

Depaul UK



Report and Accounts

31 December 2009

Company Limited by Guarantee
Registration Number
2440093 (England and Wales)
Charity Registration Number
802384

Legal and administrative information

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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 UK
Depaul International	Depaul International, the parent company of Depaul UK
Depaul Group	Depaul International and its subsidiaries, including Depaul UK
Depaul Ireland	A subsidiary of Depaul International
Depaul Northern Ireland	A subsidiary of Depaul Ireland
Depaul Slovensko (Slovakia)	A subsidiary of Depaul International
Depaul Kharkiv (Ukraine)	A subsidiary of Depaul International
Depaul USA	A subsidiary of Depaul International
Step Ahead Trust Ltd	A subsidiary of Depaul UK

Legal and administrative information

Patron	Archbishop Vincent Nichols Archbishop of Westminster
President	Sir Trevor McDonald OBE
Council of Management members	<p>Chair - Rev Jonathan Wilkes</p> <p>Honorary Treasurer and Chair of Finance and Fundraising Executive Committee – Anne Worledge CA</p> <p>Interim Chair of Human Resources Executive Committee – David Hughes</p> <p>Chair of Services and Development Executive Committee – Rev Jonathan Wilkes</p> <p>Kenneth Beale (from June 2009)</p> <p>Andrew Clark</p> <p>Andrew Cook (from June 2009)</p> <p>John Darley (resigned June 2009)</p> <p>Sister Ellen Flynn DC (resigned February 2009)</p> <p>Shelagh Fogarty</p> <p>Tim Haigh (resigned June 2009)</p> <p>William Higham</p> <p>Quintin Hogg</p> <p>Charles Leeming (resigned June 2009)</p> <p>Kevin McDermott</p> <p>Rev Terence Phipps (resigned June 2009)</p> <p>Margaret Pitt</p> <p>Sister Barbara Quilty DC (from June 2009)</p> <p>Zygmunt Rakowicz (from June 2009)</p> <p>Michael Whelan (from June 2009)</p>
Chief Executive	Paul Marriott
Senior Management	<p>Una Barry MBE - Deputy Chief Executive</p> <p>Linda Clemett - Director of Finance and Company Secretary</p> <p>Cherie Smartt - Director of Human Resources</p> <p>Amerjit Chohan - Director of Fundraising (to December 2009)</p>
Principal office and registered office	<p>291-299 Borough High Street</p> <p>London</p> <p>SE1 1JG</p>
Company registration number	2440093 (England and Wales)

Legal and administrative information

Charity registration number	802384
Name by which the charity is known	Depaul UK
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

Chair's Report

The Council of Management, whose members are the directors of Depaul UK for the purposes of company law and its trustees for the purposes of charity law, submits its annual report and the audited financial statements for the twelve months ended 31 December 2009. This report fulfils the requirements of Part VI of the Charities Act 1993 and of the Companies Act 2006

As the year began, we announced our new name, Depaul UK. The new name helps to emphasise that we are the largest national youth homelessness charity, and also part of an international group of charities (Depaul International) dedicated to preventing homelessness and alleviating its effects. We now have sister charities in Ireland, Slovakia, Ukraine and USA. To accommodate the name change and the outcome of a governance review, we recommended some changes to our Articles of Association, which were approved at our annual general meeting. I am grateful to everyone who participated in this governance review and helped us to ensure that we are truly fit for purpose.

As part of the governance review, we agreed that our trustees should not serve on more than one trustee body within our group structure. As a result, several long-standing members of our Council of Management, who are also on the Council of Management of Depaul International, resigned in June 2009. I would like to express my sincere thanks to John Darley (who has become Chair of Depaul International), Sr Ellen Flynn, Tim Haigh, Charles Leeming and Fr Terry Phipps. Between them, they have offered more than fifty years service to Depaul UK and I am delighted that we will continue to benefit from their wisdom and experience through their membership of the Depaul International Council of Management. Following an open recruitment process, we were able to appoint five excellent new trustees, who between them bring a range of new skills, that we judged were needed on our Board. We have already begun to benefit greatly from their involvement and I look forward to working with them over the forthcoming years.

The very difficult financial conditions meant that trustees had to work extremely hard during the year to offer appropriate scrutiny and support. I would like to thank them all for helping to steer us through these turbulent times and keep our focus on the needs of the clients we serve. The financial uncertainty has meant that we have had to reduce our costs and we have had to make quite severe cuts to our infrastructure. This has meant saying farewell to some excellent members of staff and asking remaining staff to work in new ways. I am particularly grateful to our staff and volunteers for retaining their focus during this period of change – that they were able to do so is borne out by our annual client survey which showed that our clients remain extremely satisfied with the service they receive from Depaul UK. While wishing to thank all staff, I would like to thank Paul Marriott and our senior management team in particular for the way they have managed the organisation in our name and helped us to arrive at decisions that were in the best long-term interests of the Charity and its beneficiaries.

We still face considerable challenges in the year ahead but we remain absolutely committed to our vision – that everyone should have a place to call home and a stake in their community. As we monitor the fall-out of the recession on those in greatest need, we will continue to respond as best we can to prevent young people from becoming homeless, protect those that do and provide real opportunities for young people to fulfil their potential in the community. I would also like to thank all our supporters, funders and partners who helped us to continue to run and develop our services during the year. The achievements listed in this report are truly evidence of a tremendous joint effort that helped to make a real difference in the lives of so many young people.

Rev Jonathan Wilkes
Chair

Chief Executive's Report

2009 has been a very difficult year for many people and organisations. Managing change has become an even more necessary skill and forecasting what will happen in the future has become more and more difficult. In this respect, we can learn a lot from the young people we serve who show tremendous resilience in the face of change and teach us that you have to keep believing in yourself even when you are not sure what the future holds.

The pace of change at Depaul UK has been incredible. We have seen some projects close as funding came to an end. Brent Linx, our training project in the London Borough of Brent closed after many years of innovative work with particularly excluded young people. Our One-to-One mentoring project in Deerbolt Young Offenders Institution in the North East closed and we had to scale back our family mediation work in Manchester.

However, we also saw the opening of a new Nightstop service in Brent, part of our strategy of extending the safety net for homeless young people. In the North East, South Tyneside Metropolitan Borough Council has commissioned us to provide a new service for young people who are living independently in the community but need a high level of support. We bought two residential properties, also in the North East, to increase the number of bedspaces we offer to young people in need of supported accommodation.

Our work with young offenders continues to be valued for the impact it has. We began a new project, working with people coming out of eight prisons in the North West and returning back to Rochdale to ensure that they had suitable accommodation and were supported back into the community in order to reduce the chance that they would re-offend. We have also been working across the London Authorities, providing an important service to young people being resettled back into the capital from Young Offender Institutions. We also launched a new family mediation service in Rochester Young Offenders Institute, a ground-breaking piece of work that helped us to win a national award for the impact of our work with young people and their families.

We have noted for some time that the mental health needs of the young people we serve are creating new challenges for us. We were therefore delighted to begin a new piece of work in the North East, which will look at how we are responding to the mental health needs of the young people we work with and what we can do differently and better.

