	£'000
Wages and salaries	2,998	3,558
Social security costs	301	349
Pension costs	60	70
	3,359	3,977
Volunteers expenses	48	70
Specialist and agency staff	243	213
Training, travel, insurance and recruitment	277	332
	3,927	4,592

Depaul Trust pension scheme operates as a contracted in, non-occupational, group personal pension scheme. The scheme uses Scottish Widows and Scottish Equitable insurance companies and is administered by Alexander Forbes Limited. The assets of the schemes are not held by Depaul Trust. The scheme is open to all employees and has been adapted to meet stakeholder pension rules.

The employer contribution is 5% of pensionable earnings. The contributions paid by the Charity in the period amounted to £60,073 (2005 - £68,551). There were contributions payable at the period end of £15,309 (2005 - £11,213).

7 Staff and volunteer costs (continued)

The average number of employees, analysed by project and activity was:

	Annual average number of employees Dec 2005	Annual average number of employees Mar 2005	Monthly average number of employees Dec 2005	Monthly average number of employees Mar 2005
Charitable activities				
Accommodation and resettlement	72	63	75	66
Employment and training	10	9	10	9
Prison work and resettlement	13	10	14	11
Work in the Community	6	6	6	6
Family Mediation	5	5	5	5
Volunteering and mentoring	4	3	5	3
International development	1	1	1	1
Furniture restoration and sales	5	14	7	9
Other charitable activities	-	2	-	-
Cost of generating funds	10	8	11	8
Support and administration				
Services	5	4	5	4
Human Resources	3	3	3	3
Finance	7	5	7	7
Central administration	3	3	3	3
Regional administration	5	4	5	4
Total	149	140	157	139

The above numbers are permanent staff, and exclude weekly locum staff. In the nine months to 31 December 2005, 8 full time equivalent (FTE) weekly locum staff covered project staff during holidays, training or sickness; in the 12 months to 31 March 2005, 15 FTE covered the project staff. In addition 11,949 volunteer hours supported the paid staff during the period to 31 December 2005 (2004/5: 18,167 hours).

The number of employees who earned £60,000 per annum or more during the period was 3 (2005: 1).

No member of the Council of Management received any remuneration in respect of their services during the period. Travelling and accommodation expenses of £2,450 for members of the Council of Management (2005 - £4,122) were borne by the Charity.

8 Taxation

Depaul Trust is a registered charity and therefore is not liable to direct taxes on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. VAT incurred is not recoverable and is included as part of the underlying expenditure.

9 Tangible fixed assets

Group	Freehold property £'000	Leasehold property and refurbish- ments £'000	Fixtures, fittings and equipment £'000	Plant and machinery £'000	Total £'000
Cost or valuation					
At 1 April 2005	1,509	689	714	68	2,980
Revaluation of leasehold property	-	46	-	-	46
Additions	708	129	103	-	940
Disposals	-	-	(24)	(13)	(37)
At 31 December 2005	2,217	864	793	55	3,929
Cost	2,002	524	793	55	3,374
Valuation 2003 - Aldo House	215	-	-	-	215
Valuation 2005 - Restoration House	-	340	-	-	340
	2,217	864	793	55	3,929
Depreciation					
At 1 April 2005	19	221	531	27	798
Charge for period	(3)	9	96	8	110
Depreciation on revaluation	-	(35)	-	-	(35)
On disposals	-	-	(15)	(6)	(21)
At 31 December 2005	16	195	612	29	852
Net book values					
At 31 December 2005	2,201	669	181	26	3,077
At 31 March 2005	1,490	468	183	41	2,182

Charity	Freehold property £'000	Leasehold property and refurbish- ments £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost or valuation				
At 1 April 2005	1,509	396	687	2,592
Additions	708	129	103	940
Disposals	-	-	-	-
At 31 December 2005	2,217	525	790	3,532
Cost	2,002	525	790	3,317
Valuation 2003 - Aldo House	215	-	-	215
	2,217	525	790	3,532
Depreciation				
At 1 April 2005	19	192	517	728
Charge for period	(3)	4	92	93
Disposals	-	-	-	-
At 31 December 2005	16	196	609	821
Net book values				
At 31 December 2005	2,201	329	181	2,711
At 31 March 2005	1,490	204	170	1,864

