

Depaul  
Trust

Report and Accounts

31 December 2007



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)
Depaul Trust (Slovensko)	A subsidiary of Depaul Foundation Group
Depaul Trust (Khakiv)	A subsidiary of Depaul Foundation Group
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 (to September 2007) - The Rev Jonathan Wilkes (from September 2007)  Deputy Chair and Chair of Human Resources Executive Committee - The Rev Terence Phipps  Honorary Treasurer and Chair of Finance and Fundraising Executive Committee - Anne Worlledge CA  Chair of Services and Development Executive Committee - The Rev Jonathan Wilkes  Andrew Clark (from June 2007) John Darley (from June 2007) Marianne Drawater Sister Ellen Flynn DC Shelagh Fogarty Sister Eileen Glancy DC Tim Haigh William Higham (from June 2007) Quintin Hogg David Hughes BA Oxon Charles Leeming Kevin McDermott (from June 2007) Margaret Pitt
Chief Executive	Paul Marriott
Senior Management	Una Barry MBE - Deputy Chief Executive Mark Breedon - Director of Finance and Fundraising and Company Secretary (to December 2007) Linda Clemett - Director of Finance and Company Secretary (from December 2007) Amerjit Chohan - Director of Fundraising (from September 2007) 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)

## Legal and administrative information

**Charity registration number** 802384

**Auditors** Buzzacott LLP  
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

**Regional Committees** London & the South East  
  
North East  
  
North West  
  
West Midlands  
  
Yorkshire & Humberside

## Council of Management report for the year to 31 December 2007

### Chair's Report

The Council of Management, whose members are the directors of Depaul Trust for the purposes of company law and its Trustees for the purposes of charity law, submit their annual report and the audited financial statements for the twelve months ended 31 December 2007. This report fulfils the requirements of Part VI of the Charities Act 1993 and of the Companies Act 1985.

During 2007, the governance of the Charity was significantly strengthened by the addition to the Council of Management of four new members. Kevin McDermott has joined the Council, nominated by the Society of St Vincent de Paul, one of our founding partners. As well as his strong commitment to the Vincentian ethos of the charity, Kevin brings extensive HR experience to the Council. The other three new members were all recruited through open advertisement. Andrew Clark is a partner at Allen & Overy, one of the City's leading law firms. John Darley is recently retired as a Vice President of Shell and brings important commercial experience. William Higham is Head of Communications at Demos and was, prior to that, Head of Policy and Communications at the Prison Reform Trust. In addition, we were able to co-opt a number of new members to the Executive Committees of the Council and I am grateful to all of them, as well as to the existing members of the Council, for their generous and diligent approach to the governance of Depaul Trust.

I took over as Chair of the Council of Management in September 2007 and would like to record my personal thanks, as well as the thanks of my fellow Trustees, to Tim Haigh who has served as Chair for more than 10 years. He has steered the Charity through a period of remarkable growth but has been assiduous in making sure that we remained absolutely committed to our mission, vision and values. I am delighted that Tim will continue to serve as a Trustee.

We have also strengthened the senior management of the Charity during the year by separating out the directorates of Finance and Fundraising. I am delighted to welcome Amerjit Chohan as Director of Fundraising and Linda Clemett as Director of Finance and all the Trustees look forward to working with them in the coming years. I would also like to express our gratitude to Mark Breedon, our outgoing Director of Finance and Fundraising for his excellent work over the last five years and wish him well in his future career. As ever, the Trustees are deeply appreciative of the work done by all the senior management team, all staff and all other volunteers to transform the lives of some of our most disadvantaged citizens.

Although we can never afford to be complacent, I feel confident that we are in a strong position to make significant progress in the coming years towards the achievement of our vision – that everyone should have a place to call home and a stake in their community.

Revd Jonathan Wilkes

Chair

## Chief Executive's Report

2007 marked two significant milestones for Depaul Trust. In October we acquired the services previously run by CATalyst<sup>NE</sup> and so now offer more than 100,000 bednights per year to vulnerable young people. And in November, we celebrated our eighteenth birthday. These two events marked a real 'coming of age' for Depaul although I hope we'll never lose those important characteristics of a youthful organisation – exuberance, optimism, a willingness to take risks, and a passion for justice.

Another significant event in the year was the merger with Nightstop UK, the umbrella organisation providing support to nearly 50 Nightstop schemes around the UK. Depaul now takes responsibility for supporting and developing the Nightstop model which offers short-stay accommodation to homeless young people in the homes of volunteer hosts. We are absolutely committed to the maintenance and development of this important safety net for very vulnerable young people.

As we all know, however, prevention is better than cure and I was delighted to see Depaul being asked to be the lead contributor on family mediation to the Government's homelessness prevention website. Our family mediation practice is now widely recognised as a beacon of good practice and I was delighted to see us secure funding to sustain our work in London and extend it into Kent.

Finally, it is important for us all to remember that the real experts on youth homelessness are the young people who experience it, survive it, and use the experience to become better, stronger people. That is why it was particularly pleasing to see the work done by our peer education team in Manchester being rewarded with further funding and with sufficient resources to develop a similar programme in Birmingham. It is a valuable reminder that, given the right resources, young people can and will turn their own lives round and make a positive contribution to their community.

I should like to thank all our clients, the Trustees, all our volunteers and paid staff, and all those who have supported our work during the year for their commitment to our cause. This report demonstrates the difference we make by working together and I look forward to working in partnership with you all in the year ahead.

Paul Marriott

Chief Executive

## Council of Management report for the year to 31 December 2007

### Report for the Year ended 31<sup>st</sup> December 2007

#### Structure, Governance and Management

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

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

We have four core values

- We value the potential of people
- We value action more than words
- We value civil society
- We value rights and responsibilities

Depaul Trust is a registered charity and 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 reason 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 16 members and meets five times per year, including an annual conference to review strategy and performance, together with the Chief Executive and the Senior Management team

The Council of Management has three formally constituted executive 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. These executive committees are

- Finance and Fundraising
- Services and Development
- Human Resources

All decisions of executive committees are approved and ratified by the full Council of Management. The Chief Executive and appropriate Senior Managers attend sub-committee meetings.

## Council of Management report for the year to 31 December 2007

Following the development of services in Ireland and with a view to developing further services in other parts of Europe, the decision was made by the Council of Management to create a group structure to ensure that the Vincentian ethos of the organisation was maintained and developed as these new services developed in different countries. The Depaul Foundation was established in 2004 and became the parent company of Depaul Trust in 2005. The Depaul Foundation Group now consists of Depaul Foundation (the parent company), Depaul Trust Ireland and its subsidiary Depaul Trust Northern Ireland, Depaul Slovensko (based in Slovakia) and Depaul Karkiv (based in the Ukraine). The Group is also developing a further subsidiary in USA.