Through all this change, plus the changes referred to by Jonathan in his introduction, our staff and volunteers have been remarkable for the passion and commitment they have brought to our work. The pace of change shows no sign of slowing and the future is no more certain. So the lessons we have learned in the last twelve months will be valuable for the next and will undoubtedly help us, and our clients, respond to the challenges ahead. Meanwhile, the things that remain constant, our mission, vision and values will steer us forward to make the most of the opportunities that open up to us.

Paul Marriott
Chief Executive

Report for the Year to 31 December 2009

Governance, Management and Structure

Depaul UK 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; and
- 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 currently comprises 14 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.

Depaul International was established in 2004 and became the parent company of Depaul UK in 2005. The Depaul Group now consists of Depaul International (the parent company), Depaul UK, Depaul Ireland and its subsidiary Depaul Northern Ireland, Depaul Slovensko (based in Slovakia), Depaul Kharkiv (based in the Ukraine) and Depaul USA.

Depaul International primarily exercises parental control over its subsidiaries by the power to appoint and dismiss the majority of the members of the Council of Management.

Prior to the Annual General Meeting in June 2009 the members of the Council of Management of Depaul UK were appointed as follows. Depaul International had the power to appoint the majority of members of the Council ("International Council Members"). The members of the Charity appointed 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 (now Depaul UK) in 1989 were each entitled to appoint a member of the Council ("Nominated Council Members"). In June 2009 the International Council Members were Tim Haigh, Rev Terence Phipps, Anne Worledge, Rev Jonathan Wilkes, David Hughes, Charles Leeming, Shelagh Fogarty, Andrew Clark and John Darley. Ordinary Council Members were Margaret Pitt, Quintin Hogg, and William Higham. Nominated Council Members were Sister Ellen Flynn DC (nominated by the Passage, resigned in February 2009), and Kevin McDermott (nominated by the Society of St Vincent dePaul).

At the Annual General Meeting in June 2009, the Articles of Association were changed by Special Resolution and it was agreed that the Council of Management of Depaul UK would now be appointed as follows. Depaul International has the power to appoint the majority of the members of the Council. The members of the Charity appoint the remaining members of the Council, being no fewer than two and no more than eight members of the Council, up to an overall total of 17 members. At the Annual General Meeting in June 2009 the following trustees of Depaul UK stepped down and became trustees of Depaul International, John Darley, Tim Haigh, Charles Leeming, and Rev Terence Phipps. Depaul International appointed and approved two new International Council members: Kenneth Beale and Sister Barbara Quilty, and approved the appointment of three new Council members appointed by the Members: Andrew Cook, Zygmunt Rakowicz and Michael Whelan. Kevin McDermott was approved as an International Council member.

Council of Management report for the year to 31 December 2009

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.

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.

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

Depaul UK is organised regionally in order to maximise its involvement in the local community. In 2009 the Charity consolidated from five to three regional offices throughout England – the North West, the North East, 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.

The Charity restructured during the year and now has the following operational divisions:

- Chief Executive's Office and Fundraising – provides governance support and central administration functions to the Charity as well as overseeing fundraising from various sources, and internal and external communications
- 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
- Finance – supports the Charity and is responsible for financial reporting and management, IT, legal and other support services

Related Party Transactions

Up to June 2009 the following trustees of Depaul UK were also trustees of Depaul International: Rev Jonathan Wilkes, John Darley, Tim Haigh, Charles Leeming, Sister Ellen Flynn (to February 2009) and Rev Terence Phipps. In June 2009 Rev Jonathan Wilkes stood down from Depaul International but remained a trustee of Depaul UK, at the same time John Darley, Tim Haigh, Charles Leeming and Rev Terence Phipps stood down from Depaul UK but remained trustee of Depaul International until March 2010. Sister Ellen Flynn remained a trustee of Depaul International.

Only one of the members of the Council of Management had any beneficial interest in any contract with the Charity during the year reported on. The Spanish Place and 24 George Street properties in London are leased from the Roman Catholic Church. The parish priest until September 2009 was Rev Terence Phipps, who was also a trustee of Depaul International until March 2010.

Council of Management report for the year to 31 December 2009

Statement of trustees' responsibilities

The trustees (who are also directors of Depaul UK for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Each of the trustees confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

The trustees are responsible for the maintenance and integrity of financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

- the Charity's 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

Council of Management report for the year to 31 December 2009

objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss

The trustees, through the Senior Management Team, 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 UK 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. 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 by the Charity. They are formally reviewed and updated by the Chief Executive and Senior Management Team each year, and are reviewed by the trustees annually. During 2009 the trustees received reports 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 in 2009 were those risks associated with funding from charitable donations and statutory sources and its inherent uncertainties, and the low level of financial reserves that would help to manage any falls in income. Therefore the Charity is working to a policy of building up unrestricted reserves and continuing to reduce overheads.

Vision, Mission and Values

Our vision is that everyone should have 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 an independent and positive future.

Our core values are:

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

The Council of Management has had regard to the Charity Commission's guidance which sets out the requirements for charities to demonstrate their aims and activities are for public benefit. The young people who are our beneficiaries are at the heart of everything that we do as we believe this report fully demonstrates.

Council of Management report for the year to 31 December 2009

- We prevent young people from becoming homeless by rebuilding family relationships and offering through the gate support to young offenders
- 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

We offer 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 (2009 to 2013) sets out six strategic goals of Depaul UK, in accordance with our charitable objects, which are as follows

1. Safety Net: no young person has to sleep rough
2. Prevention: communities recognise an improvement in the way young people and the wider community interact
3. Independence: achievements against "Every Child Matters" outcomes improve year on year
4. Access: Depaul UK services are open and accessible to all
5. Participation: the young people we serve have the opportunity to influence decision-making and changes in policy
6. Young people in trouble: a reduction in the number of young people locked up

Our strategies for achieving these goals are:

1. Safety Net: Every young person, at the point of being homeless will have access to the information and services they need to help them. This includes the development of crisis accommodation services including a comprehensive network of Nightstop and Supported Lodging schemes, the preservation of the existing accommodation safety net and by highlighting the needs for young people who fall through the net

Our success in achieving this goal will be measured by the reduction in the number of young people needing to sleep rough. The latest Government statistics on statutory homelessness (to December 2009) showed that 38% of all those accepted as homeless (in the period October to December) were aged 16-24. The figure was 41% for the same period in 2008. At the end of June 2009, there were 170 households headed by 16 and 17 year olds in bed and breakfast style accommodation (compared to 330 in 2008), of which 70 (compared to 150 in 2008) had been there for longer than six weeks (11 of these pending an appeal). While statutory homelessness is only a small part of the picture, it is clear that our family mediation work is recognised as preventing youth homelessness and that our Nightstop and Supported Lodgings provision can offer a real alternative to use of inappropriate temporary accommodation.

2. Prevention: Families and communities have the support they need to prevent young people becoming homeless, being excluded and starting or continuing to offend. This includes working through communities to empower young people, family mediation and parenting programmes, youth work and peer youth work, mentoring programmes and peer mentoring, volunteering, and working in partnership to support communities.

