

Depaul  
Foundation

Signed Copy

Annual Report and Accounts

31 December 2007



Company Limited by Guarantee  
Registration Number  
5245818 (England and Wales)

Charity Registration Number  
1107385

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## Reference and administrative details

### Council of Management members

**Chair**  
Charles Leeming

**Ordinary Members**  
Her Grace The Duchess of Norfolk  
Lady Elizabeth Arnold  
Sister Margaret Barrett DC (represented by Sister Ellen Flynn DC)  
Christopher Dick (appointed 16 March 2007)  
Herbert Graham  
Timothy Haigh  
Patrick Murray (resigned 16 March 2007)  
Fr Vitaliy Novak CM (resigned 6 July 2007)  
Rev Terence Phipps  
Fr Paul Roche CM  
Anne Sturm  
Laurence J Tuomey  
Jonathan Wilkes (appointed 19 October 2007)

### Chief Executive

Mark McGreevy

### Secretary

Mark McGreevy

### Principal office and registered office

291 -299 Borough High Street  
London  
SE1 1JG

### E mail

[mark.mcgreevy@depaulfoundation.org](mailto:mark.mcgreevy@depaulfoundation.org)

### Telephone

020 7939 1220

### Company registration number

5245818 (England and Wales)

### Charity registration number

1107385

### Auditors

Buzzacott  
12 New Fetter Lane  
London  
EC4A 1AG

### Bankers

HSBC plc  
89 Buckingham Palace Road  
London  
SW1W 0QL

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

Freshfields Bruckhaus Deringer  
65 Fleet Street  
London  
EC4Y 1HS

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

**Definitions used**

The Charity	Depaul Foundation
Depaul Group	Depaul Foundation and its subsidiaries
Depaul Trust (UK)	A subsidiary of Depaul Group
Step Ahead Trust Limited	A subsidiary of Depaul Trust (UK)
Depaul Trust (Ireland)	A subsidiary of Depaul Group
Depaul Trust (Northern Ireland)	A subsidiary of Depaul Trust (Ireland)
Depaul Slovensko	A subsidiary of Depaul Group
Depaul Kharkiv	A subsidiary of Depaul Group
Depaul USA	Will be a subsidiary of Depaul Group

## Council of Management report year to 31 December 2007

### Chair's Report

The Depaul Foundation is a charity and parent company of a group of charities (the Depaul Group), and was incorporated on 29th September 2004.

The members of its Council of Management, who are the Directors of the Depaul Foundation for the purposes of company law and its Trustees for the purposes of charity law, submit their annual report and the audited group financial statements for the year ended 31 December 2007. This report fulfils the requirements of the Companies Act 1985 and of Part VI of the Charities Act 1993.

### What are our objects?

The legal objects of the Depaul Foundation, as set out in its Memorandum of Association, are [1] the relief of poverty, homelessness and financial hardship; [2] the advancement of education; and [3] such other exclusively charitable objects or exclusively charitable purposes as the Trustees may from time to time decide can usefully be pursued for the public benefit; nationally and internationally and by such exclusively charitable means as the Trustees may determine.

In practice our main concerns are with homelessness and deprivation. Our Vincentian ideals take us in search of the most hopeless cases, whenever and wherever they may be found, and we are non-judgmental.

### How do we achieve those objects?

We do this through national subsidiaries formed locally with their own local boards and administrations, but working within the context and support of the Depaul Group. Current members of the Group include: Depaul Trust (UK) and its subsidiary Step Ahead Trust Ltd; Depaul Trust (Ireland) and its subsidiary Depaul Trust (Northern Ireland); Depaul Slovensko (Slovakia); and Depaul Kharkiv (Ukraine). Over time, as resources allow, we aim to expand the Group wherever need takes us and it fits within our strategic plan. Depaul USA is now in the course of formation.

### How well are we doing?

The financial figures in these accounts only tell part of the story. They certainly show how generously we are supported by many donors. But what they don't show is just how much we also benefit from help which cannot easily be expressed in financial terms. We are a part of the worldwide Vincentian movement, and from this we derive both our ethos and the support of a worldwide family. Our Trustees give their time voluntarily. Staffing of our projects is assisted by a large pool of volunteers. For all this support, we are enormously grateful.

### How does one quantify all this?

By looking at typical end users. Take, as an example, young deserted children living in holes in the ground in Ukraine. Our help in terms of food and comfort may be the only help they get, our hands the only helping hands stretched out towards them in friendship, and the friendly faces of those who deliver that help the only signs of welcome in a harsh environment. Then imagine those helping hands beckoning them away from their past along stepping stones towards a brighter future. Just one returning smile would be worthwhile. Multiply this a thousand times, across different countries, in different circumstances and in different environments, and it becomes a rhapsody.

Charles Leeming

Chair

## Council of Management report year to 31 December 2007

### Group Chief Executive's Report

The Depaul Foundation is the parent company of a group structure which currently includes Depaul Trust (UK), Depaul Trust (Ireland), Depaul Slovensko (Slovakia), and Depaul Kharkiv (Ukraine).

During 2007 Depaul Trust (UK) developed its services considerably, integrating two external organisations into its portfolio of projects, CATalyst North East, and Nightstop UK which will bring many benefits to the services it is able to offer to disadvantaged young people. It celebrated its 18<sup>th</sup> birthday during 2007 and it is gratifying to know that during those 18 years it has helped well over 40,000 young people, and 3,500 of them during 2007.

Depaul Trust (Ireland) and its subsidiary Depaul Trust (Northern Ireland) also experienced further growth during the year. Their range of projects in Dublin and Belfast provide help to those who are homeless with alcohol and drug dependency, those with employment training/educational needs, and increasingly to homeless families with very young children – during 2007 two projects were opened in Belfast working specifically with this group, providing 13 supported housing units at Mater Dei and 17 units at Cloverhill.

Depaul Slovensko (Slovakia) proved hugely successful in alleviating homelessness on Bratislava's city streets, and from its beginnings as a short term cold weather shelter has gone on to continue not only these services throughout 2007 and into 2008, but to develop day care, medical and advocacy services alongside their 200 bedspaces. A new permanent building for the project is in the next phase of development.