Depaul Foundation primarily exercises parental control over its subsidiaries by the power to appoint the majority of Trustees.

The members of the Council of Management of Depaul Trust are appointed as follows. Depaul Foundation has the power to appoint the majority of members of the Council ("Foundation Council Members"). The members of the Charity appoint no fewer than two but no more than five members of the Council ("Ordinary Council Members"). In addition the three charities which provided assistance in setting up Depaul Trust in 1989 may each appoint a member of the Council ("Nominated Council Members").

As at December 31 2007, Foundation Council Members were Tim Haigh, Rev Terence Phipps, Anne Worlledge, Rev Jonathan Wilkes, David Hughes, Charles Leeming, Shelagh Fogarty, Andrew Clark and John Darley. Ordinary Council Members were Marianne Drawater, Margaret Pitt, Quintin Hogg and William Higham. Nominated Council Members were Sr Ellen Flynn DC (nominated by the Passage), Sr Eileen Glancy (nominated by the Daughters of Charity) and Kevin McDermott (nominated by the Society of St Vincent de Paul).

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 according to its agreed policy and procedures. An annual review of the Council Members and audit of their skills leads to a recruitment and selection process that involves open advertising. All Council Members receive an induction to the role and relevant training is available to all Members to ensure their knowledge remains up to date and that, together, they have the skills they need to exercise effective governance on behalf of the Charity.

### 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.

Depaul Trust is organised regionally in order to maximise its involvement in the local community. The Charity has five regional offices throughout England – the North West, the North East, Yorkshire and the Humber, West Midlands and London and the South East. 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. We prevent young people from becoming homeless by rebuilding family relationships. We protect young people who become homeless by finding them a place to call their home.

We provide young people with the chance to fulfil their potential through education, volunteering, training and jobs and to be part of the community – just like everyone else.



## Council of Management report for the year to 31 December 2007

The Charity has the following operational divisions

- **Chief Executive's Office** – provides governance support and central administration functions to the Charity
- **Services and Development** – works to provide direct services to young people and to develop new services
- **Human Resources** – works to recruit, retain and develop the Charity's employees and volunteers
- **Fundraising** – raises funds from many sources, including communities, individuals, events, companies and charitable trusts
- **Finance** – supports the Charity and is responsible for financial reporting and management, IT, legal and other support services

### Related Party Transactions

None of the members of the Council of Management had any beneficial interest in any contract with the Charity during the year reported on. The following Trustees of the Depaul Trust were also Trustees of the Foundation: Tim Haigh, Charles Leeming, and The Rev Terence Phipps.

### Statement of Trustee Responsibilities

United Kingdom 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 have

- selected suitable accounting policies and applied them consistently, ensuring that judgments and estimates are both reasonable and prudent
- followed applicable accounting standards, and
- prepared the financial statements on an going concern basis

Each of the trustees confirms that

- so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the trustee has taken all reasonable steps the he/she ought to have taken as director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This information is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

The trustees are responsible for the maintenance and integrity of financial and other information provided on the charity's website. United Kingdom Generally Accepted Accounting Practice may differ from accepted practice in other jurisdictions.

## Council of Management report for the year to 31 December 2007

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 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 on-going basis,
- consideration of the types of risk 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 actions being undertaken

Depaul Trust has continued to review and improve the formal risk management process originally introduced in 2002 and progressed in subsequent years. During 2006 the trustees 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 management as a group and individually with their teams, aimed at prioritising risks in terms of potential impact and likelihood of occurrence and identifying means of mitigating those risks.

## Council of Management report for the year to 31 December 2007

A risk map and risk register, together with individual divisional risk registers which identify 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 Trustees annually. During the period the trustees received reports from Senior Management 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, the 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 Mission and Objectives

Our mission derives from our charitable objects and is

"To offer homeless and disadvantaged people the opportunity to fulfil their potential and move towards an independent and positive future"

We fulfil this mission by offering supported accommodation, learning and development opportunities and a variety of information, mediation and resettlement services, mainly to young people who are homeless or who are at risk of becoming homeless. We aim to do this in ways that are environmentally sustainable and which promote community cohesion.

Our services are available to anyone who is assessed as needing them, within the limits of our resources.

The Corporate Plan sets out the strategic goals of Depaul Trust, in accordance with our charitable objects, which are as follows:

Maintain and develop high quality services to meet the needs of young people who are homeless or who are at risk of becoming homeless

- Continue to develop new services to meet the needs of those who are at greatest disadvantage
- Raise the profile of Depaul with key stakeholders and the general public so that we become known as a leading national charity
- Put Depaul Trust on a firm financial footing and ensure best value in our stewardship of resources
- Maintain the highest standards of governance
- Continue to provide support and development opportunities for staff and volunteers and enhance the role of volunteering in Depaul
- Continue to forge partnerships with individuals and agencies who can help us realise our vision for disadvantaged people

The rest of this report gives more detail about the activities and achievements of the Charity.

## Council of Management report for the year to 31 December 2007

### Significant Activities

The main activities carried out by Depaul Trust are accommodation and resettlement, employment and training, prison work and resettlement, work in the community, family mediation, and volunteering and mentoring. During 2007 we developed a support planning model to provide for a wide range of needs under the "every child matters" agenda. This included a link monitoring tool to monitor actions and outcomes and a soft indicator outcomes tool and the reports from this monitoring system indicate that Depaul Trust worked in a sustained way with at least 3,500 individuals in 2007.

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### Accommodation and Resettlement

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2007 saw the addition of the Compass and the Insite supported accommodation projects in North Tyneside, the Supported Lodgings scheme previously operated by CATalyst<sup>NE</sup> and additional units of floating support to our portfolio of projects in the North East. We also began to operate a crash pad service in the London Borough of Brent. In addition, we redesigned our services in Bradford and Birmingham in order to provide more floating support to additional clients. We also piloted a successful pre-tenancy course in Oldham and were recognised by Birmingham City Council as a model of good practice in work with young offenders.

Simonside, our first accommodation project outside London, celebrated its tenth birthday.

In 2007 a total of 360 young people stayed at a Depaul Trust accommodation projects and, of the 234 who left, 80% achieved a positive move-on. A further 224 young people benefited from floating support in their own homes in the community.

In 2007 we aimed to.	During 2007 we.
Continue to develop the site of the former Lord Clyde project in Lambeth	Continued to work on this development. However, a strategic review led Lambeth Council to conclude that provision of supported accommodation for young people was no longer a high priority in the Borough. In view of this, the remainder of the capital grant for the development was withdrawn.
Investigate the feasibility of developing new services in Yorkshire	Submitted proposals for two new projects in South Yorkshire which should come to fruition in 2008 or early 2009.
Purchase accommodation units to provide safe places to live for more of our clients	Rented accommodation to support three of our clients as a pilot and continued to look for suitable property to purchase.
Examine the potential to take more projects into management from other organisations	Took the projects of CATalyst <sup>NE</sup> into management and incorporated the work of Nightstop UK.