The success in achieving this goal will be measured by the improvement in the way young people and the wider community interact. We will use the Government's Place Survey to monitor this. The survey is carried out every 2 years, with the next one due in late 2010.

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- 3 Independence Young people who are homeless or at risk of becoming homeless will be able to realise their true value and potential based on *Every Child Matters* outcomes (see <http://www.dcsf.gov.uk/everychildmatters>) This includes promoting volunteering opportunities for young people, creating new pathways into training and employment, developing new ways for young people to grow in confidence, and encouraging young people to “engage in life” and be spirited.

The success of this goal will be measured by the improvements in achievements, by Depaul UK clients, against *Every Child Matters* outcomes Every project monitors its activities against the *Every Child Matters* outcomes and we retain a strong focus on improving outcomes. Through our Urban Alternatives and Drive Ahead programmes we increased the number of young people accessing volunteering activities in the community Moreover, in spite of the economic climate, 116 clients gained employment in 2009 (105 in 2008).

- 4 Access Take the right risks to meet the needs of the young people we meet who are particularly vulnerable This includes finding new ways to support young people with high levels of need, ensuring all services meet the individual needs of clients, developing a presence in Young Offenders institutions, continuously consulting young people on their changing needs and issues, and providing accommodation and support to young women offenders

The success of this goal will be measured by the range of needs and the proportion of clients with multiple needs seen by Depaul UK In 2009 increasing numbers of young people accessing our services had multiple needs, particularly mental health problems

5. Participation Attain recognition by local and national Government and opinion formers as an informed young people's advocate This includes promoting the positive actions of young people and encouraging respect for them, creating a national framework for young people's participation, and the provision of access for Depaul UK clients to policy makers and opinion formers so there can be more dialogue with young people.

The success of this goal will be measured by the attainment of the *Hear by Right* standard We are now measured at *Emerging level* and we are working towards *Established level*.

6. Young People in Trouble A reduction in the number of young people locked up This includes working with first time offenders to reduce re-offending, exploring alternatives to custody, changing public perceptions of young people who offend and working with other organisations to campaign for change.

The success of this goal will be measured by the reduction in the number of young people locked up There were 11,450 young people (aged 15-21) in prison at December 2009.

The Corporate Plan sets a five year timescale for the achievement of these goals and annual targets will be set within a three year operational plan Objectives extracted from the Operational Plan are included in the summary of significant activities, below

The rest of this report gives more detail about the activities and achievements of the Charity in 2009

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Significant Activities and Achievements

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 framework for monitoring what we do with the young people we serve, and what the outcomes are. This tool was launched in 2008 and all projects now report their outcomes using this framework. The reports from this monitoring system indicate that in 2009 Depaul UK worked in a sustained way with 2,900 individuals (3,000 in 2008).

Safety Net

In 2009 a total of 746 young people stayed at a Depaul UK accommodation project or received support from our floating support projects (684 in 2008) and, of those who left our accommodation, 77% achieved a positive move-on (83% in 2008). These figures do not include all the young people supported through the 50 Nightstop schemes that are affiliated to us which provided 6,891 bednights in 2009 (5,858 in 2008).

During 2009 we aimed to:	During 2009 we achieved:
Encourage Local Authorities to consider Nightstop, Crashpad and Supported Lodgings as part of their homelessness prevention strategies	We worked with Department for Communities and Local Government and the Chartered Institute of Housing through two conferences to encourage Local Authorities to consider these interventions as part of their prevention strategies
Open at least two new accommodation projects	We purchased 2 new properties in North Tyneside and opened 2 new accommodation projects in Rochdale and South Tyneside.
Build on our support planning framework in order to continually improve outcomes for residents	We introduced our new 'goal finder' tool to help young people identify the goals they want to achieve while working with us and measure their progress towards the achievement of those goals.
Commence the development of a National Youth Homelessness Observatory	We commenced this at the annual conference of Nightstop projects and will do more work on this during 2010

During 2010 we will:

- Ensure that each project completes an annual review to ensure we are continually improving the quality of the work we do in our accommodation projects
- Ensure that every young person we work with has a support plan in place
- Aim to increase access to Nightstop schemes by increasing the number of bed spaces and covering a wider geographical area
- Continue to explore ways of providing a safety net for young runaways

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Prevention

In 2009 we provided family mediation services to 465 young people (412 in 2008) and at least 55% (40% in 2008) remained at home or returned home. In addition in 2009, 386 volunteers (114 in 2008) contributed 29,226 hours (20,884 in 2008) to supporting the clients of Depaul UK, including 187 client volunteers providing peer mentoring and support.

During 2009 we aimed to:	During 2009 we achieved :
Continue to develop our successful parenting classes	We continued to deliver parenting classes, with some participants being trained as trainers for future courses
Engage more with schools to prevent homelessness	We produced a schools pack for use by schools with their students and our Reconnect teams delivered sessions in a number of schools
Launch a pilot project aimed at supporting adults in the community to engage with young people with multiple needs	Our bid for funding to launch the pilot was unsuccessful
Continue to monitor the success of our Urban Alternatives projects in Manchester and Birmingham and seek opportunities to replicate this work	The Urban Alternatives projects worked with around 100 young people during the year with a number of them presenting at a national conference. Bids to replicate and extend this work have not been successful
Continue to develop our relationships with schools and community groups	We recruited a new Partnerships Development Officer in the North East to help us strengthen our ties to the local community in the region
Monitor the impact on volunteer hours of removing Volunteer Co-ordinators in most regions	The loss of Volunteer Co-ordinators has had an impact on how we manage volunteering, but this has been minimised because we have cohesive policies and systems that have been revised and adapted to be managed by appropriate staff within each region. In addition Depaul UK has a number of specific volunteering projects each of which are managed by a permanent member of staff who ensures adequate selection, induction and training of volunteers appropriate to the needs of the particular volunteering project
Undertake our next Investors in People review	The Investors in People review was completed successfully with our status renewed for a further 3 yrs

Council of Management report for the year to 31 December 2009

Continue to develop our employee volunteering programme	During 2009 Depaul UK worked with over 80 volunteers from our corporate partners across the organisation
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During 2010 we will:

- Commission an independent evaluation of our family mediation work and publish the results
- Create new opportunities for volunteers, including volunteers from our Corporate Partners to work in our organisation
- Seek opportunities to continue and expand the Urban Alternatives programme
- Increase work in schools and expand parenting courses that we run

Independence

During 2009 Depaul UK worked with 664 clients in its training projects (648 in 2008) and 233 clients volunteered in the community (82 clients in 2008)

During 2009 we aimed to:	During 2009 we achieved:
Continue to develop our links with the private sector to increase our employment outcomes	Our Broadening Horizons programme continued to develop
Commission research into the social policy issues that impact on the employability of our clients	We were unable to secure resources to commission research but were glad to co-operate in the production of the evaluation report by New Philanthropy Capital, <i>Getting Back on Track</i> , which concluded "The results for Drive Ahead in 2008 show that 10% of the graduates of the London course moved into employment, and another 22% went into some form of education or training. Given the difficulties faced by the client group, NPC believes that this is a significant achievement".
Launch a social enterprise	We completed the business plan for the social enterprise with support from Accenture and will launch a pilot in 2010