Depaul Kharkiv (Ukraine) became part of the Group during 2007, and through its Depaulka outreach minibus is successfully delivering food and medical aid to many of the street homeless children who run away from their dysfunctional families or from state orphanages. It is now exploring new ways of helping this vulnerable group by going into these orphanages and forming partnerships to provide longer term solutions to the problems they face.

The primary responsibility of the Depaul Foundation is to ensure that all members of the Group are effectively governed, well managed, and that our shared Vincentian ethos and values are protected and developed.

We will be completing a major review of our governance arrangements during 2008 which will give a greater coherence and efficiency to the way in which the Group operates, and particularly in the area of fundraising and branding. We will also be opening another subsidiary charity Depaul USA, beginning our work in the Germantown area of Philadelphia.

As well as encouraging subsidiarity, and taking decision making as close to the grassroots level as possible, the Depaul Foundation also wishes to engender a spirit of solidarity. With this in mind in the coming year we will be developing Group objectives concerning growth, consolidation, and ensuring that staff and trustees across the Group are familiar with and supportive of our vision, mission and values.

This report covers the activities of the Depaul Foundation as parent company and also brings together the consolidated accounts of the Group. For more detailed information on each subsidiary, individual accounts and reports are available from their respective national offices – contact details for all parts of the Group can be found at [www.depaulfoundation.org](http://www.depaulfoundation.org)

Mark McGreevy

Group Chief Executive

## Council of Management report year to 31 December 2007

### Structure, Governance and Management

The Depaul Foundation 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:

- the relief of poverty, homelessness and financial hardship;
- the advancement of education; and
- such other exclusively charitable objects or exclusively charitable purposes as the Trustees may from time to time decide can usefully be pursued for the public benefit; nationally and internationally and by such exclusively charitable means as the Trustees may determine ("the Objects").

The governing body of the charity is the Council of Management, which comprises a membership of up to 21 with 14 places taken in 2007 (2006: 13).

The Council of Management manages the process for the recruitment and appointment of new trustees and the Chair of the Council of Management, and decides on the appropriate process for recruiting new trustees, based on an evaluation of the balance of diverse skills and experience needed to govern a charity. Policies relating to recruitment and appointment of trustees will be further developed following the review of governance arrangements in 2008. Newly appointed trustees receive a letter of appointment, an induction programme covering responsibilities and involvement outside of formal trustees' meetings.

The subscribing members of the Depaul Foundation are:

Charles Leeming, Timothy Haigh (originally representing Depaul Trust (UK) in the capacity of its Chair, until the appointment of Jonathan Wilkes in October 2007) and Patrick Murray (originally representing Depaul Trust (Ireland) in the capacity of its Chair, and later Depaul Trust (Northern Ireland) as Chair). In March 2007 Patrick Murray resigned as a Trustee of Depaul Foundation.

The appointed members from other branches of the Vincentian Family are:

Anne Sturm who is appointed by the Executive Board of AIC (Association Internationale des Charités); Sister Margaret Barrett who is appointed by the Sisters of Charity of St Vincent de Paul (and represented by Sister Ellen Flynn at meetings); and Father Paul Roche who is appointed by the Congregation of the Mission.

## Council of Management report year to 31 December 2007

The appointed members from national subsidiaries are:

Reverend Jonathan Wilkes, Chair of Depaul Trust (UK) (appointed October 2007) and Father Terence Phipps who are appointed representatives of Depaul Trust (UK); Herbert Graham, Chair of Depaul Trust (Ireland) and Laurence Tuomey who are appointed representatives of Depaul Trust (Ireland); Father Vitaliy Novak CM (who was to represent Depaul Kharkiv in Ukraine as Chair of Trustees following its formal registration, but who was subsequently appointed as its Director, and he therefore resigned from Depaul Foundation board 6 July 2007); and Father Paul Roche who therefore took on a dual role from July 2007, when he was elected Chair of Trustees of Depaul Kharkiv. Charles Leeming is also currently in a dual role, as Chair of Trustees of Depaul Slovensko.

The elected members are:

Her Grace The Duchess of Norfolk; Lady Arnold; and Christopher Dick (appointed 16 March 2007).

Trustees are normally elected for a period of three years and may be re-elected for a further three-year period. In exceptional cases periods of office may be extended.

### 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. Transactions with the subsidiary charities included collection of affiliation fees and payments for use of staff and premises.

### Statement of Trustees' 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 a 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 steps that he/she ought to have taken as a 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.

## Council of Management report year to 31 December 2007

This confirmation 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.

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

### Risk Management

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

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

As part of the Charity's risk management process the trustees acknowledge their responsibility for the Charity's system of internal controls and reviewing its effectiveness. It is also recognised by the Trustees that such a system is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss.

The trustees, through the executive directors, have set policies on risk and internal controls, which cover the following:

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

## Council of Management report year to 31 December 2007

During the year, the major strategic and operational risks that Depaul Foundation faces, and the ways in which they are being monitored, managed and mitigated, were assessed by the senior management team (SMT) and considered by the trustees. Additionally SMT continues to assess the risks (as identified in the risk register) regularly during the year.

Depaul Trust (Ireland) and Depaul Trust (UK) produce a risk map and register, which are formally reviewed and agreed by their trustees and this information is made available to trustees of the Depaul Foundation.

Risk assessments have been undertaken for Depaul Slovensko and Depaul Kharkiv as part of the development and incorporation process. Policies for services and finance have been developed to mitigate the major risks.

### Our Structure

The Depaul Foundation has a staff team comprising

Group Chief Executive	Mark McGreevy
Group Finance Director	Ros Avery (part-time)
Programmes Director	Pat Doherty (from 1 July 2007)
PA to Group Chief Executive	Alison Veasey

All other services e.g. Human Resources, Finance, I.T. are provided by Depaul Trust (UK) for a charge.