## Council of Management report for the year to 31 December 2007

### During 2008 we will

- Identify a new use for the Spring Gardens site in Lambeth
- Launch a new Nightstop service in the North East
- Open at least one new accommodation project
- Support the maintenance and development of the Nightstop model across the UK

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### Employment and Training

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Drive Ahead, our innovative programme using driving as a hook to engage hard to reach learners, celebrated its tenth birthday Hilary Armstrong MP led the celebrations Drive Ahead was also shortlisted for the Andy Ludlow Awards

A partnership with Taylor Wimpey created two apprenticeships for clients in the North East, and a partnership with HBOS enabled us to commence a programme to improve the financial literacy of our clients

During 2007 Depaul worked with at least 898 clients in its training projects Overall 345 of our clients moved into further education and training, or employment

In 2007 we aimed to	During 2007 we'
Actively seek to extend our services to increase the numbers of young women and people from black and minority ethnic communities to access our employment and training projects	The Sports Coaching project in the North East began to operate a special programme aimed at meeting the needs of young women and people from refugee and asylum seeker communities
Seek funding to extend our successful Sports Coaching and Drive Ahead projects throughout the country	We extended the Drive Ahead programme to Birmingham and will open a further centre in the North East in 2008 Our efforts to roll out the Sports Coaching project have, so far, been unsuccessful
Complete a feasibility study into the establishment of a social business	The feasibility study commenced at the end of the year and will report in early 2008 Meanwhile the possibility of an alternative social enterprise is also being actively explored

### During 2008 we will

- Examine accreditation of our training programmes
- Continue to seek funding to extend our Sports Coaching programme throughout the country
- Use the results of the feasibility study to determine whether to develop a social enterprise this year

## Council of Management report for the year to 31 December 2007

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### Prison work and Resettlement

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We secured funding to open a one-to-one mentoring scheme for young people returning to London from custody

We began a partnership with NACRO to support the resettlement of young people from Portland Young Offenders Institute back into London, with NACRO delivering support at Portland and Depaul Trust continuing the work after release in the community

We joined the Local Alliance Delivery Board of the National Offender Management Service and the Accommodation Strategic Advisory Group of the Youth Justice Board

During 2007 our prisons projects worked with at least 1,232 clients, of which we assisted 432 to move into accommodation on release

In 2007 we aimed to	In 2007 we.
Publish an external evaluation of the effectiveness of our prison and resettlement work	Received the final evaluation report from Leeds University into our prison and resettlement work in the North East. The report was launched at an event in February 2008
Promote discussion and debate about the role of charitable funding in the light of National Offender Management Service (NOMS) partnership with Clinks and the Prison Reform Trust	Continuing uncertainty about the future of NOMS made progress on this difficult to achieve. However, we made good progress with sustaining the work in the North East that had previously been funded by the Northern Rock Foundation and had individual discussions with a number of key funders
Investigate innovative approaches to meet the accommodation needs of young people leaving prison or charged with offences	We secured a contract from the Northumbria Probation Service to provide a resettlement service to young men and young women. In London, we are working in partnership with Greenwich and Lewisham Nightstop to pilot the use of the Nightstop model for young offenders

During 2008 we will:

- Disseminate the findings of the evaluation of the Pyramid project
- Conduct a review of our prison and resettlement work

## Council of Management report for the year to 31 December 2007

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### Work in the Community

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One of our core values is our belief in civil 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 the community. During 2007 we worked with at least 459 clients.

In 2007 we aimed to	During 2007 we:
Develop a virtual centre of excellence for young people affected by self harm	Continued to develop the virtual centre which is now due to launch during 2008
Extend the range of community work we do	Sustained our pilot peer education project in Manchester and used the pilot as a model for a similar project in Birmingham
Encourage and support our clients to undertake voluntary work in the community	Carried out community resettlement with young people in local communities

### During 2008 we will:

- Make a "step change" bid to develop models of working with the hardest to reach young people in communities across the regions
- Continue to involve young people in the charity including recruitment of staff, and representation on regional management committees

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### Family Mediation

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Our Family Mediation projects (Reconnect) aim to improve understanding and communication between young people and their families to build a stronger on-going relationship. Our reputation for the quality of work we do continues to grow and we were invited to give several presentations and workshops to assist others in developing good practice. In 2007 at least 97 young people had a significant improvement in family relationships, remaining at home or returning to their home.

In 2007 we aimed to.	During 2007 we:
Extend our family mediation provision	We opened new family mediation programmes in Oldham and Kent
Demonstrate the effectiveness of family mediation to other practitioners and to commissioners of services	Wrote the module on family mediation on the Good Practice website delivered by the Department for Communities and Local Government

## Council of Management report for the year to 31 December 2007

### During 2008 we will

- Open other Family Mediation projects in the regions

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### Volunteering and Mentoring

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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 2007, 122 volunteers contributed 16,676 hours to the clients of Depaul Trust.

In 2007 we aimed to.	During 2007 we
Make it easier for people to volunteer their services through our website	The website now lists volunteer roles by region and makes it easier for people who are looking to volunteer their time to get in touch
Review our volunteer policies to ensure they promote best practice	Volunteer policies were reviewed and are available to all staff on Depaul's intranet
Increase the number of roles available at Depaul Trust in conjunction with Depaul Foundation	A number of new roles were created during the year (e.g. Volunteer Interpreter, Sports Event Volunteer) and more projects began to see volunteers to support their work. In addition, a number of staff volunteered their time to support the development of new projects in Slovakia and the Ukraine
Create opportunities for young people to volunteer at Depaul Trust	16 young people volunteered abroad as part of the European Volunteer Scheme  Young people in the North East helped to plan the Annual Staff Conference in the region  40 young people were involved in Young People's Take-Over day across the country



## Council of Management report for the year to 31 December 2007

During 2008 we will

- Develop new projects and opportunities for young people to volunteer
- Investigate the “Investors in Volunteering” award
- Maintain and develop the Volunteers Development Group

Volunteer hours. 1 January to 31 December 2007	Hours
North East	3,567
West Midlands	4,966
North West	1,352
Yorkshire and Humberside	2,394
London and South East	2,197
Central Office	1,631
Council of Management	570
Excluded from the Consolidated Statement of Financial Activities	<u>16,676</u>

We receive donations in kind in the form of pro-bono help, as well as 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 donated goods and services, excluding volunteer time, has been included in the Statement of Financial Activities as both income and expenditure. The Council of Management has estimated the value of this as £26,000 (2006 - £161,000).