9 Tangible fixed assets (continued)

On 7 January 2005, Depaul Trust acquired hostel premises in St Stephens Crescent, West London at a cost of £1.25 million. The purchase price was provided through a bank loan for £250,000 and by the application of £1 million from a capital grant of £2 million from the Office of the Deputy Prime Minister, which was paid to Depaul Trust through Westminster City Council. A further amount of £670,000 was spent during the nine month period to 31 December 2005. The remainder of the capital grant is restricted to meet the repair and refurbishment costs. The project came into management in February 2006 and has been named Westbourne House.

A condition of the capital grant is that Depaul Trust will be required to repay the grant in full should the use of the building change during the first 5 years from the date of grant. After 5 years there is no repayment requirement.

Aldo House is a donated property, its cost and accumulated depreciation on an historical cost basis would have been £nil.

During the year ended 31 March 1999, Depaul Trust paid £47,000 for part of the refurbishment of properties in Newcastle owned by Home Housing for the project known as Simonside. Depaul Trust manages and funds the project. Depaul Trust has a legal charge on the building and, in the event of the termination of the project, will recover a proportion (20%) of the market value. The project is expected to be long term but, to be prudent, the Council of Management has decided to write off these costs over five years.

Fixtures, fittings and equipment includes assets with a net book value of £5,313 (2004/5 - £9,311) were held under finance leases. Depreciation of £3,998 (2004/5 - £6,265) was charged during the period on assets held under finance leases.

10 Debtors

	Group		Charity	
	31 Dec 05 £'000	31 Mar 05 £'000	31 Dec 05 £'000	31 Mar 05 £'000
Government grants receivable	158	163	158	141
Other grants receivable	150	265	150	265
Rents and charges to residents	210	248	210	248
Sundry debtors and prepayments	118	169	111	157
<i>Balance due from Step Ahead Trust Limited</i>	-	-	86	17
Balance due from Depaul Trust (Ireland)	16	11	16	11
Balance due from Depaul Foundation	51	-	51	-
	703	856	782	839

11 Cash at Bank and in hand

	Group		Charity	
	31 Dec 05 £'000	31 Mar 05 £'000	31 Dec 05 £'000	31 Mar 05 £'000
Office of Deputy Prime Minister - Capital grant	330	1,000	330	1,000
Northern Rock Foundation Capital grant	434	360	434	360
Other Cash at bank and in hand	814	1,106	815	1,116
	1,578	2,466	1,579	2,476

The balance of the funds received from the Office of the Deputy Prime Minister, through Westminster City Council, for the refurbishment of the Depaul Trust owned hostel at Westbourne House, St Stephens Crescent, London W2 will be used during 2006.

12 Creditors: amounts falling due within one year

	Group		Charity	
	31 Dec 05 £'000	31 Mar 05 £'000	31 Dec 05 £'000	31 Mar 05 £'000
Housing benefit overpaid	178	241	178	241
Trade creditors	252	203	251	199
Sundry creditors and accruals	142	148	127	126
Deferred income	119	10	119	10
Social security costs and other taxes	118	101	118	99
Finance leases	3	5	3	5
Bank loan	15	19	15	19
Other loan	13	-	13	-
	840	727	824	699

13 Creditors: amounts falling due after more than one year

	Group		Charity	
	31 Dec 05 £'000	31 Mar 05 £'000	31 Dec 05 £'000	31 Mar 05 £'000
Bank loan	164	228	164	228
Other loan	37	-	37	-
Children's Society	35	35	35	35
Finance leases	2	4	2	4
	238	267	238	267

The amount shown as due to the Childrens Society represents a potential liability arising from a project taken over by Depaul Trust. It is repayable to the Childrens Society in 2006 if not used.