### Our Aims

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

### Our Mission is

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

### Our Values

- The Depaul Foundation celebrates the potential of people.
- The Depaul Foundation puts its words into action.
- The Depaul Foundation aims to take a wider role in civil society.
- The Depaul Foundation believes in rights and responsibilities.

### Strategic Objectives

The following strategic objectives have been agreed:

- The Depaul Foundation will provide a focus of unity, stability and continuity to enable the Depaul subsidiaries to grow and develop.
- The Depaul Foundation will be a resource to develop and protect our shared Vincentian Vision, Mission and Values.
- The Depaul Foundation will provide a platform to extend the work of the group outside the UK and Ireland.

## Council of Management report year to 31 December 2007

### Aims, Achievements and Future Plans

#### Development of the Group

In 2007 we had the following aims:

- Finalise registration of Depaul Kharkiv as charity or local equivalent operating within Ukraine;
- Appoint and induct trustees and staff in Kharkiv and begin service delivery; and
- Investigate needs in other countries in the region

#### Achievements in 2007

Progress has been made in all areas outlined below:

- Depaul Kharkiv was registered on 17 April 2007. A building was identified belonging to the Congregation of the Mission to be leased at a peppercorn rent. Depaul Kharkiv now provides an outreach service feeding 200 individual street children each month (aged 7-18) by visiting different parts of the city with a minibus providing hot food and support.
- Depaul Kharkiv also provided management support for the parish to run a morning day centre providing food, clothing, primary medical services and welfare advice for the same street children and an afternoon day centre providing food and educational services for children at risk of homelessness. Unfortunately it is taking more time than was anticipated for Depaul Kharkiv to deliver these projects as there are currently local issues relating to registration of these activities.
- Depaul Slovenkso now has a fully working local Supervisory Board.
- Service delivery continues in Bratislava providing shelter for up to 200 homeless adults. Land has been identified in order to secure purpose-built accommodation for the future.
- A strategic decision was made by Trustees in March 2007 to investigate setting up a new subsidiary in the USA, and the decision to go ahead with registering Depaul USA was taken at the end of December 2007. Funding has been secured to start a project in Germantown, Philadelphia to work with 25 homeless adults in one of the poorest wards in the USA.
- Contacts have been followed up in other countries in Central and Eastern Europe, to explore where there may be hardship and need. However, Trustees agreed in March 2007 not to look at further new subsidiaries until after 2010 to allow consolidation of existing subsidiaries and the development of Depaul USA.

## Council of Management report year to 31 December 2007

### In 2008 we will

- Continue to provide support to the subsidiaries Slovakia and Kharkiv;
- Continue to negotiate for the opening of the day centre and nightshelter services to be run by Depaul Kharkiv.
- Investigate the opening of a further hostel in Kharkiv in partnership with the Oriani Sisters, another religious order in Kharkiv.
- Secure planning permission and funding to build the new shelter in Bratislava;
- Appoint local trustees in Depaul Kharkiv and Depaul Slovensko;
- Continue to investigate need in other countries in Central and Eastern Europe, and maintain contact with those already identified;
- Complete the registration of Depaul USA as a non-profit organisation, appoint and induct trustees and staff, and begin service delivery at the new move-on hostel project in Philadelphia for 25 homeless men.

### Vincentian Values

#### In 2007 we had the following aims:

- Introduce formal training programme on the Vincentian Values.

#### Achievements in 2007

- A second Vincentian Values in Leadership Programme was run for 13 staff, including participants from Depaul Slovensko and Depaul Kharkiv;
- Participants from the pilot course in 2006 continue to keep in contact and use their learning in their work with Depaul.

#### In 2008 we will

- Continue to run the formal training programme on Vincentian Values, this time for 14 staff;
- Organise a follow-up evaluation session for the 2007 participants.

## Council of Management report year to 31 December 2007

### General

In 2007 we had the following aims:

- Continue to provide support to Depaul Trust (UK), Depaul Trust (Ireland) and Depaul Slovensko (and Depaul Kharkiv upon its inclusion within the Group);
- Continue to improve support mechanisms and policy frameworks within the Foundation;
- Review the potential for fundraising from individuals across the group; and
- Continue joint working on tackling people trafficking across Europe.

### Achievements in 2007

- A Programmes Director was appointed to increase support available to the subsidiaries, and with particular reference to Depaul Slovensko and Depaul Kharkiv;
- Group policies have been developed and a policy framework is in progress;
- Senior Managers across the Group have met regularly to agree areas where work can be done collaboratively, particularly in relation to the potential of group-wide policies and systems, communication and IT;
- A working party drawn from Trustee bodies across all the subsidiaries and the Foundation was set up to review governance across the Group, and to assess the potential for fundraising across the Group. This report will be presented to the Board in April 2008;
- The Group Senior Executives of the Depaul Foundation have met both individually and collectively with the Senior Executives of the subsidiaries Depaul Trust UK and Ireland in order to offer support and, where appropriate, co-ordinate activities;
- We began to plan joint working on tackling people trafficking across Europe.

### In 2008 we will

- Continue to provide support to the subsidiaries of Depaul Foundation in UK, Ireland, Slovakia, Ukraine and the new subsidiary in the USA;
- Continue to identify and investigate needs in other countries;
- Complete the review of governance arrangements across the Group and implement recommendations;
- Take forward recommendations from the working party on fundraising across the group; and
- Continue joint working on tackling people trafficking across Europe.

## Council of Management report year to 31 December 2007

### Financial Review

#### Review of results

The Depaul Foundation Group raised a total of £12.5m in the year ended 31 December 2007 (2006: £11.1m) through both voluntary and statutory sources, an increase of 13%. Total expenditure for the year was £12.0m (2006: £11.2m). The results for the year to 31 December 2007 are set out in the Consolidated Statement of Financial Activities on pages 15-16 and the financial position at 31 December 2007 is shown in the Balance sheets on page 17.

#### Reserves

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

The Charity aims to build free reserves to a level which will provide a minimum of 12% of the annual resources expended by the Foundation. At 31 December 2007 that level should be at least £40k compared to free funds which stand at £70k. The trustees have agreed a plan that aims to build reserves as the Group grows.