## Council of Management report for the year to 31 December 2007

### Financial Review

#### Review of results

Depaul Trust raised a total of £7.4m in the year ended 31 December 2007, principally by

- generating funds from donors, events and investments (£1.7m),
- charging for services through statutory contracts and rents (£5.1m), and
- from the merger with other organisations during the year (£0.4m)

This is an increase of 10.45% over the year ending 31 December 2006

Total expenditure for the year was £7.072m, an increase of 4% on expenditure in the year to 31 December 2006

The growth in both income and expenditure reflects the growth of the organisation in the year, which included two mergers with

- Nightstop UK (from 1<sup>st</sup> November 2007) – which supports a network of Nightstop Schemes throughout the United Kingdom who provide safe emergency accommodation for homeless young people aged 16-25 in the homes of approved volunteers,
- CATalyst NE (from 24<sup>th</sup> July 2007) – which provides a comprehensive range of services for homeless and disadvantaged young people in the North East bearing witness to the Christian faith through social action,

and the opening of a number of new projects in the year to support and enhance services currently being provided

The results for the year are set out in the Consolidated Statement of Financial Activities on pages 20-21 and the financial position at 31<sup>st</sup> December 2007 is shown on the Balance Sheet on page 22

#### Reserves

The Trustees have adopted a reserves policy which they consider appropriate to ensure the continued ability of the charity to meet its objectives. This requires the charity to build up the general reserve, over a period of time, to a level which will provide a minimum of 12% of total annual resources expended. Based on this policy the general reserve at 31 December 2006 was 36% of the target reserve level, and in December 2007 the actual general reserve level was £475,000 – see note 15 of the accounts on page 36 – some 56% of the required reserve level. This reflects significant progress made towards the target set.

While the target reserve level has not yet been achieved 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, and continues to adopt policies and procedures to build up reserves to the required level in the future.

## Council of Management report for the year to 31 December 2007

### Funding

In the year ending 31 December 2007 voluntary income accounted for 22% of total revenue income which is in line with the target of 20% of income from voluntary sources. The remainder of income was from statutory sources (62%), rent (10%), mergers (5%) and other income (1%). However 64% of statutory income (40% of total revenue income) comes from Supporting People contracts, to provide support to homeless young people in temporary accommodation, and these contracts do not always provide a sufficient cost of living increase each year to balance the cost of inflation. This puts pressure on the projects to reduce costs so that voluntary donations are not used to subsidise Local Authorities.

### Expenditure on Charitable Activities

A total of £7.072m has been expended in the year, of which £6.362m was expended directly on charitable activities for young people in need. The main charitable activity was accommodation and support (67% of total spend), but other activities included prison work and resettlement (9.7%), employment and training (7.4%), work in the community (6.6%), family mediation (5%), and volunteering and mentoring (3.3%). In addition £688,000 was spent on generating funds and £22,000 on governance.

### Investments

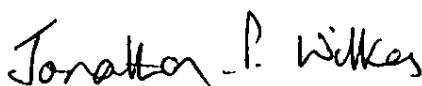
Investment decisions are taken by the Finance and Fundraising Executive Committee whose members have a finance, investment or commercial background. The Committee has agreed to hold sufficient cash levels to meet fluctuating demands of the charity. Any additional cash is placed on "term" deposit with either the Bank or Charities Aid Foundation. The charity also holds equity investments with a value at 31<sup>st</sup> December 2007 of £28,000. All these investments were donated to the charity.

### Auditors

On 30 September 2007, Buzzacott the charity's auditors, transferred their entire business to Buzzacott LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The trustees of the charity have consented to treating the appointment of Buzzacott as auditors as extending to Buzzacott LLP.

The auditors, Buzzacott LLP, 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 

Date 19.5.8

## **Independent auditor's report**

### **Report of the independent auditors to the members of Depaul Trust**

We have audited the accounts on pages 20 to 39 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 24–26

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 pages 7 and 8 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 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 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.

## Independent auditor's report

### 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 2007 and of the incoming resources and application of resources, including income and expenditure, of the Group in the year then ended,
- 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 LLP  
Chartered Accountants and Registered Auditors  
12 New Fetter Lane  
London  
EC4A 1AG



# Consolidated statement of financial activities Year to 31 December 2007

		Restricted funds	Unrestricted funds	Year ended 31 December 2007	Year ended 31 December 2006
	Note	£' 000	£' 000	£'000	£' 000
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	1	1,041	577	1,618	1,650
Activities for generating funds	2	-	25	25	19
Investment income	3	-	53	53	39
Incoming resources from generated funds		1,041	655	1,696	1,708
Incoming resources from charitable activities					
Accommodation and resettlement		170	3,804	3,974	3,697
Employment and training		55	70	125	329
Prison work and resettlement		23	162	185	143
Work in the community		335	53	388	236
Family mediation		194	70	264	226
Volunteering and mentoring		27	89	116	186
Other charitable activities		-	39	39	4
Incoming resources from charitable activities	4	804	4,287	5,091	4,821
Other incoming resources					
Grant received from Nightstop		-	102	102	-
Net assets transferred from CATalyst		4	244	248	-
Other		-	61	61	89
Capital receipts		201	-	201	73
Other incoming resources		205	407	612	162
Total incoming resources		2,050	5,349	7,399	6,691
<b>Resources expended</b>					
Costs of generating funds		-	(688)	(688)	(750)
Governance costs		-	(22)	(22)	(31)
Net incoming resources available for charitable application		2,050	4,639	6,689	5,910
<b>Resources expended on charitable activities</b>					
Accommodation and resettlement		348	3,896	4,244 ✓	3,907
Employment and training		254	218	472 ✓	549
Prison work and resettlement		579	38	617 ✓	538
Work in the community		401	20	421	339
Family mediation		214	102	316	296
Volunteering and mentoring		53	159	212	266
International development		-	76	76	83
Other charitable activities		-	4	4	52
Total resources expended on charitable activities		1,849	4,513	6,362	6,030
Total resources expended	5	1,849	5,223	7,072	6,811
Net incoming/(outgoing) resources before transfers		201	126	327	(120)

# Consolidated statement of financial activities Year to 31 December 2007

	Note	Restricted funds	Unrestricted funds	Year ended 31 December 2007	Year ended 31 December 2006
		£' 000	£' 000	£ ' 000	£' 000
<b>Comprises</b>					
Total incoming resources		2,050	5,349	7,399	6,691
Total resources expended		(1,849)	(5,223)	(7,072)	(6,811)
Net incoming/(outgoing) resources before transfers		201	126	327	(120)
Transfers between funds	14	(201)	201	-	-
Adjustment to consolidated opening general fund		-	2	2	-
<b>NET MOVEMENT IN FUNDS</b>		<b>-</b>	<b>329</b>	<b>329</b>	<b>(120)</b>
<b>FUND BALANCES at 1 January</b>		<b>2,928</b>	<b>1,252</b>	<b>4,180</b>	<b>4,300</b>
<b>FUND BALANCES at 31 December</b>		<b>2,928</b>	<b>1,581</b>	<b>4,509</b>	<b>4,180</b>

