

COPY OF
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Depaul International
(formerly known as Depaul Foundation)

Annual Report and Accounts

31 December 2008



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 (resigned as Chair 11th March 2009 and continues as ordinary member)

John Darley (appointed as trustee and Chair on 11th March 2009)

Ordinary Members

Her Grace The Duchess of Norfolk

Lady Elizabeth Arnold

Sister Margaret Barrett DC (represented by Sister Ellen Flynn DC)

Brother Peter Campbell (appointed 23rd April 2008)

Christopher Dick

Herbert Graham

Timothy Haigh

Fr Vitaliy Novak CM (appointed 11th March 2009)

Bernard O'Reilly (appointed 8th October 2008)

Rev Terence Phipps

Fr Paul Roche CM

Anne Sturm

Laurence J Tuomey

Jonathan Wilkes

Chief Executive

Mark McGreevy

Secretary

Mark McGreevy

Principal office and registered office

291 -299 Borough High Street

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SE1 1JG

E mail

mark.mcgreevy@depaulinternational.org

Telephone

020 7939 1220

Company registration number

5245818 (England and Wales)

Charity registration number

1107385

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

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		Formerly known as
The Charity	Depaul International	Depaul Foundation
Depaul Group	Depaul International and its subsidiaries	Depaul Foundation and its subsidiaries
Depaul Trust	A subsidiary of Depaul International	
Step Ahead Trust Limited	A subsidiary of Depaul Trust	
Depaul Ireland	A subsidiary of Depaul International	Depaul Trust (Ireland)
Depaul Northern Ireland	A subsidiary of Depaul Ireland	Depaul Trust (Northern Ireland)
Depaul Slovensko	A subsidiary of Depaul International	
Depaul Kharkiv	A subsidiary of Depaul International	
Depaul USA	A subsidiary of Depaul International	

Council of Management report year to 31 December 2008

Chair's Report

H.L. Mencken described self-respect as "the secure feeling that no one, as yet, is suspicious" which is fun, but not much help. We might better describe it as the secure feeling that we are valuable to ourselves and to each other. Self-respect is an important part of being human. Lose it, and we are lost.

Contempt for failure is one way. Another way is by giving help in a condescending way. Which is why our Vincentian Ethos requires us to value our clients as equals in an inclusive way. Their self-respect comes first. They share with us, and we share with them, in a single common endeavour.

The Depaul Group originated with Depaul Trust twenty years ago. During that time, demand-led, it has expanded its work for the homeless and deprived well beyond all original expectations. Recognising this continuing growth the parent company changed its name at the beginning of 2009 to Depaul International. It currently has five operating subsidiaries: Depaul Trust, Depaul Ireland, Depaul USA, Depaul Slovensko (in Slovakia) and Depaul Kharkiv (in Ukraine).

In 2008 we also engaged in a group-wide governance review which is now in the course of being implemented.

The Depaul Group consolidated accounts for 2008 start to show the effect of the current recession. This will continue to affect us throughout 2009 and into the next year, in common with other charities and commercial concerns. The extent of services we provide depends on a continuing close scrutiny of fund-raising and other revenue and expenditure. One important message for donors is that we continue to need all the help we can get.

While remaining as a Trustee, I handed over my baton as Chair of the parent company to John Darley in March 2009. He comes to this role with hands-on experience in an international group of companies. With Mark McGreevy, the Group Chief Executive, he will take forward the Depaul Group into the future. In this they will draw strength and inspiration from the worldwide Vincentian movement of which we form part. To both of them I offer my thanks and best wishes.

Charles Leeming

Retiring Chair

Council of Management report year to 31 December 2008

Group Chief Executive's Report

During 2008 Depaul Foundation Trustees agreed to change the name of the charity to Depaul International, to take effect from January 2009 onwards. This was so that external audiences were not confused that by calling ourselves a "Foundation" we were in fact a grant-giving body rather than a service delivery agency. It was also felt that the name Depaul International gave a greater clarity to the overseeing role of parent company across the Depaul Group.

For similar reasons Depaul Trust in the UK and Depaul Trust in Ireland agreed to change their names to Depaul UK and Depaul Ireland respectively. These changes will also take effect in 2009.

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

The primary responsibility of Depaul International is to ensure that all members of the Group are effectively governed and well managed, that our shared Vincentian ethos and values are protected and developed, and to take the lead in growing the Depaul Group into new territories.

This report covers the activities of Depaul International 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.depaulinternational.org

In summary, the major achievements of the respective subsidiaries are as follows:

During 2008 Depaul Trust

- Launched a new support planning process geared towards improved outcomes for clients
- Launched a virtual centre of excellence on self-harm in partnership with 42nd Street and Youthnet
- Extended family mediation work into a young offenders institution for the first time
- Renewed their contract to deliver floating support services to young people in North Tyneside
- Involved clients in the party conferences of the three main political parties

During 2008 Depaul Ireland and its subsidiary Depaul Northern Ireland

- Appointed a new Chief Executive – Kerry Anthony
- Introduced a sub-committee structure to support better governance
- Opened a new facility for street drinkers at James Street in Dublin
- Opened a new service for families in Clover Hill
- Was selected as preferred provider for a step down project by the National Forensic Mental Health Service
- Produced a film documentary on the lives of street drinkers

Group Chief Executive's Report (continued)

During 2008 Depaul Slovensko (Slovakia)