Each subsidiary of the Group will develop its own reserves policy.

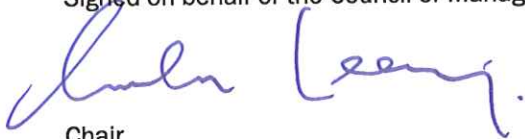
The Council of Management considers that there are sufficient reserves held at year end to avoid an unacceptable level of disruption to the organisation in the event of a downturn in future income. The Council of Management continues to adopt policies and procedures to build up the reserves to a sufficient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

#### 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

Approved on:

2nd July 2008

## **Independent Auditor's report 31 December 2007**

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

We have audited the financial statements on pages 15 to 30 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 19 to 20.

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 trustees and auditors**

As described on page 7 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 financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. 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 and are properly prepared in accordance with the Companies Act 1985. We report to you whether, in our opinion, the information in the Council of Management report is consistent with the financial statements. We also report to you 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 financial statements. 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 any other information.

### **Basis of opinion**

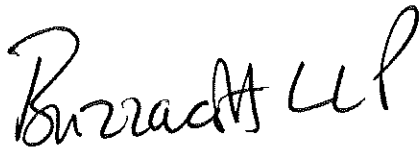
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council of Management in the preparation of the financial statements, 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 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.

Independent Auditor's report 31 December 2007

In our opinion the financial statements:

- 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 financial statements.



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



Consolidated statement of financial activities for the year to 31 December 2007  
(incorporating the Income and Expenditure account)

	Notes	Restricted funds £'000	Un-restricted funds £'000	Group Year to 31 Dec 2007 Total funds £'000	Group Year to 31 Dec 2006 Total funds £'000	Charity Year to 31 Dec 2007 Total funds £'000	Charity Year to 31 Dec 2006 Total funds £'000
<b>Income and Expenditure</b>							
<b>Incoming resources</b>							
<b>Incoming resources from generated funds</b>							
Voluntary income	1	2,027	110	2,137	2,104	280	215
Activities for generating funds	2	28	-	28	19	-	-
Investment income	3	53	7	60	42	7	3
<b>Total incoming resources from generated funds</b>		<b>2,108</b>	<b>117</b>	<b>2,225</b>	<b>2,165</b>	<b>287</b>	<b>218</b>
<b>Incoming resources from charitable activities</b>							
Accommodation and resettlement		8,543	-	8,543	7,674	-	-
Employment and training		125	-	125	329	-	-
Prison work and resettlement		185	-	185	142	-	-
Work in the Community		388	-	388	236	-	-
Family Mediation		264	-	264	226	-	-
Volunteering and mentoring		116	-	116	186	-	-
International development subscriptions		-	-	-	-	175	118
Other charitable activities		39	-	39	4	-	-
<b>Incoming resources from charitable activities</b>	4	<b>9,660</b>	<b>-</b>	<b>9,660</b>	<b>8,797</b>	<b>175</b>	<b>118</b>
Other incoming resources		411	1	412	89	1	2
Capital receipts		201	-	201	73	-	-
<b>Total incoming resources</b>		<b>12,380</b>	<b>118</b>	<b>12,498</b>	<b>11,124</b>	<b>463</b>	<b>338</b>
<b>Resources expended</b>							
Costs of generating funds		(740)	(12)	(752)	(792)	(12)	-
Governance Costs		(40)	(13)	(53)	(65)	(13)	(16)
<b>Net incoming resources available for charitable application</b>		<b>11,600</b>	<b>93</b>	<b>11,693</b>	<b>10,267</b>	<b>438</b>	<b>322</b>
<b>Resources expended on charitable activities</b>							
Accommodation and resettlement		8,938	-	8,938	8,093	91	-
Employment and training		472	-	472	549	-	-
Prison work and resettlement		617	-	617	538	-	-
Work in the Community		421	-	421	340	-	-
Family Mediation		316	-	316	296	-	-
Volunteering and mentoring		232	4	236	265	24	-
International development		(6)	197	191	170	197	170
Other charitable activities		4	-	4	52	-	-
<b>Resources expended on charitable activities</b>		<b>10,994</b>	<b>201</b>	<b>11,195</b>	<b>10,303</b>	<b>312</b>	<b>170</b>
<b>Total resources expended</b>	5	<b>11,774</b>	<b>226</b>	<b>12,000</b>	<b>11,160</b>	<b>337</b>	<b>186</b>
<b>Net incoming resources / (resources expended) before transfers</b>		<b>606</b>	<b>(108)</b>	<b>498</b>	<b>(36)</b>	<b>126</b>	<b>152</b>

Consolidated statement of financial activities for the year to 31 December 2007  
(incorporating the Income and Expenditure account)

	Notes	Restricted funds £'000	Un-restricted funds £'000	Group Year to 31 Dec 2007 Total funds £'000	Group Year to 31 Dec 2006 Total funds £'000	Charity Year to 31 Dec 2007 Total funds £'000	Charity Year to 31 Dec 2006 Total funds £'000
Comprises:							
Income		12,380	118	12,498	11,124	463	338
Expenditure		(11,774)	(226)	(12,000)	(11,160)	(337)	(186)
Net income / (expenditure) before transfers		606	(108)	498	(36)	126	152
Transfers between funds	14	(175)	175	-	-	-	-
Net income / (expenditure) before other recognised gains and losses		431	67	498	(36)	126	152
Other recognised gains and losses							
Exchange differences		22	-	22	(4)	-	-
NET MOVEMENT IN FUNDS		453	67	520	(40)	126	152
FUND BALANCES brought forward at 1 January		4,458	60	4,518	4,558	160	8
FUND BALANCES at end of year	15	4,911	127	5,038	4,518	286	160

All gains and losses recognised in the year are included in the consolidated statement of financial activities.

The notes on pages 19 to 30 form part of these accounts.