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

The notes on pages 27 to 39 form part of these accounts

£(1,000) of the movement in funds relates to discontinued operations in Step Ahead Trust Limited which ceased trading in September 2005. The results of Step Ahead Trust Limited are included within unrestricted 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 Sheets 31 December 2007

	Notes	Group 2007 £'000	Group 2006 £'000	Charity 2007 £'000	Charity 2006 £'000
<b>Fixed assets</b>					
Tangible assets	9	2,981	2,846	2,981	2,846
Programme related investments	9	47	47	47	47
<b>Current assets</b>					
Debtors	10	1,116	1,142	1,131	1,128
Investments		28	21	28	21
Cash at bank and in hand	11	2,477	1,014	2,462	1,013
<b>Total current assets</b>		<b>3,621</b>	<b>2,177</b>	<b>3,621</b>	<b>2,162</b>
<b>Creditors amounts falling due within one year</b>	12	<b>(1,996)</b>	<b>(715)</b>	<b>(1,996)</b>	<b>(698)</b>
<b>Net current assets</b>		<b>1,625</b>	<b>1,462</b>	<b>1,625</b>	<b>1,464</b>
<b>Total assets less current liabilities</b>		<b>4,653</b>	<b>4,355</b>	<b>4,653</b>	<b>4,357</b>
<b>Creditors amounts falling due after one year</b>					
Loans	13	(144)	(175)	(144)	(175)
<b>Total net assets</b>		<b>4,509</b>	<b>4,180</b>	<b>4,509</b>	<b>4,182</b>
<b>Represented by</b>					
<b>Funds and reserves</b>					
Restricted funds	14	2,928	2,928	2,928	2,928
Unrestricted funds	15				
Designated funds					
Fixed assets		981	846	981	846
New developments fund		35	35	35	35
Contingencies fund		80	80	80	80
Moving Forwards Fund		10	-	10	-
		<b>1,106</b>	<b>961</b>	<b>1,106</b>	<b>961</b>
General fund		475	291	475	293
<b>Total funds</b>		<b>4,509</b>	<b>4,180</b>	<b>4,509</b>	<b>4,182</b>

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

and signed on their behalf by

*Jonathan P. Wilkes*

The Rev Jonathan Wilkes  
Chair



## Cash flow statement

	Notes	December 2007 £'000	December 2006 £'000
Net cash inflow/(outflow) from operating activities	B	1,731	(614)
<b>Returns on investments and servicing of finance</b>			
Interest received		53	39
Loan interest paid		(13)	(12)
		<u>40</u>	<u>27</u>
<b>Capital expenditure and financing investments</b>			
Payments to acquire tangible fixed assets		(276)	(290)
Proceeds from disposal of tangible fixed assets		-	340
Net cash inflow/(outflow) before financing		1,495	(537)
<b>Financing</b>			
Repayment of loans		(28)	(27)
Capital element of finance lease rental payments		(4)	-
		<u>(32)</u>	<u>(27)</u>
Increase/(decrease) in cash in the period		1,463	(564)
Net cash resources at 1 April 2006		1,014	1,578
Net cash resources at 31 December 2007		<u>2,477</u>	<u>1,014</u>

NOTE A	Balance at 1 January 2007 £'000	Cashflows £'000	Other changes £'000	Balance at 31 December 2007 £'000
Reconciliation of net cash flow to movement in net funds				
Cash at bank and in hand	1,014	1,463	-	2,477
Loans due within one year	(27)	(9)	-	(36)
Loans due after one year	(175)	37	-	(138)
Finance leases	-	-	(12)	(12)
Net funds	<u>812</u>	<u>1,491</u>	<u>(12)</u>	<u>2,291</u>

NOTE B	Dec 2007 £'000	Dec 2006 £'000
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming/(outgoing) resources	329	(120)
Depreciation charges	141	106
Loss on disposal of tangible fixed assets	-	22
Gain on revaluation of assets (shares)	(6)	-
Interest receivable	(53)	(39)
Loan interest payable	13	12
(Decrease) in stock	-	(1)
Decrease/(increase) in debtors	26	(439)
Increase/(decrease) in creditors	1,281	(155)
Net cash inflow/(outflow) from operating activities	<u>1,731</u>	<u>(614)</u>

## Principal accounting policies

### 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 Group for the year ended 31 December 2007 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 Depaul Trust Group or 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 increase in funds for the year ended 31 December 2007 was £329,000 (year ended 31 December 2006 net decrease in funds of £120,000)

### 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 charitable activities' 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

### 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 has 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.

### Pension scheme

Depaul Trust operates a group personal pension scheme. Contributions payable for the year to 31 December 2007 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. Buildings are not depreciated. Their value and condition are reviewed annually by the Council of Management, which is satisfied that their residual value is not materially less than their book value.

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

## Principal accounting policies

### 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. **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.

# Notes to the accounts 31 December 2007

## 1 Donations, legacies and similar incoming resources

	Restricted funds £'000	Unrestricted funds £'000	Year ended 31 December 2007 Total funds £'000	Year ended 31 December 2006 Total funds £'000
Donations from individuals	-	227	227	218
Legacies	-	21	21	53
Churches, SVP schools and other societies	-	67	67	48
Corporate donations	227	94	321	374
Grant making trusts	814	142	956	796
Gifts in kind	-	26	26	161
	<u>1,041</u>	<u>577</u>	<u>1,618</u>	<u>1,650</u>

The Northern Rock Foundation granted £413,710 to Depaul Trust in 2007 for Work in the Community and Prison and Resettlement work in the North East. They also granted £8,763 to CATalyst in the North East. Both these grants are included in 'Grant making trusts' in Restricted Funds above.