During 2010 we will:

- We will continue to increase the number of volunteering opportunities for our clients
- Continue to monitor and improve our *Every Child Matters* outcomes
- Improve our outcome monitoring through the introduction of a new monitoring system and the continued development of our project review process
- Increase the number of clients achieving accreditation through the Drive Ahead training courses
- Expand Drive Ahead model by seeking funding to bring it to the North West
- Start running a pilot social enterprise in accordance with the Business Plan

Council of Management report for the year to 31 December 2009

Access

In 2009 we undertook sustained work with 1,119 clients (1,169 in 2008) who had been young offenders

During 2009 we aimed to:	During 2009 we achieved :
Launch a new pan-London community resettlement service, The Impact Project	We launched the project successfully
Launch a new community resettlement service in Rochdale	We launched the project successfully and have subsequently been asked to extend it
Seek to sustain and develop our work in the North East	We have sustained our work in the North East throughout the year and have submitted a bid to develop it
Continue to encourage the Prison Service to meet the full costs of resettlement work	We have seen the Prison Service commit to more funding for our prisons work and our innovative programme of work in the North East, funded by Northern Rock Foundation and other charitable donations is now to be commissioned by the statutory sector
Work with the evaluators of our Volunteer mentoring work to identify service improvements	The outcomes of the programme were disappointing and so we have decided to significantly reduce the programme.

During 2010 we will

- Monitor the prevalence and nature of mental health issues of the young people we serve and use that to improve the support we offer
- Open our first project for women offenders
- Meet and exceed our prison targets for accommodation in the Young Offenders Institutions where we work

Council of Management report for the year to 31 December 2009

Participation

Client participation in 2009 has been increased as a result of Depaul UK obtaining specific funding for a Client Participation Manager. The number of young people involved in a variety of activities both locally and nationally has increased from 592 in 2008 to 740 in 2009.

During 2009 we aimed to:	During 2009 we achieved:
Achieve <i>Emerging level of Hear By Right</i> standard and commence working towards <i>Established level</i>	We achieved emerging level and have commenced work towards established level, with a target for completion in 2011. We produced a Young People's Charter and engaged young people in reviewing our policies. We appointed a champion for Youth Participation on the Council of Management

In 2010 we will

- Seek new ways to involve young people in the planning, management, delivery and evaluation of services
- Work towards the achievement of the Established level of the Hear By Right standard
- Seek to engage young people in the governance of the Charity

Young People in Trouble

We are working with other agencies to explore emerging needs and opportunities for offenders around alternatives to custody

During 2009 we aimed to:	During 2009 we achieved .
Open a project that would provide an alternative to custody for young people	We could not get the necessary permissions to enable this project to go ahead.
Identify partnerships that we could create or join in order to campaign for change in youth justice sentencing policy	We supported the Make Justice Work campaign, and joined a new coalition focussing on young offenders

During 2010 we will

- Use any opportunities afforded by the General Election to press the case for change
- Collaborate with other organisations that share this agenda
- Develop a communications strategy to promote this agenda

Council of Management report for the year to 31 December 2009

Financial Review

Review of results

Depaul UK raised a total of £7,386,000 in the year ended 31 December 2009, principally by

- generating funds from donors, events and investments (£1,424,000),
- charging for services through statutory contracts and rents (£5,892,000), and
- capital and other receipts (£70,000)

This is a decrease of 9.6% over the year ended 31 December 2008

Total expenditure for the year was £7,542,000, a decrease of over 6.7% on expenditure in the year to 31 December 2008

The reduction in income mainly reflects the decrease in income from donors, events and investments. Capital income has greatly decreased in 2009 as we had significant capital income of £941,000 in 2008 for the acquisition of land at Spring Gardens, London

The reduction in expenditure primarily reflects the measures taken in the year to reduce operating costs. Also, in 2008 we had an impairment charge of £537,000 in respect of land at Spring Gardens, and a further impairment charge of £125,000 was made in 2009.

While there was increased activity in the projects, 2009 was a difficult year for Depaul UK because of the continued competition for voluntary donations. Despite this Depaul UK managed to raise additional statutory funding to maintain projects and made savings on infrastructure costs which would not directly impact on projects. Consequently there was only a small loss of £31,000 on operations in the year if the extraordinary impairment charge of £125,000 is excluded.

The full results for the year are set out in the Statement of Financial Activities on pages 21-22 and the financial position at 31 December 2009 is shown on the Balance Sheet on page 23. The analysis of the income and expenditure of charitable activities has been changed in the Statement of Financial Activities this year to represent activity by Corporate Goal. Prior year figures have been interpreted as closely as possible to the new analysis.

Depaul UK's work under the objectives of providing a Safety Net, encouraging Independence, and providing Access for difficult to reach groups continued to grow in the year including

- **Safety Net** – two new contracts to provide floating support in Rochdale and South Tyneside, and funding for the establishment of a new Nightstop,
- **Independence** – the continued growth of our Drive Ahead projects in London and the North East to provide basic training and skills to young people who do not have access to any other education and training, and
- **Access** – two new projects working with young people leaving prison in London and Kent, and a new project aimed at assisting young people with mental health problems in our accommodation.

Reserves

The trustees have adopted a reserves policy which they consider appropriate to ensure the continued ability of the Charity to meet its objectives, based on cashflow requirements and the amount needed to maintain operations during a period of change. 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

Council of Management report for the year to 31 December 2009

resources expended Based on this policy the general reserve at 31 December 2009 was 26.8% of the 12% target reserve level, compared to 13.9% of the target reserve level at December 2008

While the target level of the general reserve has not yet been achieved the Council of Management considers that there are sufficient reserves held at year end to manage the organisation in 2010, and will continue to adopt policies and procedures to build up reserves to the required level in the future but the timescale for doing so will take into account the current economic climate. The trustees have designated certain funds to cover particular circumstances. Designated funds include a Fixed Assets Fund which reflects the book value of fixed assets, a fund representing the value of land at Spring Gardens which is being marketed for sale, two Sinking Funds (one to enable the Charity to maintain freehold properties that are not depreciated, and one to enable replacement of furniture and fittings in accommodation projects, over and above normal wear and tear), and a Contingencies Fund for unforeseen events

Funding

In the year ended 31 December 2009 voluntary income accounted for just over 18% of total income which is in line with the target of 20% of income from voluntary sources. The remainder of income was from statutory sources (66%), rent (12%), and capital receipts and other income (4%). However 70% of statutory income (46% 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. However, donations may be used to add to the value and range of services provided under such contracts.