- Renamed its nightshelter St Vincent's and continued to develop its services, including medical interventions and an indoor waiting area for people during cold weather periods
- Opened an infirmary, St Louise's, with 30 bedspaces aimed at those people on the streets who are elderly, infirm or in need of hospice care
- Jointly ran a conference on homelessness with Nota Bene (Slovakian equivalent to The Big Issue) to which all agencies working with the homeless in Slovakia were invited

During 2008 Depaul Kharkiv (Ukraine)

- Continued to provide its outreach service "Depaulka" across the city of Kharkiv
- Reopened its day centre for homeless street children and those vulnerable to becoming homeless who are referred by the local authority
- Expanded its work into orphanages and assessment centres for homeless young people
- Agreed a development plan with the Orione Sisters for the opening of a shelter for homeless young people
- Worked closely with local and regional authorities to agree protocols on how they might work in partnership in future

During 2008 Depaul USA

- Registered as a company in Delaware and established its governance body
- Made the application for charitable 501c3 tax exempt status (granted in March 2009)
- Agreed the heads of terms for a lease for its first hostel
- Seconded a manager from Depaul Northern Ireland to set up its first project at Depaul House in Germantown, Philadelphia
- Began working on a fundraising strategy which resulted in securing support from the Office for Public Housing along with other private donations

The completion of the governance review was a joint piece of work across the Group as a whole and its outcomes will be acted upon during 2009. In particular this will mean a review of Depaul International's Memorandum and Articles and those of the subsidiaries. There will also be a new Group Agreement drawn up.

The Depaul Group continues to benefit from volunteers across all of its spheres of operation, including governance, administration, and in the practical work that we undertake on behalf of our beneficiaries. Attracting and developing volunteers continues to be an important priority.

Mark McGreevy

Group Chief Executive

Depaul International

Council of Management report year to 31 December 2008

Structure, Governance and Management

Our Structure

Depaul International 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").

Our Governance

The governing body of the charity is the Council of Management, which comprises a membership of up to 21 with 14 places taken in 2008 (2007: 14).

Following the review of governance arrangements, the policies relating to the recruitment and appointment of each type of trustee are as follows:

- Chairs of subsidiaries are appointed as trustees by right;
- Sponsor organisations nominate their own representatives who are then appointed as trustees by right; and
- The Council of Management manages the process for the recruitment and appointment of independent trustees. The Chair of the Council of Management will decide on the appropriate process for recruiting new trustees, usually by advertising the role, based on an evaluation of the balance of diverse skills and experience needed to govern the charity.

Newly appointed trustees receive a letter of appointment, an induction programme covering responsibilities and involvement outside of formal trustees' meetings.

The subscribing members of Depaul International currently serving are Charles Leeming and Timothy Haigh.

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 representing the Sisters of Charity of St Vincent de Paul (and represented by Sister Ellen Flynn at meetings); and Father Paul Roche representing the Congregation of the Mission. Bernard O'Reilly joined Depaul International as a trustee in October 2008 and is appointed by the Society of Vincent Depaul.

Council of Management report year to 31 December 2008

During 2008 the appointed members from national subsidiaries were:

Reverend Jonathan Wilkes, Chair of Depaul Trust and Father Terence Phipps who were appointed representatives of Depaul Trust; Herbert Graham, Chair of Depaul Ireland and Laurence Tuomey who were appointed representatives of Depaul Ireland; Brother Peter Campbell, Chair of Depaul USA (appointed 23 April 2008). In dual roles the following: Fr Paul Roche, Chair of Depaul Kharkiv (as well as a Vincentian Family representative); and Charles Leeming, Chair of Depaul Slovensko (as well as subscribing member and Chair of Depaul International).

The independently elected members are:

Her Grace The Duchess of Norfolk; Lady Arnold; and Christopher Dick.

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.

Our Management

Depaul International has a staff team comprising

Group Chief Executive	Mark McGreevy
Group Finance Director	Ros Avery, FCA (part-time)
Programmes Director	Pat Doherty
PA to Group Chief Executive	Alison Veasey

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

Aims, Achievements and Future Plans

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".

The Council of Management have 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 people who are our beneficiaries are at the heart of everything we do as we believe this report fully demonstrates.

Council of Management report year to 31 December 2008

Our Values

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

Strategic Objectives

During 2008 Depaul International worked on the formulation of a new 5-year rolling Corporate Plan which will become operational in 2009.

Depaul International has five strategic goals for 2009-2013

- To help those in greatest need
- To promote solidarity between rich and poor/east and west
- To ensure the sustainability of the Depaul Group
- To promote and support the Vincentian ethos of the Depaul Group
- To develop our global networks

Development of the Group

In 2008 we had the following aims:

- Continue to provide support to the subsidiaries in 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 Orione 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.

Council of Management report year to 31 December 2008

Achievements in 2008

Progress has been made in all areas outlined below:

➤ Depaul Kharkiv

- Last year we reported that it was taking longer than was anticipated for Depaul Kharkiv to deliver projects because there were local issues relating to registration of these activities. With funding from London Housing Foundation, we were able to facilitate a visit of four Ukrainian government staff to see our projects in the UK and Ireland and to meet with UK government staff. The visit was successful and we now have local support for our projects. Current projects are:
- Depaulka, 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;
- 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;
- A leaving-care project for 16-18 year olds within a state-run orphanage;
- Approved visits to prisons and state-run orphanages to support the children; and
- The Orione Sisters have started work on a building to use as a hostel for care leavers which will be operational in 2009, and managed by Depaul Kharkiv.