## 2 Activities for generating funds

	Restricted funds £'000	Unrestricted funds £'000	Year ended 31 December 2007 £'000	Year ended 31 December 2006 £'000
Fundraising events	-	25	25	19

## 3 Investment income

	Restricted funds £'000	Unrestricted funds £'000	Year ended 31 December 2007 £'000	Year ended 31 December 2006 £'000
Dividends	-	8	8	6
Interest bearing deposits	-	45	45	33
	<u>-</u>	<u>53</u>	<u>53</u>	<u>39</u>

Notes to the accounts 31 December 2007

4 Incoming resources from charitable activities

(a) Restricted funds	Contracts for project work £'000	Rents and charges to residents £'000	Other income £'000	Year ended 31 December 2007 Total £'000	Year ended 31 December 2006 Total £'000
Accommodation and resettlement	170	-	-	170	92
Employment and training	55	-	-	55	75
Prison work and resettlement	23	-	-	23	32
Work in the community	335	-	-	335	183
Family mediation	194	-	-	194	207
Volunteering and mentoring	27	-	-	27	60
<b>Total activities restricted funds</b>	<b>804</b>	<b>-</b>	<b>-</b>	<b>804</b>	<b>649</b>

(b) Unrestricted funds	Contracts for project work £'000	Rents and charges to residents £'000	Other income £'000	Year ended 31 December 2007 Total £'000	Year ended 31 December 2006 Total £'000
Accommodation and resettlement	3,067	709	28	3,804	3,606
Employment and training	69	-	1	70	254
Prison work and resettlement	162	-	-	162	110
Work in the community	46	-	7	53	53
Family mediation	69	-	1	70	19
Volunteering and mentoring	87	-	2	89	126
Other charitable activities	-	-	39	39	4
<b>Total activities unrestricted funds</b>	<b>3,500</b>	<b>709</b>	<b>78</b>	<b>4,287</b>	<b>4,172</b>
<b>Total - year ended 31 December 2007</b>	<b>4,304</b>	<b>709</b>	<b>78</b>	<b>5,091</b>	<b>4,821</b>
<b>Total - year ended 31 December 2006</b>	<b>4,111</b>	<b>682</b>	<b>28</b>	<b>4,821</b>	

**Big Lottery Fund**

Included in Restricted Funds above in the charitable activity 'Work in the community' is the second year receipt from the Big Lottery Fund being part of a three year grant of £119,047 towards the cost of running an International Sports Programme for Young People. Expenditure matching this receipt is in Restricted Expenditure in Note 5.

## Notes to the accounts 31 December 2007

### Big Lottery Fund (continued)

Also included in Restricted Funds above in the charitable activity 'Accommodation and resettlement' is £18,186 received by Nightstop UK from the date of their merger with Depaul Trust on 1 November 2007 (part of total received £26,843) In the same category is £6,538 for the CATalyst project in the North East from the date of their merger with Depaul Trust on 23 July 2007 (part of total received £8,750)

### Association of London Government

Included in Restricted Funds above in the charitable activity 'Prison work and resettlement' is £27,990 from the Association of London Government (ALG) (London Councils) being a contribution to salaries and running costs at Feltham Young Offender Institution (YOI) Expenditure matching this receipt is in Restricted Expenditure in Note 5 Depaul Trust acknowledges this grant in accordance with Section 37 of the Local Government and Housing Act 1989

## 5 Resources expended

	Direct staff and volunteer costs £'000	Other direct costs £'000	Support costs £'000	Year ended 31 December 2007 £'000	Year ended 31 December 2006 £'000
Costs of generating funds and governance					
Costs of generating funds	452	126	110	688	750
Governance	1	20	1	22	31
	<u>453</u>	<u>146</u>	<u>111</u>	<u>710</u>	<u>781</u>
Charitable activities					
Accommodation and resettlement	2,451	671	1,122	4,244	3,907
Employment and training	233	155	84	472	549
Prison work and resettlement	404	28	185	617	538
Work in the community	220	79	122	421	339
Family mediation	207	28	81	316	296
Volunteering and mentoring	174	9	29	212	266
International development	-	72	4	76	83
Other charitable activities	-	4	-	4	52
	<u>3,689</u>	<u>1,046</u>	<u>1,627</u>	<u>6,362</u>	<u>6,030</u>
Total resources expended	<u>4,142</u>	<u>1,192</u>	<u>1,738</u>	<u>7,072</u>	<u>6,811</u>

Analysis of Support Costs	Direct staff and volunteer costs £'000	Other direct costs £'000	Support costs Year ended 31 December 2007 £'000	Support costs Year ended 31 December 2006 £'000
Services	246	14	260	314
Human Resources	242	4	246	300
Finance	246	58	304	289
Central Administration	195	282	477	440
Regional Administration	361	90	451	260
Total support costs	<u>1,290</u>	<u>448</u>	<u>1,738</u>	<u>1,603</u>

## Notes to the accounts 31 December 2007

### 6 Net incoming resources

This is stated after charging (crediting)	Year ended 31 December 2007 Total funds £'000	Year ended 31 December 2006 Total funds £'000
Auditors' remuneration		
Audit 2007	20	19
Audit 2006	-	1
Other fees paid to auditors	2	-
Subsidiary charity auditors	-	4
Depreciation	141	106
Operating lease rentals		
Land and buildings	426	410
Plant and machinery	7	4
Interest payable	13	12
Interest receivable	(53)	(39)

### 7 Staff and volunteer costs

Staff and volunteer costs during the year were as follows	Year ended 31 December 2007 £'000	Year ended 31 December 2006 £'000
Wages and salaries	4,391	4,149
Social security costs	417	408
Pension costs	99	96
	<u>4,907</u>	<u>4,653</u>
Volunteers expenses	95	85
Specialist and agency staff	156	268
Training, travel, insurance and recruitment	274	321
	<u>5,432</u>	<u>5,327</u>

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 employer contributions paid by the Charity in the year amounted to £99,722 (2006 - £95,569). There were employer contributions payable at the year end of £8,461 (2006 - £8,155).



## Notes to the accounts 31 December 2007

### 7 Staff and volunteer costs (continued)

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

	Average Number of full-time equivalent employees		Average Number of staff (headcount)	
	Dec 2007	Dec 2006	Dec 2007	Dec 2006
<b>Charitable activities</b>				
Accommodation and resettlement	81	76	89	83
Employment and training	7	8	9	8
Prison work and resettlement	14	13	16	15
Work in the community	8	6	9	6
Family mediation	7	7	7	7
Volunteering and mentoring	2	4	2	5
<b>Cost of generating funds</b>	10	11	10	11
<b>Support and administration</b>				
Services	5	6	5	7
Human Resources	4	4	4	4
Finance	5	5	6	6
Central administration	3	3	3	3
Regional administration	10	6	11	7
<b>Total</b>	<b>156</b>	<b>149</b>	<b>171</b>	<b>162</b>

The above numbers are permanent staff, and exclude weekly locum staff

In the year to 31 December 2007, 11 full time equivalent (FTE) weekly locum staff covered project staff during holidays, training or sickness, in the year to 31 December 2006, 14 FTE covered the project staff. In addition 16,676 volunteer hours supported the paid staff during the year to 31 December 2007 (year to 31 December 2006 16,232 hours)

The number of employees who earned £60,000 per annum or more during the period was 3 (2006 3)

No member of the Council of Management received any remuneration in respect of their services during the period. Travelling and accommodation expenses of £736 for members of the Council of Management (year to 31 December 2006 - £459) 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