Expenditure on Charitable Activities

A total of £7,542,000 has been expended in the year, of which £6,995,000 was expended directly on charitable activities for young people in need. The main charitable activity was provision of a Safety Net (70% of direct spend), but other activities included Prevention (7%), Independence (11%), Access (9%), Participation (2%) and 1% was the exceptional impairment charge for decrease in the value of the land at Spring Gardens (see note 9). In addition £520,000 was spent on generating funds, and £27,000 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 December 2009 of £18,857. All of these investments were donated to the Charity

Signed on behalf of the Council of Management

Chair:

Jonathan P. Wilkes

Date

14.6.2010

Independent auditor's report

Independent auditor's report to the members of Depaul UK

We have audited the financial statements of Depaul UK for the year ended 31 December 2009 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial statements have been prepared under the accounting policies set out therein

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of trustees and auditors

The trustees are also the directors of the company for the purposes of company law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of trustees' responsibilities contained within the Council of Management report

Our responsibility is to audit the financial statements 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 financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the trustees' annual report is consistent with those financial statements

In addition we report to you if, in our opinion, the Charity has not kept adequate accounting records, if the Charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Council of Management Report and the Chair's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed

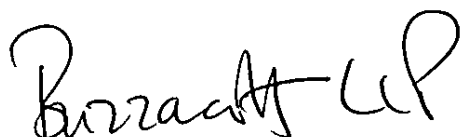
Independent auditor's report

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

Opinion

In our opinion,

- ◆ the financial statements give a true and fair view of the state of the Charity's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006, and
- ◆ the information given in the Council of Management Report is consistent with the financial statements



Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
12 New Fetter Lane
London
EC4A 1AG
14th June 2010

Statement of financial activities (incorporating an Income and Expenditure Account)
Year to 31 December 2009

		Restricted funds	Unrestricted funds	Year ended 31 December 2009	Year ended 31 December 2008
	Notes	£' 000	£' 000	£'000	£' 000
Income and Expenditure					
Incoming resources					
Incoming resources from generated funds					
Voluntary income	1	819	538	1,357	1,579
Activities for generating funds	2	7	53	60	26
Investment income	3	-	7	7	71
Incoming resources from generated funds		826	598	1,424	1,676
Incoming resources from charitable activities					
Safety Net		87	4,631	4,718	4,452
Prevention		188	132	320	496
Independence		320	15	335	124
Access		-	387	387	263
Participation		-	75	75	82
Other charitable activities		-	57	57	56
Incoming resources from charitable activities	4	595	5,297	5,892	5,473
Other incoming resources					
Other		2	7	9	75
Receipts for capital project	15	61	-	61	949
Other incoming resources		63	7	70	1,024
Total incoming resources		1,484	5,902	7,386	8,173
Resources expended					
Costs of generating funds		-	(520)	(520)	(647)
Governance costs		-	(27)	(27)	(27)
Net incoming resources available for charitable application		1,484	5,355	6,839	7,499
Resources expended on charitable activities					
Safety Net		394	4,492	4,886	4,902
Prevention		310	180	490	697
Independence		572	191	763	459
Access		185	426	611	557
Participation		45	75	120	187
International development	20	-	-	-	78
Exceptional impairment charge on property	5,9	-	125	125	537
Total resources expended on charitable activities		1,506	5,489	6,995	7,417
Total resources expended	5	1,506	6,036	7,542	8,091
Net incoming/(outgoing) resources before transfers		(22)	(134)	(156)	82

Statement of financial activities (incorporating an Income and Expenditure Account)
Year to 31 December 2009

	Restricted funds	Unrestricted funds	Year ended 31 December 2009	Year ended 31 December 2008
Note	£' 000	£' 000	£ ' 000	£' 000
Comprises				
Total incoming resources	1,484	5,902	7,386	8,173
Total resources expended	(1,506)	(6,036)	(7,542)	(8,091)
Net incoming/(outgoing) resources before transfers				
- Net income/(expenditure) for the year	(22)	(134)	(156)	82
Transfers between funds	15,16 (332)	332	-	-
Net (resources expended) / incoming resources before other recognised gains	(354)	198	(156)	82
Loss on revaluation of fixed assets	-	-	-	(44)
NET MOVEMENT IN FUNDS	(354)	198	(156)	38
FUND BALANCES at 1 January 2009	2,916	1,631	4,547	4,509
FUND BALANCES at 31 December 2009	2,562	1,829	4,391	4,547

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

The notes on pages 28-39 form part of these 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 31 December 2009

	Notes	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Fixed assets					
Tangible assets	9	2,918		3,279	
Programme related investments	9	<u>47</u>		<u>47</u>	
			2,965		3,326
Current assets					
Debtors	10	568		678	
Investments	11	454		18	
Cash at bank and in hand	12	<u>1,533</u>		<u>1,519</u>	
Total current assets		<u>2,555</u>		<u>2,215</u>	
Creditors amounts falling due within one year	13	<u>(1,074)</u>		<u>(893)</u>	
Net current assets		<u>1,481</u>		<u>1,322</u>	
Total assets less current liabilities			4,446		4,648
Creditors amounts falling due after one year					
Loans	14		<u>(55)</u>		<u>(101)</u>
Total net assets			<u>4,391</u>		<u>4,547</u>
Represented by:					
Funds and reserves					
Restricted funds	15		2,562		2,916
Unrestricted funds	16				
Designated funds					
Fixed assets		918		1,279	
Property held for sale		475		-	
Sinking funds		163		122	
Disposal of fixed assets		-		65	
Contingencies		<u>30</u>		<u>30</u>	
		<u>1,586</u>		<u>1,496</u>	
General fund		<u>243</u>		<u>135</u>	
			1,829		1,631
Total funds			<u>4,391</u>		<u>4,547</u>

The financial statements were approved by the members of the Council of Management on

14.6.2010

and signed on their behalf by

Jonathan P. Wilkes

The Rev Jonathan Wilkes
Chair

Cash flow statement

	Notes	31 December 2009 £'000	31 December 2008 £'000
Net cash inflow from operating activities	B	388	39
Returns on investments and servicing of finance			
Interest received		7	71
Loan interest paid		(3)	(11)
		4	60
Capital expenditure and financing investments			
Payments to acquire tangible fixed assets		(333)	(1,000)
Net cash inflow / (outflow) before financing		59	(901)
Financing			
Repayment of loans		(43)	(36)
Capital element of finance lease rental payments		(2)	(6)
		(45)	(42)
Increase / (decrease) in cash in the period		14	(943)
Net cash resources at 1 January 2009		1,519	2,462
Net cash resources at 31 December 2009		1,533	1,519

NOTE A	Balance at 1 January 2009 £'000	Cashflows £'000	Balance at 31 December 2009 £'000
Reconciliation of net cash flow to movement in net funds			
Cash at bank and in hand	1,519	14	1,533
Loans due within one year	(40)	(1)	(41)
Loans due after one year	(98)	44	(54)
Finance leases	(6)	2	(4)
Net funds	1,375	59	1,434

NOTE B	31 December 2009 £'000	31 December 2008 £'000
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net (outgoing) / incoming resources	(156)	82
Depreciation charges	94	121
(Increase) / decrease in value of quoted shares	(1)	10
Exceptional impairment charge on property held for resale	125	537
Interest receivable	(7)	(71)
Loan interest payable	3	11
Decrease in debtors	110	453
Provision for the cost of disposal of property	40	-
Increase / (decrease) in creditors	180	(1,104)
Net cash inflow from operating activities	388	39

Principal accounting policies

Accounting convention and basis of preparation

The financial statements 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 2006

The financial statements of Depaul UK for the year ended 31 December 2009 comprise the statement of financial activities, the balance sheet, the cash flow statement and the attached notes

The Charity has availed itself of Part 15 of the Companies Act 2006 and adapted the Companies Act formats to give a true and fair view of the special nature of the charity's activities

Incoming resources

Income is recognised in the period in which the Charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the Charity 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 Charity 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 statement of financial activities at their estimated market value

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 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

Expenditure including irrecoverable VAT

Expenditure is recognised in the period in which it is incurred. Expenditure is attributed directly to the headings set out in the 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

Principal accounting policies

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

Governance costs represent costs which are attributable to the running of Depaul UK as a charity and a company including compliance with its statutory requirements and include those costs involved with constitutional issues and the strategic management of the Charity

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. Support costs in 2009 were 22% of total costs (2008 24%)

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 UK operates a group personal pension scheme. Contributions payable are expensed as they fall due.