➤ Depaul Slovensko

- The local Depaul Slovensko Supervisory Board is working well and some of its members will take on the responsibility for the overall governance of Depaul Slovensko in January 2010.
- Service delivery continues in Bratislava providing shelter for up to 200 homeless adults.
- A new project was set up in October 2008, providing shelter and medical care for 30 of the more vulnerable adults.
- It was not possible to secure planning permission during the year. Work is progressing to find land or a building in order to secure purpose-built accommodation for the future but as yet nothing has been identified.

➤ Depaul USA

- A new subsidiary, Depaul USA, was registered in the USA on 20 May 2008, though registration of non-profit status (501c3) was still outstanding at the year end (completed March 2009).
- The new Depaul USA board has been appointed and trustees have been inducted; it is running well, under the Chairmanship of Brother Peter Campbell.
- An accommodation project in Germantown, Philadelphia has been set up to work with 25 homeless men from March 2009.
- We have received funding from the Office of Supported Housing in Philadelphia.

➤ Other

- 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 2008

Vincentian Values

In 2008 we had the following aims:

- 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.

Achievements in 2008

- A third Vincentian Values in Leadership Programme was run for 13 staff, including participants from Depaul Slovensko;
- A follow-up evaluation session was organised for the 2007 participants.

General

In 2008 we had the following aims:

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

Achievements in 2008

- The Senior Managers of Depaul International have met both individually and collectively with the Senior Managers of the subsidiaries in order to offer support and, where appropriate, co-ordinate activities particularly in relation to the potential of group-wide policies and systems, communication and IT.
- Contacts have been followed up in other countries to explore where there may be hardship and need. However, as referred to earlier, trustees agreed in March 2007 not to look at further new subsidiaries until after 2010.
- The work on people trafficking across Europe continued to make slow progress; however, we have met with several groups over the course of the year and hope to take this forward in the future.

Council of Management report year to 31 December 2008

- In July 2008, the board agreed proposals arising from the governance review and the working party on fundraising.
 - Change the names of Depaul Foundation to Depaul International, Depaul Trust (UK) to Depaul UK , Depaul Trust (Ireland) to Depaul Ireland and Depaul Trust (Northern Ireland) to Depaul Northern Ireland to give consistency across the Group;
 - Each Depaul to develop its own strap line to describe the work of the subsidiary;
 - Depaul International to hold a licence for names and logos and to form part of a new Group Agreement;
 - Principles for website development and protocols for fundraising across the Group;
 - Trustees currently on more than one board (other than the Chairs) to choose between International Board and a national subsidiary board to avoid conflicts of interest;
 - Changes to role description for subsidiary trustees nominated by Depaul International to ensure they are committed to developments across the Group;
 - Development of an audit tool to cover governance, quality, finance and fundraising, branding and sponsorship and management expectations (Philosophy of care);
 - Group meetings and reporting;
 - Future IT strategy;
 - Changes to legal documentation to reflect the above.

Some of these recommendations have already been implemented. There are plans for the remainder to be in place in 2009.

Future plans and objectives for 2009

Given our new strategic objectives, we will

Help those in greatest need by

- Developing the overall strategic direction for the Depaul Group;
- Continuing to support the development of the existing five Depaul Group subsidiaries, including agreeing levels of support for Directors of subsidiaries;
- Opening the hostel in Kharkiv in partnership with the Orione Sisters, which Depaul Kharkiv will manage;
- Lobbying Slovakian government for additional funding for the medical centre for the homeless in Bratislava and Securing planning permission and funding to build the new shelter in Bratislava;
- Completing the 501c3 registration of Depaul USA and starting service delivery at the new move-on hostel project in Philadelphia for 25 homeless men;
- Continuing to investigate need in other countries, such as France, Romania or Moldova, and maintaining contact with those already identified;
- Identifying areas for trans-national work across the Group; and
- Undertaking pro-bono or paid consultancy work for the Vincentian family, and other appropriate charities, to help them in their mission to the poor.

Council of Management report year to 31 December 2008

Promote solidarity between rich and poor/east and west by

- Developing fundraising materials, including the website, for the Depaul Group and organise one event promoting the work of the Depaul Group in each subsidiary's territory;
- Facilitating a cultural exchange with key government figures from Slovakia.

Ensure the sustainability of the Depaul Group by

- Completing the review of governance arrangements across the Group and implementing the recommendations;
- Appointing local trustees for Depaul Slovensko (in 2009) and agreeing a training plan for the new governance body;
- Beginning to identify potential trustees for Depaul Kharkiv, in preparation for transference of governance in 2010/2011;
- Developing an audit tool for agreed performance indicators across the Group;
- Recruiting a Fundraising Manager for Depaul International; and
- Researching how to grow an endowment fund to support central management costs of Depaul International.

Promote and support the Vincentian ethos of the Depaul Group by

- Continuing to run the formal training programme on Vincentian Values for trustees across the Group as well as staff and seeking university accreditation for the Vincentian Values course;
- Producing and building a library of materials to support the Depaul Group's Vincentian values; and
- Producing an audit tool to monitor the subsidiaries' support for the Vincentian ethos.

Develop our global networks by

- Building links with international bodies e.g. UN, EU and non-governmental organisations in the same field
- Continuing to build relationships with the Vincentian Family globally and other faith-based movements such as Caritas.

Council of Management report year to 31 December 2008

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.

A payment of £25,656 was made to the Vincentian Fathers (Congregation of the Mission) in Ukraine as a contribution towards the replacement of the roof on the day centre building in Kharkiv for which Depaul Kharkiv pay a peppercorn rent. Father Paul Roche, a trustee of Depaul International, is a member of this Congregation.

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.

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.

Council of Management report year to 31 December 2008

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.