## Notes to the accounts 31 December 2007

### 9 Tangible fixed assets

Group	Freehold property £'000	Leasehold property and refurbishment £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost or valuation</b>				
At 1 January 2007	2,440	520	810	3,770
CATalyst assets transferred to Depaul Trust - historical cost	-	-	100	100
Additions	222	15	14	251
Disposals	-	-	-	-
At 31 December 2007	2,662	535	924	4,121
<b>Cost</b>	2,447	535	924	3,906
Valuation 2003 - Aldo House	215	-	-	215
	2,662	535	924	4,121
<b>Depreciation</b>				
At 1 January 2007	20	149	755	924
CATalyst assets transferred to Depaul Trust - accumulated depreciation	-	-	75	75
Charge for period	19	55	87	161
Disposals	-	-	-	-
Write back accumulated depreciation for freehold property	(20)	-	-	(20)
At 31 December 2007	19	204	917	1,140
<b>Net book values</b>				
At 31 December 2007	2,643	331	7	2,981
At 31 December 2006	2,420	371	55	2,846

Step Ahead Trust Limited had no tangible fixed assets at 1 January 2007. There was no movement during 2007 so the value of tangible fixed assets held by Step Ahead Trust Limited on 31 December 2007 remained at Nil.

#### Freehold Property

On 7 January 2005, Depaul Trust acquired hostel premises in St Stephen's Crescent, West London. The project came into management in February 2006 and has been named Westbourne House. At 31 December 2007 the property had a net book value of £2,225,000.

The principal element of the funding was a capital grant of £2 million from the Office of the Deputy Prime Minister, which was paid to Depaul Trust through Westminster City Council. The balance of the costs and the other costs associated with the establishment of the project is funded by an initial bank loan of £250,000 together with capital donations made during the building period.

## Notes to the accounts 31 December 2007

### 9 Tangible fixed assets (continued)

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.

Freehold property additions includes the costs incurred in the acquisition of Spring Gardens, London SE11 5HS to 31 December 2007. These costs have been funded by a grant of £1,186,000 from Communities and Local Government (CLG) to enable Depaul Trust to provide accommodation and support for homeless young people, with the remaining cash balance accounted for as deferred income until the purchase is finalised. It is anticipated that the purchase will be completed by July 2008.

During the year ended 31 March 1999 Depaul Trust contributed £47,000 towards the refurbishment of properties in Newcastle owned by Home Housing and occupied by the Simonside project which Depaul Trust manages and funds. Depaul Trust has a legal charge on the building and, in the event of the termination of the project, will recover either the amount of £47,000 or 20% of the proceeds from a sale of the property. Based on the most recent valuations of the property 20% of the proceeds would be in excess of £47,000. The project was expected to be long term but, to be prudent, the Council of Management wrote off the cost in full over the first five years. Given the ongoing nature of the project, an amount of £47,000 was reinstated in 2006 and is shown as a programme related investment.

#### Fixtures Fittings and Equipment

Fixtures, fittings and equipment includes assets with a net book value of £11,466 (31 December 2006 - £1,985) held under finance leases, incorporating £10,803 for leased assets transferred from CATalyst. Depreciation of £4,906 (31 December 2006 - £3,327) was charged during the year on assets held under finance leases.

### 10 Debtors

	Group		Charity	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Government grants receivable	260	160	260	160
Other grants receivable	89	134	89	134
Rents and charges to residents	183	266	183	266
Sundry debtors and prepayments	584	555	580	534
Amounts due from group undertakings -				
Balance due from Step Ahead Trust Limited	-	-	19	7
Balance due from Depaul Foundation	-	27	-	27
	<u>1,116</u>	<u>1,142</u>	<u>1,131</u>	<u>1,128</u>

## Notes to the accounts 31 December 2007

### 11 Cash at bank and in hand

	Group		Charity	
	31 Dec 2007 £'000	31 Dec 2006 £'000	31 Dec 2007 £'000	31 Dec 2006 £'000
Restricted capital Northern Rock Foundation	505	505	505	505
Deferred income Northern Rock Foundation	116	-	116	-
Restricted revenue funds	423	423	423	423
Other funds	1,433	86	1,418	85
	<u>2,477</u>	<u>1,014</u>	<u>2,462</u>	<u>1,013</u>

The Northern Rock Foundation granted Depaul Trust £115,990 in December 2007 for work during 2008 with the Nightstop projects in the North East

Other funds include the balance of the grant from Communities and Local Government for the purchase of Spring Gardens (see note 9 above)

### 12 Creditors' amounts falling due within one year

	Group		Charity	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Housing benefit overpaid	53	127	53	127
Trade creditors	156	110	156	102
Sundry creditors and accruals	94	130	94	121
Children's Society	35	35	35	35
Deferred income	1,470	168	1,470	168
Social security costs and other taxes	132	116	132	116
Finance Leases	6	2	6	2
Bank loan (HSBC)	26	17	26	17
Other loan (London Housing Federation)	10	10	10	10
Amounts due to group undertakings -				
Balance due to Depaul Foundation	14	-	14	-
	<u>1,996</u>	<u>715</u>	<u>1,996</u>	<u>698</u>

The amount due to the Children's Society represents funds provided to cover redundancy costs for a Children's Society project taken over by Depaul Trust in April 2003. It was transferred to short term creditors in 2006

Deferred income includes the balance of grant held for the purchase of Spring Gardens (see note 9 above)

### 13 Creditors, amounts falling due after more than one year

	Group		Charity	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Bank loan (HSBC)	120	148	120	148
Other loan (London Housing Federation)	18	27	18	27
Finance leases	6	-	6	-
	<u>144</u>	<u>175</u>	<u>144</u>	<u>175</u>

## Notes to the accounts 31 December 2007

In 2005 Depaul Trust obtained a bank loan of £250,000 to assist with the acquisition of Westbourne House, St Stephen's Crescent, West London. 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 on this loan of £61,287 (2006 - £85,153) is repayable in more than 5 years.

### 14 Restricted funds

The income funds of the Depaul Trust include restricted funds comprising the following grants and donations held on trusts to be applied for specific purposes.

Group	At 1 January 2007 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers between funds £'000	At 31 December 2007 £'000
<b>Capital</b>					
Accommodation and resettlement	2,000	201	-	(201)	2,000
Prison work and resettlement	505	-	-	-	505
	<u>2,505</u>	<u>201</u>	<u>-</u>	<u>(201)</u>	<u>2,505</u>
<b>Revenue</b>					
Accommodation and resettlement	10	235	(231)	-	14
Employment and training	20	208	(210)	-	18
Prison work and resettlement	340	726	(703)	-	363
Work in the community	34	384	(415)	-	3
Family mediation	19	222	(227)	-	14
Volunteering and mentoring	-	74	(63)	-	11
	<u>423</u>	<u>1,849</u>	<u>(1,849)</u>	<u>-</u>	<u>423</u>
<b>Total</b>	<u>2,928</u>	<u>2,050</u>	<u>(1,849)</u>	<u>(201)</u>	<u>2,928</u>

Details of the incoming resources and gains are set out in Notes 1 and 4 to the accounts with other incoming resources noted on the Statement of Financial Activities.