Included in the incoming resources of the charity for the year ended 31<sup>st</sup> December 2007 is restricted income of £170,000, of which £29,000 for Slovensko and £30,000 for USA was unspent and carried forward in the balance sheet at the year end date.

## Balance sheets at 31 December 2007

	Notes	Group 31 December 2007 £'000	Group 31 December 2006 £'000	Charity 31 December 2007 £'000	Charity 31 December 2006 £'000
<b>Fixed assets</b>					
Tangible fixed assets	9	3,010	2,900	2	2
Programme related investments	9	47	47	-	-
<b>Current assets</b>					
Debtors	10	1,265	1,472	64	40
Investments		28	21	-	-
Cash at bank and in hand		3,213	1,320	263	163
<b>Total current assets</b>		<b>4,506</b>	<b>2,813</b>	<b>327</b>	<b>203</b>
Creditors: amounts falling due within one year	11	(2,381)	(1,067)	(43)	(45)
<b>Net current assets</b>		<b>2,125</b>	<b>1,746</b>	<b>284</b>	<b>158</b>
<b>Total assets less current liabilities</b>		<b>5,182</b>	<b>4,693</b>	<b>286</b>	<b>160</b>
<b>Creditors: amounts falling due after one year</b>					
Loans	12	(144)	(175)	-	-
<b>Total net assets</b>		<b>5,038</b>	<b>4,518</b>	<b>286</b>	<b>160</b>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Restricted funds	13	4,911	4,458	159	100
<b>Unrestricted funds:</b>					
<b>Designated funds</b>					
. Fixed assets		2	2	2	2
. Slovensko		55	0	55	0
		57	2	57	2
General funds		70	58	70	58
<b>Total funds</b>		<b>5,038</b>	<b>4,518</b>	<b>286</b>	<b>160</b>

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

*2nd July 2008*

and signed on their behalf by:

*Andrew Leamy*

Chair

## Consolidated cash flow statement for the year to 31 December 2007

	Notes	Year to 31 December 2007 £'000	Year to 31 December 2006 £'000
Net cash inflow from operating activities	B	2,145	(292)
Returns on investments and servicing of finance			
Interest received		60	42
Loan interest paid		(28)	(12)
		32	30
Capital expenditure and financing investments			
Payments to acquire tangible fixed assets		(266)	(332)
Proceeds from disposal of tangible fixed assets		-	340
Net cash inflow / (outflow) before financing		1,911	(254)
Financing			
Repayment of loans		(28)	(63)
Capital element of finance lease rental payments		10	3
		(18)	(60)
Increase / (decrease ) in cash in the year		1,893	(314)
Net cash resources at beginning of year		1,320	1,634
Net cash resources at 31 December 2007	A	3,213	1,320

### NOTE A

Reconciliation of net cash flow to movement in net funds	Opening Balances £'000	Cashflows £'000	Other changes £'000	Closing Balances 31 December 2007 £'000
Cash at bank and in hand	1,320	1,893	-	3,213
Loans due within one year	(27)	(9)	-	(36)
Loans due after one year	(175)	37	-	(138)
Finance leases	(2)	(10)	-	(12)
Net funds	1,116	1,911	-	3,027

### NOTE B

Reconciliation of net incoming resources to net cash inflow from operating activities	31 December 2007 £'000	31 December 2006 £'000
Net incoming / (outgoing) resources	520	(40)
Depreciation charge for year	181	156
Loss on disposal of fixed assets	-	28
Receipt of donated assets	(25)	-
Change in investments	(7)	(2)
Interest receivable	(60)	(42)
Loan interest payable	28	12
Increase / (decrease) in stock	-	(1)
Decrease / (increase) in debtors	207	(319)
Increase / (decrease) in creditors	1,301	(84)
Net cash inflow from operating activities	2,145	(292)

## Principal accounting policies – 31 December 2007

### 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 the Depaul Foundation Group for the year ended 31 December 2007 comprise the statements of financial activities (SOFA), the balance sheets and the cash flow statements of Depaul Foundation (the "Charity") and its subsidiary charitable companies.

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.

### Incoming resources

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

#### *Incoming resources from generated funds*

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

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

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

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

#### *Incoming resources from charitable activities*

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

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

### 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 purposes and includes grants payable, direct staff and other costs attributable to those activities including allocated support costs.

## Principal accounting policies – 31 December 2007

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

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 finance department costs which have been allocated on the basis of direct costs in 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 year end.

### Pension scheme

Depaul Foundation, Depaul Trust (UK) and Depaul Trust (Ireland) operate group personal pension schemes. Contributions payable for the year 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. From 2007, freehold 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

Vehicles and equipment used in programmes outside the European Union are not capitalised but are charged in full to charitable expenditure when purchased. This reflects the different circumstances in such projects.

### Fund accounting

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

### Leased assets

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the consolidated statement of financial activities evenly over the period of the lease. Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to the consolidated statement of financial activities over the period of the lease.

## Notes to the accounts – 31 December 2007

Notes 1 – 7 refer to the Group and Notes 8 – 17 refer to both the Group and the Charity

### 1. Incoming resources from generated funds: Voluntary income

	Restricted funds	Unrestricted funds	2007 Total funds	2006 Total funds
	£'000	£'000	£'000	£'000
Donations from individuals	241	68	309	241
Legacies	21	-	21	53
Churches, SVP, schools and other societies	282	2	284	357
Corporate donations	361	5	366	404
Grant making trusts	1,096	35	1,131	888
Gifts in Kind	26	-	26	161
<b>Voluntary income</b>	<b>2,027</b>	<b>110</b>	<b>2,137</b>	<b>2,104</b>

### 2. Incoming resources from generated funds: Activities for generating funds

	Restricted funds	Unrestricted funds	2007 Total funds	2006 Total funds
	£'000	£'000	£'000	£'000
Group				
Events	28	-	28	19

### 3. Incoming resources from generated funds: Investment income

	Restricted funds	Unrestricted funds	2007 Total funds	2006 Total funds
	£'000	£'000	£'000	£'000
Group				
Dividend income – UK listed investments	8	-	8	6
Interest bearing deposits	45	7	52	36
<b>Investment income</b>	<b>53</b>	<b>7</b>	<b>60</b>	<b>42</b>