During the year, the major strategic and operational risks that Depaul International 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 Ireland and Depaul Trust produce a risk map and register, which are formally reviewed and agreed by their trustees and this information is made available to trustees of Depaul International.

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

Council of Management report year to 31 December 2008

Financial Review

Review of results

Depaul Group raised a total income of £15.1m in the year ended 31 December 2008 (2007: £12.5m) through both voluntary and statutory sources, an increase of 21%. Total expenditure for the year was £14.8m (2007: £12.0m). The overall surplus for the group for the year was £323,000 (2007: £498,000). The results for the year to 31 December 2008 are set out in the Consolidated Statement of Financial Activities on pages 18-19 and the financial position at 31 December 2008 is shown in the Balance sheets on page 20. An analysis of the results by organisation can be found at note 17 to the accounts.

Depaul International raised a total income of £536,000 in the year ended 31 December 2008 (2007: £463,000) through both voluntary and statutory sources, an increase of 16%. Total expenditure for the year was £635,000 (2007: £337,000). The overall deficit for the charity for the year was £99,000 compared with a surplus of £126,000 in 2007.

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.

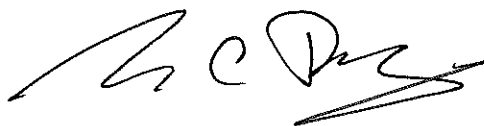
The Charity aims to build free reserves to a level which will provide a minimum of 12% of the annual resources expended by Depaul International. The annual resources expended by Depaul International (excluding grants to Depaul and other organisations) amounted to £375,000. At 31 December 2008 the level of free reserves should be at least £45k compared to actual free funds which stand at £75k. 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.

Signed on behalf of the Council of Management:

Chair



Approved on:

June 24, 2009.

Independent Auditors' report 31 December 2008

Report of the independent auditors to the members of Depaul International

We have audited the financial statements on pages 18 to 34 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 22 to 23.

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 13 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 2008

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 2008 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.

Buzacott LLP

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

30 July 2009

Consolidated statement of financial activities for the year to 31 December 2008
(incorporating the Income and Expenditure account)

	Notes	Restricted funds £'000	Un-restricted funds £'000	Group Year to 31 Dec 2008 Total funds £'000	Group Year to 31 Dec 2007 Total funds £'000	Charity Year to 31 Dec 2008 Total funds £'000	Charity Year to 31 Dec 2007 Total funds £'000
Income and Expenditure							
Incoming resources							
Incoming resources from generated funds							
Voluntary income	1	2,081	202	2,283	2,137	315	280
Activities for generating funds	2	42	5	47	28	6	-
Investment income	3	74	8	82	60	8	7
Total incoming resources from generated funds		2,197	215	2,412	2,225	329	287
Incoming resources from charitable activities							
Accommodation and resettlement		10,671	-	10,671	8,543	-	-
Employment and training		124	-	124	125	-	-
Prison work and resettlement		263	-	263	185	-	-
Work in the Community		190	-	190	388	-	-
Family Mediation		306	-	306	264	-	-
Volunteering and mentoring		82	-	82	116	-	-
International development subscriptions		-	-	-	-	191	175
Other charitable activities		56	-	56	39	-	-
Incoming resources from charitable activities	4	11,692	-	11,692	9,660	191	175
Other incoming resources		83	3	86	412	16	1
Receipts for capital project	9	949	-	949	201	-	-
Total incoming resources		14,921	218	15,139	12,498	536	463
Resources expended							
Costs of generating funds		(701)	(47)	(748)	(752)	(47)	(12)
Governance Costs		(74)	(8)	(82)	(53)	(23)	(13)
Net incoming resources available for charitable application		14,146	163	14,309	11,693	466	438
Resources expended on charitable activities							
Accommodation and resettlement		11,121	43	11,164	8,938	206	91
Employment and training		459	-	459	472	-	-
Prison work and resettlement		557	-	557	617	-	-
Work in the Community		382	26	408	421	26	-
Family Mediation		336	-	336	316	-	-
Volunteering and mentoring		209	-	209	236	22	24
International development		5	311	316	191	311	197
Other charitable activities		-	-	-	4	-	-
Exceptional impairment charge on property	9	537	-	537	-	-	-
Resources expended on charitable activities		13,606	380	13,986	11,195	565	312
Total resources expended	5	14,381	435	14,816	12,000	635	337
Net incoming resources / (resources expended) before transfers		540	(217)	323	498	(99)	126

Consolidated statement of financial activities for the year to 31 December 2008
(incorporating the Income and Expenditure account)

	Notes	Restricted funds £'000	Un-restricted funds £'000	Group Year to 31 Dec 2008 Total funds £'000	Group Year to 31 Dec 2007 Total funds £'000	Charity Year to 31 Dec 2008 Total funds £'000	Charity Year to 31 Dec 2007 Total funds £'000
Comprises:							
Income		14,921	218	15,139	12,498	536	463
Expenditure		(14,381)	(435)	(14,816)	(12,000)	(635)	(337)
Net income / (expenditure) before transfers		540	(217)	323	498	(99)	126
Transfers between funds	13,14	(176)	176	-	-	-	-
Net income / (expenditure) before other recognised gains and losses		364	(41)	323	498	(99)	126
Other recognised gains and losses							
Loss on revaluation of fixed assets		(44)	-	(44)	-	-	-
Exchange differences		109	2	111	22	2	-
NET MOVEMENT IN FUNDS		429	(39)	390	520	(97)	126
FUND BALANCES brought forward at 1 January		4,911	127	5,038	4,518	286	160
FUND BALANCES at end of year	15	5,340	88	5,428	5,038	189	286

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

The notes on pages 24 to 34 form part of these accounts.