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 or decrease in valuation over or under book value is taken into the statement of financial activities and attributed to the appropriate fund. All properties included in the financial statements have been acquired or revalued within the past five years. Any additions that are permanent structural alterations are stated at cost until such time as the property is revalued. Buildings are not depreciated except where internal works and replacements have been recognised and these are depreciated over a 50 year period. The value and condition of the buildings is 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 Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The aim and use of each restricted fund is set out in the notes to the financial statements. **Designated funds** are funds set aside by the Council of Management out of unrestricted general funds for specific future purposes or projects. The aim and use of each designated fund is set out in the notes to the financial statements. **Unrestricted general funds** are those funds which can be used in accordance with the charitable objectives of the Charity at the discretion of the Council of Management. They have not been designated for any other purpose.

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 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 statement of financial activities over the period of the lease.

Going Concern

Depaul UK continues to operate on a going concern basis. The Trustees regularly review detailed financial projections, which are adjusted to take into account revised assumptions and events. Where such projections indicate a potential problem corrective action is taken to protect the future financial viability of the organisation.

These accounting policies are consistent with the previous financial statements (year ended 31st December 2008).

Notes to the accounts 31 December 2009

1 Donations, legacies and similar incoming resources

	Restricted funds £'000	Unrestricted funds £'000	Year ended 31 December 2009 Total funds £'000	Year ended 31 December 2008 Total funds £'000
Donations from individuals	6	341	347	238
Legacies	-	8	8	121
Churches, schools and other societies	1	59	60	99
Corporate donations	120	35	155	358
Grant making trusts	692	59	751	760
Gifts in kind	-	36	36	3
	819	538	1,357	1,579

The Northern Rock Foundation granted £118,794 (2008 £167,990) to Depaul UK in 2009 for Safety Net, Access and Prevention work in the North East. The J Paul Getty Jr Charitable Trust granted £15,000 to Depaul UK in 2009 (2008 £15,000) as part of £45,000 pledged in 2007 to be used over 3 years for core costs in Birmingham. These grants are included in 'Grant making trusts' above.

2 Activities for generating funds

	Restricted funds £'000	Unrestricted funds £'000	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Fundraising events	7	53	60	26

3 Investment income

	Restricted funds £'000	Unrestricted funds £'000	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Dividends	-	1	1	1
Interest bearing deposits	-	6	6	70
	-	7	7	71

Notes to the accounts 31 December 2009

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 2009 Total £'000	Year ended 31 December 2008 Total £'000
Safety Net	87	-	-	87	252
Prevention	188	-	-	188	403
Independence	320	-	-	320	124
Total activities restricted funds	595	-	-	595	779

(b) Unrestricted funds	Contracts for project work £'000	Rents and charges to residents £'000	Other income £'000	Year ended 31 December 2009 Total £'000	Year ended 31 December 2008 Total £'000
Safety Net	3,727	876	28	4,631	4,200
Prevention	132	-	-	132	93
Independence	10	-	5	15	-
Access	359	-	28	387	263
Participation	73	-	2	75	82
Other charitable activities	-	-	57	57	56
Total activities unrestricted funds	4,301	876	120	5,297	4,694
Total – year ended 31 December 2009	4,896	876	120	5,892	5,473
Total – year ended 31 December 2008	4,638	762	73	5,473	

Big Lottery Fund

Included in Restricted funds in 2009 is £149,462 received from the Big Lottery Fund

Project	Activity	Brought forward at 1 January 2009 £	Incoming 2009 £	Total Resources 2009 £
Kent Reconnect	Prevention	8,000	92,609	100,609
Sports NE – revenue	Independence	-	26,186	26,186
Sports NE – small capital	Independence	-	1,500	1,500
Baseline	Prevention	-	29,167	29,167
	TOTAL	8,000	149,462	157,462

Expenditure of £125,905 matching these receipts is included in Resources Expended (Note 5) and £31,557 of restricted funds is carried forward to 2010 in respect of the Kent Reconnect project (Note 15)

Notes to the accounts 31 December 2009

London Councils

Included in Restricted Funds above in charitable activities Prevention and Independence is £165,250 from London Councils Expenditure of £147,515, matching these receipts, is included in Resources Expended (Note 5) and £17,735 is carried forward to 2010 (Note 15) Depaul UK acknowledges this grant in accordance with Section 37 of the Local Government and Housing Act 1989

Parenting Fund

The Parenting Fund granted Depaul UK £38,000 for the 9 months to March 2009, of which £12,666 was received and accounted for under Prevention in 2009 A further £51,260 was granted for the year from April 2009 to March 2010 of which £38,445 was received and accounted for in Prevention in 2009 Expenditure matching these receipts is shown in Resources Expended (Note 5)

John Southworth Fund

The John Southworth Fund granted Depaul UK £5,000 for Reconnect London which was received and accounted for under Prevention Expenditure of £5,000 matching these receipts is included in Resources Expended (Note 5)

5 Resources expended

	Direct staff and volunteer costs £'000	Other direct costs £'000	Support costs £'000	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Costs of generating funds and governance					
Costs of generating funds	313	128	79	520	647
Governance	1	24	2	27	27
	<u>314</u>	<u>152</u>	<u>81</u>	<u>547</u>	<u>674</u>
Charitable activities					
Safety Net	2,894	815	1,177	4,886	4,902
Prevention	306	64	120	490	697
Independence	425	188	150	763	459
Access	437	23	151	611	557
Participation	106	1	13	120	187
International development	-	-	-	-	78
Exceptional impairment charge on investment property	-	125	-	125	537
	<u>4,168</u>	<u>1,216</u>	<u>1,611</u>	<u>6,995</u>	<u>7,417</u>
Total resources expended	<u>4,482</u>	<u>1,368</u>	<u>1,692</u>	<u>7,542</u>	<u>8,091</u>

The exceptional impairment charge relates to the land at Spring Gardens which is being marketed for sale The narrative in Note 9 of these accounts provides further detail

Analysis of Support Costs	Direct staff and volunteer costs £'000	Other direct costs £'000	Support costs Year ended 31 December 2009 £'000	Support costs Year ended 31 December 2008 £'000
Services	235	7	242	319
Human resources	159	3	162	264
Finance & IT	334	67	401	388
Central administration	201	312	513	551
Regional administration	314	60	374	435
Total support costs	<u>1,243</u>	<u>449</u>	<u>1,692</u>	<u>1,957</u>