During 2004/2005 Depaul Trust obtained a bank loan of £250,000 to assist with the acquisition of Westbourne House. The loan is secured on these premises, has a variable rate of interest, and is repayable in equal instalments over a period of 10 years. Capital of £82,738 (2004/5 - £135,864) is repayable in more than five years.

14 Restricted funds

The incoming resources of the Group include restricted funds comprising the following grants and donations held on trust to be applied for specific purposes:

Group	At 1 April 2005 £'000	Incoming resources & gains £'000	Outgoing resources £'000	Transfers between funds £'000	At 31 Dec 2005 £'000
Capital					
Accommodation and resettlement	2,033	54	-	(87)	2,000
Employment and training	190	-	-	(160)	30
Prison work and resettlement	360	73	-	(1)	432
Work in the Community	37	38	-	(75)	-
Family Mediation	-	-	-	-	-
Volunteering and mentoring	-	-	-	-	-
International development	-	-	-	-	-
Furniture restoration and sales	183	-	(16)	(137)	30
Other charitable activities	-	-	-	-	-
Restricted funds (capital)	2,803	165	(16)	(460)	2,492
Revenue					
Accommodation and resettlement	35	273	(302)	-	6
Employment and training	30	175	(205)	-	-
Prison work and resettlement	394	358	(310)	-	442
Work in the Community	28	148	(132)	-	44
Family Mediation	44	211	(190)	-	65
Volunteering and mentoring	-	35	(35)	-	-
International development	-	-	-	-	-
Furniture restoration and sales	118	126	(137)	137	244
Other charitable activities	-	-	-	-	-
Restricted funds (revenue)	649	1,326	(1,311)	137	801
Total Restricted funds capital and revenue	3,452	1,491	(1,327)	(323)	3,293

Details of the incoming resources and gains are set out in Notes 1 and 4 to the accounts. Included in the Total Restricted Funds shown above of £1,491,000 is the gain of £81,000 on the revaluation of the leasehold property held by Step Ahead Trust Limited.

The capital restricted funds shown above include £2,000,000 which was received in 2004/2005 from the Office of the Deputy Prime Minister for repair and refurbishment of Westbourne House. A condition of this capital grant is that Depaul Trust will be required to repay the grant in full should the use of the building change during the first 5 years from the date of the grant. After 5 years there is no repayment requirement and the restriction above will be lifted.

When a capital project is completed or the restrictions of the grant are satisfied, the balance which represents the value of the fixed assets acquired is transferred to the designated fixed asset fund.

Notes to the accounts 31 December 2005

15 Unrestricted Funds

	At 1 April 2005 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers, gains and losses £'000	At 31 Dec 2005 £'000
Group					
General funds	427	3,394	3,770	130	181
Designated fund					
. Fixed assets fund	518	-	-	193	711
. New developments fund	35	-	-	-	35
. Contingencies fund	80	-	-	-	80
	<u>633</u>	<u>-</u>	<u>-</u>	<u>193</u>	<u>826</u>
Total unrestricted funds	<u>1,060</u>	<u>3,394</u>	<u>3,770</u>	<u>323</u>	<u>1,007</u>

	At 1 April 2005 £'000	Incoming resources £'000	Outgoing resources/ utilised £'000	Transfers/ new designation £'000	At 31 Dec 2005 £'000
Charity					
General funds	562	3,397	3,772	(4)	183
Designated fund					
. Fixed assets fund	383	-	-	328	711
. New developments fund	35	-	-	-	35
. Contingencies fund	80	-	-	-	80
	<u>498</u>	<u>-</u>	<u>-</u>	<u>328</u>	<u>826</u>
Total unrestricted funds	<u>1,060</u>	<u>3,397</u>	<u>3,772</u>	<u>324</u>	<u>1,009</u>

The designated funds for fixed assets represents the net book value of the Group's fixed assets (less those assets funded from restricted funds) as these can not readily be converted to working capital for the Charity. Transfers are made to and from this fund to reflect acquisitions, disposals and depreciation of assets. The new developments' fund is for new work where funding is not easily available but which the Council of Management wish to pursue. The contingencies fund is for unbudgeted contingencies which may arise within the Charity and is used at the discretion of the Council of Management.