Included in the incoming resources of the charity for the year ended 31st December 2008 is restricted income of £120,000 of which £1,000 for Vincentian Values was unspent and carried forward in the balance sheet at the year end date.

Balance sheets at 31 December 2008

	Notes	Group 31 December 2008 £'000	Group 31 December 2007 £'000	Charity 31 December 2008 £'000	Charity 31 December 2007 £'000
Fixed assets					
Tangible fixed assets	9	3,298	3,010	1	2
Programme related investments	9	47	47	-	-
Current assets					
Debtors	10	819	1,265	24	64
Investments		18	28	-	-
Cash at bank and in hand		3,076	3,213	211	263
Total current assets		3,913	4,506	235	327
Creditors: amounts falling due within one year	11	(1,729)	(2,381)	(47)	(43)
Net current assets		2,184	2,125	188	284
Total assets less current liabilities		5,529	5,182	189	286
Creditors: amounts falling due after one year					
Loans	12	(101)	(144)	-	-
Total net assets		5,428	5,038	189	286
Represented by:					
Funds and reserves					
Restricted funds	13	5,340	4,911	101	159
Unrestricted funds:					
Designated funds					
. Fixed assets		1	2	1	2
. Slovensko		12	55	12	55
		13	57	13	57
General funds		75	70	75	70
Total funds		5,428	5,038	189	286

The accounts were approved by the members of the Council of Management on 24 June 2009

and signed on their behalf by:



Chair

Consolidated cash flow statement for the year to 31 December 2008

	Notes	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Net cash inflow from operating activities	B	867	2,145
Returns on investments and servicing of finance			
Interest received		82	60
Loan interest paid		(36)	(28)
		46	32
Capital expenditure and financing investments			
Payments to acquire tangible fixed assets		(1,008)	(266)
Net cash (outflow) / inflow before financing		(95)	1,911
Financing			
Repayment of loans		(36)	(28)
Capital element of finance lease rental payments		(6)	10
		(42)	(18)
(Decrease) / increase in cash in the year		(137)	1,893
Net cash resources at beginning of year		3,213	1,320
Net cash resources at 31 December 2008	A	3,076	3,213

NOTE A

Reconciliation of net cash flow to movement in net funds	Opening Balances £'000	Cashflows £'000	Other non-cash movements £'000	Closing Balances 31 December 2008 £'000
Cash at bank and in hand	3,213	(137)	-	3,076
Loans due within one year	(36)	36	(40)	(40)
Loans due after one year	(138)	-	40	(98)
Finance leases	(12)	6	-	(6)
Net funds	3,027	(95)	-	2,932

NOTE B

Reconciliation of net incoming resources to net cash inflow from operating activities	31 December 2008 £'000	31 December 2007 £'000
Net incoming resources	323	498
Depreciation charge for year	139	181
Exchange differences	111	22
Exceptional impairment charge on property	537	-
Receipt of donated assets	-	(25)
Decrease / (increase) in value of investments	10	(7)
Interest receivable	(82)	(60)
Loan interest payable	36	28
Decrease in debtors	446	207
(Decrease) / increase in creditors	(653)	1,301
Net cash inflow from operating activities	867	2,145

Principal accounting policies – 31 December 2008

Accounting convention and basis of preparation

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

The consolidated financial statements of Depaul International Group for the year ended 31 December 2008 comprise the statements of financial activities (SOFA), the balance sheets and the cash flow statements of Depaul International (the "Charity") and its subsidiary charitable companies. The consolidation has been prepared on a line by line basis.

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 SOFA 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 SOFA 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 SOFA 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, inclusive of irrecoverable VAT. Expenditure is attributed directly to the headings set out in the consolidated SOFA 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 2008

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

Support costs Where members of staff carry out duties which fall into more than one category, costs - including related overhead costs - have been allocated on the basis of full time equivalent staff numbers in the relevant project. The exception is the UK 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 International, Depaul Trust and Depaul 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 SOFA 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. 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 are reviewed annually by the relevant subsidiary's 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

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 SOFA 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 SOFA over the period of the lease.

Notes to the accounts – 31 December 2008

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	2008 Total funds	2007 Total funds
	£'000	£'000	£'000	£'000
Donations from individuals	268	39	307	309
Legacies	121	-	121	21
Churches, SVP, schools and other societies	310	11	321	284
Corporate donations	496	86	582	366
Grant making trusts	883	58	941	1,131
Gifts in Kind	3	8	11	26
Voluntary income	2,081	202	2,283	2,137

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

	Restricted funds	Unrestricted funds	2008 Total funds	2007 Total funds
	£'000	£'000	£'000	£'000
Group				
Events	42	5	47	28

3. Incoming resources from generated funds: Investment Income

	Restricted funds	Unrestricted funds	2008 Total funds	2007 Total funds
	£'000	£'000	£'000	£'000
Group				
Dividend income – UK listed investments	1	-	1	8
Interest bearing deposits	73	8	81	52
Investment income	74	8	82	60

4. Incoming resources from charitable activities: restricted funds

	Grants for project work	Rents and charges to residents	Other income	2008 Restricted funds	2007 Restricted funds
	£'000	£'000	£'000	£'000	£'000
Accommodation and resettlement	9,306	1,343	22	10,671	8,543
Employment and training	124	-	-	124	125
Prison work and resettlement	263	-	-	263	185
Work in the Community	190	-	-	190	388
Family Mediation	306	-	-	306	264
Volunteering and mentoring	81	-	1	82	116
Other charitable activities	-	-	56	56	39
Total activities restricted funds	10,270	1,343	79	11,692	9,660