Notes to the accounts 31 December 2009

6 Net incoming resources

This is stated after charging (crediting)	Year ended 31 December 2009 Total funds £'000	Year ended 31 December 2008 Total funds £'000
Auditors' remuneration		
Audit fee for the year	20	20
Audit fee adjustment for previous years	(2)	(2)
Other services	4	-
Other fees paid to auditors of merged charities	1	3
Depreciation	94	121
Operating lease rentals		
Land and buildings	186	205
Finance lease rentals		
Plant and machinery	3	8
Interest payable	3	11
Interest receivable	(7)	(71)

7 Staff and volunteer costs

Staff and volunteer costs during the year were as follows	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Wages and salaries	4,671	4,657
Social security costs	446	452
Pension costs	109	102
	5,226	5,211
Volunteers expenses	85	90
Agency staff and professional fees	129	186
Legal fees	62	51
Training, travel, insurance and recruitment	223	341
	5,725	5,879

The Depaul UK pension scheme operates as a contracted in, non-occupational, group personal pension scheme. The pension scheme uses Norwich Union, administered by Creative Benefit Solutions. The assets of the pension scheme are not held by Depaul UK. The scheme is open to all employees and has been adapted to meet stakeholder pension rules.

The employer contributions paid by the Charity in the year amounted to £109,291 (2008 £102,140). The employer contributions payable at the year end were £8,699 (2008 £8,974).

Notes to the accounts 31 December 2009

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)	
	2009	2008	2009	2008
Charitable activities				
Safety Net	102	102	108	110
Prevention	11	14	13	15
Independence	13	7	13	8
Access	13	13	14	14
Participation	1	2	1	2
Cost of generating funds	8	9	9	9
Support and administration				
Services	4	5	4	5
Human resources	3	4	3	4
Finance & IT	6	6	7	7
Central administration	4	3	4	3
Regional administration	8	10	10	12
Total	173	175	186	189

The above numbers include both permanent and locum staff
2008 has been restated to include locum staff

Earnings bands of the highest paid employees

	Number of employees	
	2009	2008
£60,000 - £69,999	1	2
£70,000 - £79,999	2	2
	3	4

Of those employees who earned £60,000 or more during the year, employer contributions are made to the Depaul UK pension scheme in respect of 2 (2008 3) of them Total employer contributions in respect of such employees during the year amounted to £8,920 (2008 £10,179)

29,226 volunteer hours supported the paid staff during the year to 31 December 2009 (2008 20,884 hours) The cost of these volunteer hours is not recognised in the accounts

No member of the Council of Management received any remuneration in respect of their services during the period (2008 nil) Travelling and accommodation expenses of £263 for members of the Council of Management (2008 £237) were borne by the Charity

8 Taxation

Depaul UK 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

	Freehold property £'000	Leasehold property and refurbishment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost or valuation				
At 1 January 2009	3,050	516	960	4,526
Additions	331	-	2	333
Disposals and write offs	-	(39)	(165)	(204)
Exceptional impairment	(125)	-	-	(125)
Transfer to current asset investments – property held for resale	(475)	-	-	(475)
At 31 December 2009	2,781	477	797	4,055
Cost	2,581	477	797	3,855
Valuation 2008 – Aldo House	200	-	-	200
	2,781	477	797	4,055
Depreciation				
At 1 January 2009	39	294	914	1,247
Charge for year	19	47	28	94
Disposals and write offs	-	(39)	(165)	(204)
At 31 December 2009	58	302	777	1,137
Net book values				
At 31 December 2009	2,723	175	20	2,918
At 31 December 2008	3,011	222	46	3,279

Freehold Property

On 7 January 2005, Depaul UK 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 2009 the property is shown at cost at £2,250,000.

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 UK 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.

A condition of the capital grant is that Depaul UK 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 (2010). 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. In 2003 it was valued at £215,000 on the basis of hostel use. In January 2009 it was re-valued by Hayfield Robinson, Chartered Surveyors and Property Consultants, at £200,000 on the basis of existing use as a hostel.

9 Tangible fixed assets (continued)

Freehold land at Spring Gardens, London, was purchased in August 2008. This land was purchased with a grant from the Department of Communities and Local Government. £941,000 of this grant was recognised in 2008, and £196,000 in 2007 funding the total expenditure on this acquisition of £1,137,000. In 2008 it became apparent that it would not be feasible for Depaul UK to establish a viable service to provide accommodation and support for young people at risk using the land. Gerald Eve LLP, Chartered Surveyors and Property Consultants, were instructed in January 2009 and gave a valuation of £600,000 for the land based on the existing planning consent for use as a hostel. This value was recognised in the 2008 accounts resulting in an impairment charge of £537,000 in that year. In 2009 the land was marketed for sale. At December 2009, with no planning use, the land has been valued at £475,000 resulting in an additional impairment charge of £125,000. As the land was marketed for sale in 2009, and is not used for operational activities, the total value has been transferred from fixed assets to current assets in the Balance Sheet and is shown net of anticipated costs of sale (note 11). A provision of £40,000 has been made against the value for anticipated costs of disposal.

In March and April 2009 Depaul UK acquired two residential properties in North Tyneside costing £164,569 and £165,980 respectively. These properties were purchased with a grant from the Northern Rock Foundation to provide accommodation to eight young people leaving prison.

Fixtures Fittings and Equipment

Fixtures, fittings and equipment includes assets with a net book value of £3,201 (2008 £5,763) held under finance leases. Depreciation of £2,561 (2008 £5,702) was charged during the year on assets held under finance leases.

Programme related investments

During the year ended 31 March 1999 Depaul UK contributed £47,000 towards the refurbishment of properties in Newcastle owned by Home Housing and occupied by the Simonside project which Depaul UK manages and funds. Depaul UK 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.

10 Debtors

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Government grants receivable	207	139
Rents and charges to residents	106	164
Sundry debtors and prepayments	253	372
Balance due from Step Ahead Trust Limited	2	3
	<u>568</u>	<u>678</u>

Notes to the accounts 31 December 2009

11 Investments

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Quoted investments	19	18
Property held for sale	435	-
	<u>454</u>	<u>18</u>

The property held for sale relates to the value of the land at Spring Gardens, net of anticipated disposal costs – see Note 9

12 Cash at bank and in hand

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Restricted capital funds	236	507
Restricted revenue funds	326	409
Deferred income	565	433
Other funds	406	170
	<u>1,533</u>	<u>1,519</u>

13 Creditors: amounts falling due within one year

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Housing benefit overpaid	43	81
Trade creditors	137	86
Sundry creditors and accruals	113	78
Children's Society	35	35
Deferred income	565	433
Social security costs and other taxes	119	119
Balance due to Depaul International	18	18
Finance leases	3	3
Bank loan (HSBC)	33	30
Other loan (London Housing Federation)	8	10
	<u>1,074</u>	<u>893</u>

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

14 Creditors: amounts falling due after more than one year

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Bank loan (HSBC)	54	90
Other loan (London Housing Federation)	-	8
Finance leases	1	3
	<u>55</u>	<u>101</u>

Notes to the accounts 31 December 2009

14 Creditors' amounts falling due after more than one year (continued)

In 2005 Depaul UK obtained a bank loan of £250,000 to assist with the acquisition of Westbourne House, St. Stephen's Crescent, 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. £52,800 capital is repayable within 2 to 5 years (2008 £72,000) and £1,779 (2008 £18,376) is repayable in more than 5 years.