The capital restricted funds shown above include £2,000,000 which was received in 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 2007

15 Unrestricted funds

Group	At 1 January 2007 £'000	Incoming resources £'000	Outgoing resources/ utilised £'000	Transfers, gains and losses £'000	At 31 December 2007 £'000
General funds	291	5,349	(5,223)	58	475
Designated fund					
Fixed assets fund	846	-	-	135	981
New developments fund	35	-	-	-	35
Contingencies fund	80	-	-	-	80
Moving Forwards fund	-	-	-	10	10
	961	-	-	145	1,106
<b>Total unrestricted funds</b>	<b>1,252</b>	<b>5,349</b>	<b>(5,223)</b>	<b>203</b>	<b>1,581</b>

Charity	At 1 January 2007 £'000	Incoming resources £'000	Outgoing resources/ utilised £'000	Transfers/ new designation £'000	At 31 December 2007 £'000
General funds	293	5,349	(5,223)	56	475
Designated fund					
Fixed assets fund	846	-	-	135	981
New developments fund	35	-	-	-	35
Contingencies fund	80	-	-	-	80
Moving Forwards fund	-	-	-	10	10
	961	-	-	145	1,106
<b>Total unrestricted funds</b>	<b>1,254</b>	<b>5,349</b>	<b>(5,223)</b>	<b>201</b>	<b>1,581</b>

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. The Moving Forwards fund had been a designated fund in CATalyst and has remained as such in Depaul Trust UK.

## Notes to the accounts 31 December 2007

### 16 Analysis of net funds

Group	General fund £'000	Designated funds £'000	Restricted funds £'000	Total £'000
<b>Fund balances at 31 December 2007 are represented by</b>				
Tangible fixed assets	-	981	2,000	2,981
Programme related investments	-	-	47	47
Net current assets	619	125	881	1,625
Creditors amounts falling due after one year	(144)	-	-	(144)
<b>Total net assets</b>	<b>475</b>	<b>1,106</b>	<b>2,928</b>	<b>4,509</b>

Charity	General fund £'000	Designated funds £'000	Restricted funds £'000	Total £'000
<b>Fund balances at 31 December 2007 are represented by</b>				
Tangible fixed assets	-	981	2,000	2,981
Programme related investments	-	-	47	47
Net current assets	619	125	881	1,625
Creditors amounts falling due after one year	(144)	-	-	(144)
<b>Total net assets</b>	<b>475</b>	<b>1,106</b>	<b>2,928</b>	<b>4,509</b>

### 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 (2006 - £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 (2006- £10,000).

Both Spanish Place and 24 George Street are leased from St James' Roman Catholic Church. The Parish Priest is The Rev Terence Phipps, who is also a member of the Trustees Board. This is therefore declared as a related party transaction.

In June 2005 Depaul Trust moved its principal office to Borough High Street London SE1 where the annual rental commitment is £103,250 per annum. The lease is for 10 years with a break clause every 4 years.

In 2007 Depaul Trust moved its North East Regional Office from Newcastle to Oxford Street, Whitley Bay. The lease held on the regional offices was granted by the Oxford Street Methodist Church to CATalyst which is now part of Depaul Trust. The lease commenced on 1 June 2003 and runs for 25 years at a peppercorn rent. After 10 years either side has the option to break the lease by giving six months notice.

## Notes to the accounts 31 December 2007

### 17 Commitments (continued)

#### Finance leases

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

	31 Dec 07 £'000	31 Dec 06 £'000
Payable within		
One year	6	2
Two to five years	6	-
Total	12	2

### 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 adversely affected by long term unemployment or homelessness. Step Ahead Trust made operating losses of over £100,000 per annum in both 2004 and 2005. In the light of these continuing losses and after a number of unsuccessful attempts to secure long term funding, Depaul Trust took the decision to cease trading with effect from 30 September 2005. The leasehold interest in Step Ahead's offices and workshop Restoration House was sold during 2006 and net assets of £223,000 were transferred to Depaul Trust during that year.

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

	2007 £'000	2006 £'000
Incoming resources	1	5
Resources expended	(2)	(54)
Net deficit	(1)	(49)
Intercompany transfer from / (to) Depaul Trust	1	(223)
Net movement in funds	0	(272)
Net assets	0	0

Step Ahead Trust Limited 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 charity trustees of Step Ahead Trust. This right was exercised during 2007 when all trustees of Step Ahead were removed with the exception of Mr Tim Haigh. Two Depaul Trust trustees were then added as directors to enable quorate decisions.



## 19 Group Structure

The Depaul Foundation is the parent company of the Depaul Group (of which Depaul Trust in the UK is part), and is a registered company and charity based in the UK. Although there is no ownership relationship and DePaul Foundation is not the sole member of the entities in the group, it is regarded as the parent entity as it has a right to appoint or remove a majority of the trustees (or equivalent) of each member entity and to approve, or amend, each entity's strategic and operational plans and policies. It was established on 29 September 2004, and became the parent company of Depaul Trust (UK) on 1 April 2005.

Depaul Foundation has the following three strategic objectives:

- To establish a legal and practical mechanism which will support good governance and management within an expanding international structure and provide a focus of unity, stability and continuity for the Depaul Group
- To ensure that the Vincentian Vision, Mission and Values are safeguarded and promoted across the Depaul Group
- To provide a platform and development arm to extend the work of the Depaul Group

Depaul Trust (Ireland) and its subsidiary Depaul Trust (Northern Ireland) became subsidiaries of Depaul Foundation on 1 January 2005. Depaul Slovensko (Slovakia) became a subsidiary of Depaul Foundation on 22 May 2006. Depaul Kharkiv (Ukraine) became a subsidiary of Depaul Foundation on 17 April 2007. At the year end December 2007, Depaul USA was in the process of registration as a subsidiary of Depaul Foundation and this process should complete during 2008.

The Depaul Foundation is a company limited by guarantee, no. 5245818 (England and Wales), and a registered charity, no. 1107385, that has the right to approve and remove a majority of the Trustees of the charity. The Foundation also has a significant influence over operating and strategic policies of the charity. Charles Leeming, Tim Haigh, Sister Ellen Flynn DC, and the Rev Terence Phipps are all Trustees of both the Depaul Trust and the Depaul Foundation. During the year the Depaul Trust paid £82,500 to the Depaul Foundation in consideration of membership and was paid £11,000 by the Depaul Foundation for management recharges. At 31<sup>st</sup> December 2007 a balance of £14,473 was due to the Depaul Foundation, see note 12, (at 31<sup>st</sup> December 2006 a balance of £26,998 was due from the Depaul Foundation, see note 10).