Notes to the accounts – 31 December 2008

5 Resources expended

	Direct staff and volunteer costs	Other direct costs	Support costs	2008 Resources expended	2007 Resources expended
	£'000	£'000	£'000	£'000	£'000
Costs of generating funds and governance					
Costs of generating funds	495	140	113	748	752
Governance	27	53	2	82	53
	<u>522</u>	<u>193</u>	<u>115</u>	<u>830</u>	<u>805</u>
Charitable activities					
Accommodation and resettlement	6,764	2,373	2,027	11,164	8,938
Employment and training	252	119	88	459	472
Prison work and resettlement	375	14	168	557	617
Work in the community	200	92	116	408	421
Family mediation	219	33	84	336	316
Volunteering and mentoring	179	2	28	209	236
International development	294	17	5	316	191
Other charitable activities	-	-	-	-	4
Exceptional impairment charge on property (see note 9)	-	537	-	537	-
	<u>8,283</u>	<u>3,187</u>	<u>2,516</u>	<u>13,986</u>	<u>11,195</u>
Total resources expended	<u>8,805</u>	<u>3,380</u>	<u>2,631</u>	<u>14,816</u>	<u>12,000</u>
Total resources expended 2007	<u>7,339</u>	<u>2,257</u>	<u>2,404</u>	<u>12,000</u>	

Analysis of Support Costs

	Direct staff and volunteer costs	Other direct costs	2008 Support costs	2007 Support costs
	£'000	£'000	£'000	£'000
Services	579	14	593	566
Human Resources	352	3	355	296
Finance	437	92	529	454
Central Administration	371	302	673	587
Regional Administration	388	93	481	501
Total support costs	<u>2,127</u>	<u>504</u>	<u>2,631</u>	<u>2,404</u>
Total support costs 2007	<u>1,943</u>	<u>461</u>	<u>2,404</u>	

Notes to the accounts – 31 December 2008

6 Net incoming resources

This is stated after charging (crediting):

	2008 £'000	2007 £'000
Auditors' remuneration		
o Audit of consolidated accounts	9	6
o Other fees paid to subsidiary charity auditors	3	4
o Subsidiary charity auditors	31	29
Depreciation charge for period	125	181
Operating lease rentals		
o Land and buildings	469	426
o Plant and machinery	8	7
Interest payable	36	28
Interest receivable	(82)	(60)

7 Staff and volunteer costs

Staff and volunteer costs during the period were as follows:

	2008 £'000	2007 £'000
Wages and salaries	8,861	7,617
Social security costs	889	740
Pension costs	207	139
	9,957	8,496
Volunteers expenses	176	149
Specialist and agency staff	257	198
Training, travel, insurance and recruitment	542	439
	10,932	9,282

Depaul International pension scheme is managed within the Depaul Trust scheme. The Depaul Trust pension scheme operates as a contracted in, non-occupational, group personal pension scheme. Until March 2008, the scheme used Scottish Widows and Scottish Equitable insurance companies, administered by Alexander Forbes Limited. In April 2008, the pension scheme moved to Norwich Union, administered by Creative Benefit Solutions. The assets of the pension scheme are not held by Depaul Trust. The scheme is open to all employees and has been adapted to meet stakeholder pension rules.

The Depaul 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 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 £207,000 (2007: £139,000). There were contributions payable at the year end of £14,000 (2007: £10,000).

Notes to the accounts – 31 December 2008

7 Staff and volunteer costs (continued)

	Average number of full time equivalent employees		Average number of staff (headcount)	
	2008	2007	2008	2007
Charitable activities				
Accommodation and resettlement	253	219	261	227
Employment and training	7	7	8	9
Prison work and resettlement	13	14	14	16
Work in the Community	6	8	7	9
Family Mediation	7	7	7	7
Volunteering and mentoring	2	2	2	2
International development	2	1	2	1
Cost of generating funds	12	11	12	11
Support and administration				
Services	11	13	11	13
Human Resources	6	5	6	5
Finance	10	9	11	10
Central administration	6	5	6	5
Regional administration	11	11	13	12
Total	346	312	360	327

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	
	2008	2007	2008	2007
£60,000 - £69,999	2	2	-	-
£70,000 - £79,999	4	3	2	1
	6	5	2	1

No members of the Council of Management of the Charity received remuneration in respect of their services during the period (2007: none). Travelling and accommodation expenses of £5,000 (2007: £7,000) for the 14 members of the Council of Management (2007: 14) were borne by the Charity.

8 Taxation

Depaul International 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 2008

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 2008	2,662	535	1,097	1	4,295
Additions	955	9	38	6	1,008
Transfer of assets	28	(28)	-	-	-
Exceptional impairment charge	(537)	-	-	-	(537)
Revaluation of property	(58)	-	-	-	(58)
At 31 December 2008	3,050	516	1,135	7	4,708
Cost					
At 31 December 2008	2,250	516	1,135	7	3,908
Valuation 2008 – Spring Gardens	600	-	-	-	600
Valuation 2008– Aldo House	200	-	-	-	200
At 31 December 2008	3,050	516	1,135	7	4,708
Depreciation					
At 1 January 2008	19	204	1,062	-	1,285
Charge for period	20	51	67	1	139
Transfer of depreciation	14	39	(53)	-	-
Write back on revaluation	(14)	-	-	-	(14)
At 31 December 2008	39	294	1,076	1	1,410
Net book values					
At 31 December 2008	3,011	222	59	6	3,298
At 31 December 2007	2,643	331	35	1	3,010

Charity	Freehold property	Leasehold property and refurbishment	Fixtures, fittings and equipment	Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2008	-	-	6	-	6
Additions	-	-	-	-	-
At 31 December 2008	-	-	6	-	6
Cost					
At 31 December 2008	-	-	6	-	6
Depreciation					
At 1 January 2008	-	-	4	-	4
Charge for period	-	-	1	-	-
At 31 December 2008	-	-	5	-	5
Net book values					
At 31 December 2008	-	-	1	-	1
At 31 December 2007	-	-	2	-	2

Fixtures, fittings and equipment includes assets with a net book value of £5,763 (2007: £11,466) which were held under finance leases. Depreciation of £5,702 (2007: £4,906) was charged during the period on assets held under finance leases.