### 4. Incoming resources from charitable activities: restricted funds

	Grants for project work	Rents and charges to residents	Other income	2007 Restricted funds	2006 Restricted funds
	£'000	£'000	£'000	£'000	£'000
Accommodation and resettlement	7,400	1,115	28	8,543	7,674
Employment and training	124	-	1	125	329
Prison work and resettlement	185	-	-	185	142
Work in the Community	381	-	7	388	236
Family Mediation	263	-	1	264	226
Volunteering and mentoring	114	-	2	116	186
Other charitable activities	-	-	39	39	4
<b>Total activities restricted funds</b>	<b>8,467</b>	<b>1,115</b>	<b>78</b>	<b>9,660</b>	<b>8,797</b>

Notes to the accounts – 31 December 2007

5 Resources expended

	Direct staff and volunteer costs	Other direct costs	Support costs	2007 Resources expended	2006 Resources expended
	£'000	£'000	£'000	£'000	£'000
<b>Costs of generating funds and governance</b>					
Costs of generating funds	503	139	110	752	792
Governance	2	50	1	53	65
	<u>505</u>	<u>189</u>	<u>111</u>	<u>805</u>	<u>857</u>
<b>Charitable activities</b>					
Accommodation and resettlement	5,399	1,762	1,777	8,938	8,093
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	340
Family mediation	207	28	81	316	296
Volunteering and mentoring	198	9	29	236	265
International development	173	3	15	191	170
Other charitable activities	-	4	-	4	52
	<u>6,834</u>	<u>2,068</u>	<u>2,293</u>	<u>11,195</u>	<u>10,303</u>
<b>Total resources expended</b>	<u>7,339</u>	<u>2,257</u>	<u>2,404</u>	<u>12,000</u>	<u>11,160</u>
<b>Total resources expended 2006</b>	<u>6,938</u>	<u>2,020</u>	<u>2,202</u>	<u>11,160</u>	

Analysis of Support Costs

	Direct staff and volunteer costs	Other direct costs	2007 Support costs	2006 Support costs
	£'000	£'000	£'000	£'000
Services	550	16	566	610
Human Resources	292	4	296	345
Finance	396	58	454	376
Central Administration	294	293	587	569
Regional Administration	411	90	501	302
<b>Total support costs</b>	<u>1,943</u>	<u>461</u>	<u>2,404</u>	<u>2,202</u>
<b>Total support costs 2006</b>	<u>1,845</u>	<u>357</u>	<u>2,202</u>	

## Notes to the accounts – 31 December 2007

### 6 Net incoming resources

This is stated after charging (crediting):

	2007	2006
	£'000	£'000
Auditor's remuneration		
o Audit of consolidated accounts	6	9
o Other fees paid to auditors (subsidiary charity auditors)	4	-
o Subsidiary charity auditors	29	29
Depreciation charge for period	181	156
Operating lease rentals		
o Land and buildings	426	410
o Plant and machinery	7	4
Interest payable	28	12
Interest receivable	(60)	(42)

### 7 Staff and volunteer costs

Staff and volunteer costs during the period were as follows:

	2007	2006
	£'000	£'000
Wages and salaries	7,617	6,988
Social security costs	740	687
Pension costs	139	118
	8,496	7,793
Volunteers expenses	149	136
Specialist and agency staff	198	323
Training, travel, insurance and recruitment	439	531
	9,282	8,783

The Depaul Foundation pension scheme is managed within the Depaul Trust (UK) scheme. The Depaul Trust (UK) 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 (UK). The scheme is open to all employees and has been adapted to meet Stakeholder Pension rules.

The Depaul Trust (Ireland) pension scheme operates as a contracted in, non-occupational, group personal pension scheme. The scheme uses Hibernian Life Insurance Company and is administered by Coyle Hamilton Willis Limited. The assets of the scheme are not held by Depaul Trust (Ireland). The scheme is open to all employees and has been adapted to meet Stakeholder Pension rules.

The employer contribution of both schemes is 5% of pensionable earnings. The contributions paid by the Group to pension schemes in the year amounted to £139,642 (2006: £117,646). There were contributions payable at the year end of £10,048 (2006: £11,349).

Notes to the accounts – 31 December 2007

7 Staff and volunteer costs (continued)

	Average number of full time equivalent employees		Average number of staff (headcount)	
	2007	2006	2007	2006
Charitable activities				
Accommodation and resettlement	219	216	227	224
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
International development	1	1	1	-
Cost of generating funds	11	12	11	12
Support and administration				
Services	13	14	13	15
Human Resources	5	5	5	5
Finance	9	7	10	8
Central administration	5	6	5	6
Regional administration	11	7	12	8
<b>Total</b>	<b>312</b>	<b>306</b>	<b>327</b>	<b>319</b>

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

Earnings bands of the highest paid executives	Group Number of employees		Charity Number of employees	
	2007	2006	2007	2006
£60,000 - £69,999	2	3	0	0
£70,000 - £79,999	3	2	1	1
	5	5	1	1

No members of the Council of Management of the Charity received remuneration in respect of their services during the period (2006: none). Travelling and accommodation expenses of £6,885 (2006: £5,844) for the 14 members of the Council of Management (2006: 13) were borne by the Charity.