Notes to the accounts 31 December 2005

16 Analysis of net funds

	General fund £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Group				
Fund balances at 31 December 2005 are represented by				
Tangible fixed assets	-	711	2,366	3,077
Net current assets	419	115	927	1,461
Creditors: amounts falling due after one year	(238)	-	-	(238)
Total net assets	181	826	3,293	4,300

	General fund £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Charity				
Fund balances at 31 December 2005 are represented by				
Tangible fixed assets	-	711	2,000	2,711
Net current assets	421	115	1,020	1,556
Creditors: amounts falling due after one year	(238)	-	-	(238)
Total net assets	183	826	3,020	4,029

17 Commitments

Operating leases

Depaul Trust holds a lease on 24 George Street, London, the base for Drive Ahead, for the period to 1 October 2009. Under the terms of the lease the Charity has an annual rental commitment of £4,000 (2005 - £4,000).

Depaul Trust also holds a lease on Spanish Place, a training centre at 16 George Street, London, for the period to 26 December 2012. Under the terms of the lease, the Charity has an annual rental commitment of £10,000. (2005- £10,000)

At 31 March 2005, the leases in respect of Depaul Trust's principal office at St Vincent, Street London had expired. In June 2005 Depaul Trust moved to new offices in Borough High Street, London where the annual rental commitment is £103,250 per annum. The lease is for 10 years with a break clause every 4 years.

Finance leases

Depaul Trust holds finance leases on certain operating assets. The total net future obligation is reflected in notes 12 and 13 and can be analysed as:

	31 Dec 05 £'000	31 Mar 05 £'000
Payable within		
: One year	3	5
: Two to five years	2	4
Total	5	9

18 Step Ahead Trust Limited

Step Ahead Trust Limited, based in the Wirral, Merseyside, became a subsidiary charity of Depaul Trust on 1 April 2003. The project (charity number 1070424) was set up as a social business initiative applying entrepreneurial action to educate, train and support people in Merseyside and the Wirral who are adversely affected by long term unemployment or homelessness. By providing training in restoring antiques and creating unique new pieces of furniture by remodelling and recycling reclaimed solid wood, the trainees learnt new trade and computer skills to take to employers in the future. In the year to 31 March 2005 the activities of Step Ahead Trust resulted in a deficit of £100,000 followed by a further trading deficit of £108,000 in the nine months to 31 December 2005. In the light of these continuing losses, and a number of unsuccessful attempts to secure long term funding, Depaul Trust reluctantly took the decision to cease trading with effect from 30 September 2005.

The results of the Step Ahead Trust Limited are included within the Group accounts.

	31 Dec 05 £'000	31 Mar 05 £'000
Incoming resources	45	197
Resources expended	(153)	(297)
Revaluation of leasehold property	81	-
Net movement in funds	(27)	(100)
Net assets	274	301

Step Ahead trust is a company limited by guarantee, registered in England and Wales. The Council of Management of Depaul Trust has the right to appoint or remove a majority of the trustees.

19 Ultimate undertaking

The Council of Management made a decision to create a group structure to ensure that the Vincentian ethos of the organisation was carried throughout the organisation when working overseas. The Depaul Foundation was established on 29 September 2004 and became the parent company of Depaul Trust on 1 April 2005.

Depaul Trust (Ireland) Limited and its wholly owned subsidiary Depaul Trust (Northern Ireland) Limited became subsidiaries of Depaul Foundation on 1 January 2005. The Depaul Foundation is also operating in Eastern Europe where further legal entities will be established in the future.