Westbourne House was acquired by Depaul Trust in 2005. At 31st December 2008 the property has a net book value of £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 Trust through Westminster City Council. The balance of the costs and project set-up costs are funded by a bank loan of £250,000 together with capital donations made during the building period. A condition of the capital grant is that should the use of the building change during the first 5 years from the date of the grant, Depaul Trust will be required to repay the grant. After 5 years there is no repayment requirement.

Notes to the accounts – 31 December 2008

9 Tangible fixed assets (continued)

Aldo House was donated to Depaul Trust; its cost and accumulated depreciation on an historical cost basis would have been £nil. In January 2009 it was re-valued by Hayfield Robinson at £200,000 on the basis of existing use as a hostel.

Total capital receipts for the year amounted to £949,000. £8,000 was received from Rebuilding Lives and spent on capital improvements to Burnage Lane Hospital in Manchester.

In addition, freehold land, at Spring Gardens in Lambeth, was purchased in August 2008 by Depaul Trust. This land was purchased with a grant from the Department of Communities and Local Government (CLG) to enable Depaul to provide accommodation and support for homeless young people. £941,000 of this grant was recognised in the SOFA in 2008 and £196,000 in 2007. The total expenditure on this acquisition was £1,137,000. In 2008 it became apparent that it would not be feasible for Depaul Trust to establish a viable service using the land. In January 2009 this land was valued at £600,000 by Gerald Eve LLP on the basis of existing planning use as a hostel, resulting in an impairment charge of £537,000.

Programme related investments

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

10 Debtors

	Group		Charity	
	31 December 2008 £'000	31 December 2007 £'000	31 December 2008 £'000	31 December 2007 £'000
Government grants receivable	231	354	-	-
Other grants receivable	-	89	-	-
Rents and charges to residents	164	183	-	-
Sundry debtors and prepayments	424	639	6	4
Balance due from Depaul Ireland	-	-	-	46
Balance due from Depaul Trust	-	-	18	14
	819	1,265	24	64

11 Creditors: amounts falling due within one year

	Group		Charity	
	31 December 2008 £'000	31 December 2007 £'000	31 December 2008 £'000	31 December 2007 £'000
Housing benefit overpaid	81	53	-	-
Trade creditors	285	262	-	2
Sundry creditors and accruals	448	308	12	10
Children's Society	35	35	-	-
Deferred income	576	1,497	-	27
Social security costs and other taxes	261	184	9	4
Finance Leases	3	6	-	-
Bank loan <i>HSBC</i>	30	26	-	-
Other loan <i>London Housing Foundation</i>	10	10	-	-
Balance due to Depaul Ireland	-	-	26	-
	1,729	2,381	47	43

Notes to the accounts – 31 December 2008

12 Creditors: amounts falling due after more than one year

	Group		Charity	
	31 December 2008 £'000	31 December 2007 £'000	31 December 2008 £'000	31 December 2007 £'000
Bank loan <i>HSBC</i>	90	120	-	-
Other loan <i>London Housing Foundation</i>	8	18	-	-
Finance leases	3	6	-	-
	101	144	-	-

In 2005 Depaul Trust 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 on this loan of £36,376 is repayable in more than five years (2007: £61,287).

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 2008 £'000	Incoming resources and gains £'000	Outgoing resources £'000	Transfer (to) / from Unrestricted Funds £' 000	Closing balance at 31 December 2008 £'000
Depaul International	159	120	18	(196)	101
Subsidiaries restricted funds					
Depaul Trust	4,509	8,173	(8,018)	(73)	4,591
Depaul Ireland	248	6,338	(6,029)	(70)	487
Depaul USA	-	62	(99)	83	46
Depaul Slovensko	(5)	208	(232)	79	50
Depaul Kharkiv	-	20	(21)	1	-
	4,752	14,801	(14,399)	20	5,174
Subtotal					
Loss on revaluation of fixed assets	-	(44)	-	-	(44)
Exchange difference and adjustment	-	109	-	-	109
Total Group restricted funds	4,911	14,986	(14,381)	(176)	5,340

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

Charity	Opening balance at 1 January 2008 £'000	Incoming resources and gains £'000	Outgoing resources £'000	Transfer (to) / from Unrestricted Funds £' 000	Closing balance at 31 December 2008 £'000
Total charity restricted funds	159	120	(185)	7	101

The restricted funds within the charity primarily relate to funds received for a capital project in Slovakia which will take place in future years.

Notes to the accounts – 31 December 2008

14 Unrestricted Funds

Group	At 1 January 2008 £'000	Incoming resources £'000	Outgoing resources £'000	Transfer (to) / from Restricted Funds £'000	Transfer to / (from) Designated Funds £'000	Exchange differences £'000	At 31 December 2008 £'000
General fund	70	218	(392)	176	1	2	75
Designated funds							
Fixed asset fund	2	-	-	-	(1)	-	1
Slovensko fund	55	-	(43)	-	-	-	12
Total Group unrestricted funds	127	218	(435)	176	-	2	88

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 SOFA.