8 Taxation

Depaul Foundation and its subsidiaries are registered charities and therefore are not liable to direct taxes on income derived from their charitable activities, as they fall 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	Leasehold property and refurbishment	Fixtures, fittings and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2007	2,440	520	969	-	3,929
Transfer of assets from CATalyst (UK)	-	-	100	-	100
Additions	222	15	28	1	266
Disposals	-	-	-	-	-
At 31 December 2007	2,662	535	1,097	1	4,295
Cost	2,447	535	1,097	1	4,080
Valuation 2003 – Aldo House	215	-	-	-	215
	2,662	535	1,097	1	4,295
Depreciation					
At 1 January 2007	20	149	860	-	1,029
Transfer of assets from CATalyst (UK)	-	-	75	-	75
Charge for period	19	55	127	-	201
Write back accumulated depreciation for freehold property	(20)	-	-	-	(20)
At 31 December 2007	19	204	1,062	-	1,285
Net book values					
At 31 December 2007	2,643	331	35	1	3,010
At 31 December 2006	2,420	371	109	-	2,900

Charity	Freehold property	Leasehold property and refurbishment	Fixtures, fittings and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2007	-	-	4	-	4
Additions	-	-	2	-	2
Disposals	-	-	-	-	-
At 31 December 2007	-	-	6	-	6
Cost	-	-	6	-	6
Valuation 2004 – Aldo House	-	-	-	-	-
	-	-	6	-	6
Depreciation					
At 1 January 2007	-	-	2	-	2
On disposals	-	-	2	-	2
Charge for period	-	-	-	-	-
At 31 December 2007	-	-	4	-	4
Net book values					
At 31 December 2007	-	-	2	-	2
At 31 December 2006	-	-	2	-	2

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

Fixtures, fittings and equipment includes assets with a net book value of £11,466 (2006: £1,985) which were held under finance leases. Depreciation of £4,906 (2006: £3,327) was charged during the period on assets held under finance leases.

## Notes to the accounts – 31 December 2007

### 9 Tangible fixed assets (continued)

Freehold property additions of £222,000 are costs incurred in the acquisition of Spring Gardens, London SE11 by Depaul Trust (UK). These costs were funded by a grant of £1,186,000 from Communities and Local Government (CLG) to enable Depaul Trust (UK) 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.

Depaul Trust (UK) merged with CATalyst NE on 24 July 2007. CATalyst NE provides a comprehensive range of services for homeless and disadvantaged young people in the North East; net transfer value to Depaul Trust (UK) at 24 July 2007 was £248,000 of which £25,000 was net tangible fixed assets.

#### Programme related investments

During the year ended 31 March 1999 Depaul Trust (UK) 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 (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 shown as a programme related investment.

### 10 Debtors

	Group		Charity	
	31 December 2007 £'000	31 December 2006 £'000	31 December 2007 £'000	31 December 2006 £'000
Government grants receivable	354	496	-	-
Other grants receivable	89	138	-	-
Rents and charges to residents	183	266	-	-
Sundry debtors and prepayments	639	572	4	-
Balance due from Depaul Trust (Ireland)	-	-	46	40
Balance due from Depaul Trust (UK)	-	-	14	-
	<b>1,265</b>	<b>1,472</b>	<b>64</b>	<b>40</b>

### 11 Creditors: amounts falling due within one year

	Group		Charity	
	31 December 2007 £'000	31 December 2006 £'000	31 December 2007 £'000	31 December 2006 £'000
Housing benefit overpaid	53	127	-	-
Trade creditors	262	198	2	2
Sundry creditors and accruals	308	281	10	12
Children's Society	35	35	-	-
Deferred income	1,497	168	27	-
Social security costs and other taxes	184	229	4	4
Finance Leases	6	2	-	-
Bank loan HSBC	26	17	-	-
Other loan London Housing Foundation	10	10	-	-
Balance due to Depaul Trust (UK)	-	-	-	27
	<b>2,381</b>	<b>1,067</b>	<b>43</b>	<b>45</b>

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

Notes to the accounts – 31 December 2007

12 Creditors: amounts falling due after more than one year

	Group		Charity	
	31 December 2007 £'000	31 December 2006 £'000	31 December 2007 £'000	31 December 2006 £'000
Bank loan <i>HSBC</i>	120	148	-	-
Other loan <i>London Housing Foundation</i>	18	27	-	-
Finance leases	6	-	-	-
	144	175	-	-

During 2004/2005 Depaul Trust (UK) obtained a bank loan of £250,000 to assist with the acquisition of Westbourne House St Stephens Crescent, London W2. The loan is secured on these premises, has a variable rate of interest, and is repayable over a period of 10 years. Capital of £120,000 is repayable in more than one year (2006: £148,000) of which £61,287 is repayable in more than five years (2006: £85,153).

13 Restricted Funds

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

Group	Opening balance at 1 January 2007 £'000	Incoming resources and gains £'000	Outgoing resources £'000	Transfer to Unrestricted Funds £'000	Closing balance at 31 December 2007 £'000
Depaul Foundation	100	170	(34)	(77)	159
<b>Subsidiaries restricted funds</b>					
Depaul Trust (UK)	4,180	7,399	(6,990)	(82)	4,507
Depaul Trust (Ireland)	173	4,761	(4,643)	(63)	228
Depaul Slovensko	5	48	(104)	46	(5)
Depaul Kharkiv	-	2	(3)	1	-
	4,358	12,210	(11,740)	(98)	4,730
<b>Subtotal</b>	4,458	12,380	(11,774)	(175)	4,889
Exchange difference and adjustment	-	22	-	-	22
<b>Total group restricted funds</b>	4,458	12,402	(11,774)	(175)	4,911

Charity	Opening balance at 1 January 2007 £'000	Incoming resources and gains £'000	Outgoing resources £'000	Transfer to Unrestricted Funds £'000	Closing balance at 31 December 2007 £'000
<b>Total charity restricted funds</b>	100	170	(111)	-	159

The details of the incoming resources and gains are set out in Notes 1 to 4 to the accounts.