15 Restricted funds

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

	At 1 January 2009 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers between funds (outgoing capital resources) £'000	At 31 December 2009 £'000
Capital					
Safety Net	2,000	61	-	-	2,061
Access	507	-	-	(332)	175
	<u>2,507</u>	<u>61</u>	<u>-</u>	<u>(332)</u>	<u>2,236</u>
Revenue					
Safety Net	57	298	(344)	-	11
Prevention	8	347	(303)	-	52
Independence	344	501	(586)	-	259
Access	-	167	(164)	-	3
Participation	-	40	(40)	-	-
Other Charitable Activities	-	70	(69)	-	1
	<u>409</u>	<u>1,423</u>	<u>(1,506)</u>	<u>-</u>	<u>326</u>
Total	<u>2,916</u>	<u>1,484</u>	<u>(1,506)</u>	<u>(332)</u>	<u>2,562</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 of £2,236,000 shown above are:

- £2,000,000 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 UK 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 (2010) there is no repayment requirement and the restriction above will be lifted.
- £10,500 received from the Trusthouse Charitable Foundation and £50,000 from Garfield Weston for the capital refurbishment of Westbourne House and for the costs of a condition survey of Westbourne House and Aldo House.
- £176,217 from Northern Rock Foundation, which is the remaining balance of the £506,755 received for the purchase of property in the North East to provide accommodation to young people leaving prison. In 2009 two properties were purchased for £330,550 and now accommodate 8 young people.

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 from restricted funds to the designated fixed asset fund.

Notes to the accounts 31 December 2009

The revenue restricted funds shown above include

- Various grants and donations towards Depaul UK's Safety Net work of which £10,447 was unspent at the end of the year – this was made up of, £7,110 from various project fundraising activities towards additional client activities, and £3,337 for grants for young people across the organisation
- Various grants and donations towards Prevention work of which £52,045 was unspent at the end of the year – this was made up of £20,188 from v Foundation for the Urban Alternative Peer mentoring project in Manchester and Birmingham, £31,557 from The Big Lottery Fund for the Kent Family Mediation project (Kent Reconnect) and £301 from various project fundraising activities towards additional client activities
- Donations towards Access work of which £3,151 was unspent at the end of the year – this was from various funders for Rochester prison mediation work
- Various grants and donations towards Depaul UK's Independence work of which £259,111 was unspent at the end of the year – this was made up of £225,000 from Northern Rock Foundation for setting up a social enterprise in the North East, £17,735 from London Councils for the Spokes project that provides training and support, £6,275 from v Foundation for client volunteering in the North East and £10,101 from Paul Hamlyn Foundation for the Drive Ahead training project in the North East

16 Unrestricted funds

	At 1 January 2009 £'000	Incoming resources £'000	Outgoing resources/ utilised £'000	Transfers, gains and losses £'000	At 31 December 2009 £'000
General fund	135	5,846	(6,021)	283	243
Designated funds					
Fixed assets	1,279	-	-	(361)	918
Property held for sale				475	475
Sinking funds	122	56	(15)	-	163
Disposal of fixed assets	65	-	-	(65)	-
Contingencies	30	-	-	-	30
	1,496	56	(15)	49	1,586
Total unrestricted funds	1,631	5,902	(6,036)	332	1,829

The designated fund for fixed assets represents the net book value of the Charity's fixed assets (less those assets funded from restricted funds) as these cannot 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.

Property held for sale represents the current market value of Spring Gardens (see note 9).

Sinking funds were established in 2008 to provide funds for major repairs of freehold property and replacement of large items of furniture and fittings. There has been some expenditure in 2009 (£15,354). A full programme of works will be carried out in 2010 following a condition survey of properties owned by Depaul UK.

The designated fund for the disposal of fixed assets was established to cover the professional costs involved in the marketing and sale of fixed assets. This has now been transferred back to general funds as a provision of £40,000 has been made against the value of the land at Spring Gardens for the anticipated costs of disposal.

The Contingencies fund was established to cover the costs of unidentified events affecting the finances of the Charity.

Notes to the accounts 31 December 2009

17 Analysis of net funds

	General fund £'000	Designated funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 December 2009 are represented by				
Tangible fixed assets	-	918	2,000	2,918
Programme related investments	47	-	-	47
Net current assets	251	668	562	1,481
Creditors amounts falling due after one year	(55)	-	-	(55)
Total net assets	243	1,586	2,562	4,391

18 Commitments

Operating leases

At 31st December 2009 Depaul UK had annual commitments under non-cancellable operating leases as follows

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Land and Buildings		
Operating leases which expire		
• Within 1 year	41	52
• Within 2 - 5 years	119	119
Total	160	171

Finance leases

Depaul UK holds finance leases on certain operating assets. The total net future obligation is reflected in notes 13 and 14 and can be analysed as

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Payable within		
• 1 year	3	3
• 2 - 5 years	1	3
Total	4	6

Notes to the accounts 31 December 2009

19 Step Ahead Trust Limited

Step Ahead Trust Limited continues to exist as a company limited by guarantee, registered in England and Wales. The project (charity number 1070424) was set up as a social business initiative but due to continuing operating losses ceased trading with effect from 30 September 2005. The net assets of the company were transferred to Depaul UK during 2006, with a balance of £1,730 due to Depaul UK at 31 December 2009.

20 Group Structure

Depaul International is the parent company of the Depaul Group (of which Depaul UK is part), and is a registered company and charity based in the UK. Although there is no ownership relationship and Depaul International 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 UK on 1 April 2005.

Depaul International 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 Ireland and its subsidiary Depaul Northern Ireland became subsidiaries of Depaul International on 1 January 2005. Depaul Slovensko (Slovakia) became a subsidiary of Depaul International on 22 May 2006. Depaul Kharkiv (Ukraine) became a subsidiary of Depaul International on 17 April 2007. Depaul USA became a subsidiary of Depaul International on 20 May 2008.

Depaul International is a company limited by guarantee, (No 5245818 England and Wales), and a registered charity, (No 1107385), which has the right to approve and remove a majority of the trustees of the Charity. Depaul International also has a significant influence over the operating and strategic policies of the Charity.

During the year Depaul UK paid £88,000 (2008 £88,000) to Depaul International in consideration of membership and was paid £15,500 (2008 £15,000) by Depaul International for management recharges. In 2008, net membership costs together with allocated overheads were treated as International Development charitable activity costs. In 2009 net membership costs were treated as allocated support costs across the new analysis of charitable activities.

At 31st December 2009 a balance of £17,858 (2008 £17,852) was due from Depaul UK to Depaul International (see note 13).