Charity	At 1 January 2008 £'000	Incoming resources £'000	Outgoing resources £'000	Transfer (to) / from Restricted Funds £'000	Transfer to / (from) Designated Funds £'000	Exchange differences £'000	At 31 December 2008 £'000
General fund	70	416	(407)	(7)	1	2	75
Designated funds							
Fixed asset fund	2	-	-	-	(1)	-	1
Slovensko fund	55	-	(43)	-	-	-	12
Total charity unrestricted funds	127	416	(450)	(7)	-	2	88

15 Analysis of net funds

Group	General fund £'000	Designated fund £'000	Restricted funds £'000	Total £'000
Fund balances at 31 December 2008 are represented by				
Tangible fixed assets	-	1	3,297	3,298
Programme related investment	-	-	47	47
Net current assets	75	12	2,097	2,184
Creditors: amounts falling due after one year	-	-	(101)	(101)
Total net assets	75	13	5,340	5,428

Charity	General fund £'000	Designated fund £'000	Restricted funds £'000	Total £'000
Fund balances at 31 December 2008 are represented by				
Tangible fixed assets	-	1	-	1
Net current assets	75	12	101	188
Total net assets	75	13	101	189

Notes to the accounts – 31 December 2008

16 Commitments

Operating leases

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

Depaul Trust 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 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 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 the period to December 2009.

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

Finance leases

Depaul Trust 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 2008 £'000	31 December 2007 £'000
Payable within		
: One year	3	6
: More than one year	3	6
Total	6	12

17 Related Party transactions

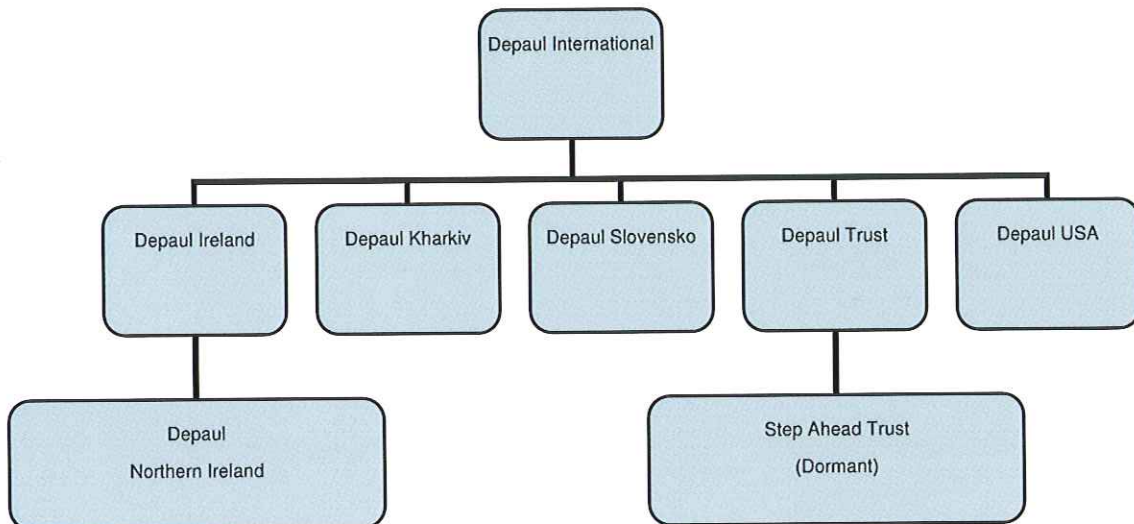
A payment of £25,656 was made to the Vincentian Fathers (Congregation of the Mission) in Ukraine as a contribution towards the replacement of the roof on the day centre building in Kharkiv for which Depaul Kharkiv pay a peppercorn rent. Father Paul Roche, a trustee of Depaul International, is a member of this Congregation.

18 Group Results

Depaul International 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 International is the parent company of Depaul Ireland and its wholly owned subsidiary Depaul Northern Ireland, Depaul Trust and its wholly owned subsidiary Step Ahead Trust, Depaul Slovensko, Depaul Kharkiv and Depaul USA (registered on 20 May 2008).

The entities forming Depaul International Group of Charities as at 31st December 2008 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 International has the right to appoint the majority of Trustees to the UK Board, the Ireland Board and the Slovensko Board.

Notes to the accounts - 31 December 2008

17 Group Results (continued)

A summary of the results of the individual members of the Group for 2008 are shown below

	International (standalone)	Kharkiv	Slovensko	USA	Ireland (consolidated)	UK	Intra -group activities	International (Group) 2008	International (Group) 2007
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Incoming resources	536	41	307	145	6,338	8,173	(401)	15,139	12,498
Resources expended	(635)	(41)	(252)	(99)	(6,099)	(8,091)	401	(14,816)	(12,000)
Surplus / (deficit)	(99)	-	55	46	239	82	-	323	498
Exchange differences	2	-	13	9	87	-	-	111	22
Loss on revaluation of fixed assets	-	-	-	-	-	(44)	-	(44)	-
Net incoming / (outgoing) resources	(97)	-	68	55	326	38	-	390	520
Total net assets b/f 1 January 2008	286	-	(5)	-	248	4,509	-	5,038	4,518
Total net assets c/f 31 December 2008	189	-	63	55	574	4,547	-	5,428	5,038