Notes to the accounts – 31 December 2007

14 Unrestricted Funds

Group	At 1 January 2007 £'000	Incoming resources £'000	Outgoing resources £'000	Transfer from Restricted Funds £'000	Transfer to Designated Funds £'000	At 31 December 2007 £'000
General fund	58	118	(226)	175	(55)	70
Designated funds						
Fixed asset fund	2	-	-	-	-	2
Slovensko fund	-	-	-	-	55	55
<b>Total group unrestricted funds</b>	<b>60</b>	<b>118</b>	<b>(226)</b>	<b>175</b>	<b>-</b>	<b>127</b>

Charity	At 1 January 2007 £'000	Incoming resources £'000	Outgoing resources £'000	Transfer from Restricted Funds £'000	Transfer to Designated Funds £'000	At 31 December 2007 £'000
General fund	58	293	(226)	-	(55)	70
Designated funds						
Fixed asset fund	2	-	-	-	-	2
Slovensko fund	-	-	-	-	55	55
<b>Total charity unrestricted funds</b>	<b>60</b>	<b>293</b>	<b>(226)</b>	<b>-</b>	<b>-</b>	<b>127</b>

The transfer between restricted and unrestricted funds represents the net transfer of funds to the charity by its subsidiaries during the year. Transactions between group charities are eliminated in the group Statement of Financial Activities.

15 Analysis of net funds

Group	General fund £'000	Designated fund £'000	Restricted funds £'000	Total £'000
Fund balances at 31 December 2007 are represented by				
Tangible fixed assets	-	2	3,008	3,010
Programme related investment	-	-	47	47
Net current assets	70	55	2,000	2,125
Creditors; amounts falling due after one year	-	-	(144)	(144)
<b>Total net assets</b>	<b>70</b>	<b>57</b>	<b>4,911</b>	<b>5,038</b>

Charity	General fund £'000	Designated fund £'000	Restricted funds £'000	Total £'000
Fund balances at 31 December 2007 are represented by				
Tangible fixed assets	-	2	-	2
Net current assets	70	55	159	284
<b>Total net assets</b>	<b>70</b>	<b>57</b>	<b>159</b>	<b>286</b>

## Notes to the accounts – 31 December 2007

### 16 Commitments

#### Operating leases

Depaul Trust (UK) holds a lease on its central office in Borough High Street London SW1 where the annual rental commitment is £103,250 per annum. The lease is for 10 years (to May 2016) with a break clause every 4 years.

In 2007 Depaul Trust (UK) 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 (UK). 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.

Depaul Trust (UK) also 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.

Depaul Trust (UK) has 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.

Depaul Trust (Ireland) holds a lease on its central office in Nicholas Street Dublin 2 where the annual rent commitment is €2,000 per annum. The lease is for 2 years (to October 2008).

The balance of the operating lease rentals figure (land and buildings) in Note 6 relates to accommodation units held by Depaul Trust (UK) under the terms of Management Agreements with eight UK Registered Social Landlords.

#### Finance leases

Depaul Trust (UK) holds finance leases on certain operating assets. The total net future obligation is reflected in notes 11 and 12 and can be analysed as:

	31 December 2007 £'000	31 December 2006 £'000
Payable within		
: One year	6	2
: More than one year	6	-
Total	12	2

### 17 Group Results

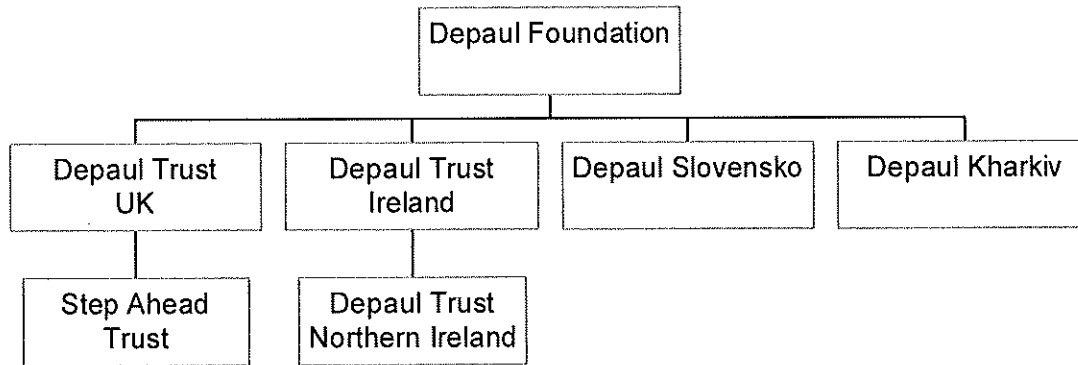
The Depaul Foundation was incorporated on 29 September 2004 to create a group structure to provide a focus of unity, stability and continuity to enable the existing Depaul subsidiaries at that time to grow and develop, to extend the work of the group outside the UK and Ireland by setting up new subsidiaries, and to ensure that the shared Vincentian ethos of the organisation was maintained throughout the organisation, especially as it developed and expanded its work into new countries.

Depaul Foundation is the parent company of Depaul Trust (Ireland) and its wholly owned subsidiary Depaul Trust (Northern Ireland), Depaul Trust (UK) and its wholly owned subsidiary Step Ahead Trust, Depaul Slovensko, and Depaul Kharkiv (registered on 17 April 2007).

Notes to the accounts – 31 December 2007

17 Group Results (continued)

The entities forming the Depaul Foundation Group of Charities as at 31<sup>st</sup> December 2007 are shown in the following structure



The structure forms a group, as parent companies have the power to appoint the majority of Trustees to the Board of Trustees of their subsidiary companies. Depaul Foundation has the right to appoint the majority of Trustees to the UK Board, the Ireland Board and the Slovensko Board.

A summary of the results of the individual members of the group for 2007 are shown below

	Foundation (standalone)	Kharkiv	Slovensko	Ireland (consolidated)	UK (consolidated)	Intra - group activities	Foundation (group) 2007	Foundation (group) 2006
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Incoming resources	463	18	109	4,761	7,399	(252)	12,498	11,124
Resources expended	(337)	(18)	(119)	(4,706)	(7,072)	252	(12,000)	(11,160)
Surplus / (deficit)	126	-	(10)	55	327	-	498	(36)
Exchange differences and adjustments	-	-	-	20	2	-	22	(4)
Net incoming / (outgoing) resources	126	-	(10)	75	329	-	520	(40)
Total net assets b/f 1 January 2007	160	-	5	173	4,180	-	4,518	4,558
Total net assets c/f 31 December 2007	286	-	(5)	248	4,509	-	5,038	4,518