

DEPAUL UK
(A company limited by guarantee)

DEPAUL
Homelessness has no place



DEPAUL UK

Trustees' Annual Report and Consolidated Financial Statements for the year ended 31 December 2022

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WHO WE ARE

JOINT CHAIR AND CEO STATEMENT

Homelessness affects the lives of hundreds of thousands of people in the UK every year, we know that those already vulnerable are suffering the most. It remains a complex and hugely pressing issue, but over the last 12 months Depaul UK supported thousands of otherwise homeless people and made significant inroads in influencing both policy and public opinion.

Depaul UK has been involved in the emergency response led by central and local government since the onset of the Covid-19 pandemic, when large numbers of people became homeless (about 70,000 each quarter). After almost two years, in early 2022, we began to see those numbers reduce.

Only three months into the new year, however, the effects of the cost-of-living crisis started to unfold. Inflation soared to 10%, driven by an unprecedented hike in food and energy prices. We knew that this would start to have a devastating impact on the many people already on low or unstable incomes or relying on benefits. Young people in our services were already struggling to pay for food and accommodation while trying to get into education or employment. Our fears were confirmed when the statistics at the end of 2022 showed that more than 270,000 people were homeless in England. Further, a shocking 26% rise was recorded in the number of people sleeping rough – on a single night in autumn 3,069 people in the UK were sleeping on the streets. Worryingly, more people slept rough for the first time, and we are concerned that the progress of many who have rebuilt their lives after homelessness is under threat.

As a result, there has been an increased pressure on Depaul UK's services and programmes. Our staff and volunteers have, yet again, proved to be agile, innovative, resilient and full of passion and dedication to meet the needs of some of the most vulnerable people in our society. Advised by our Board of Trustees and supported by the international Depaul family and our many committed donors, we have been able to respond swiftly to the needs of existing and new clients in an ever-changing environment:

- While continuing to focus our energy on supporting young people, we have expanded our work to include a much wider group of individuals who are homeless or are at risk of becoming homeless. This includes new services in Greater Manchester, London and Milton Keynes, where we are working with single, adult rough sleepers; women who are homeless; non-UK citizens and, through our Nighstop-volunteer hosting service, helping hundreds of people in dire need of a warm bed and a safe place to sleep for a few nights.

- We have met the increased demand for our family mediation service and our financial advice and employment-readiness programmes, and extended our mental health and wellbeing offer for clients, their families and our staff.
- We have been able to work with a larger number of schools to engage hundreds of students in our homelessness prevention programme.
- We continued to engage the public: launching an emergency appeal on the effects of the cost-of-living crisis – to increase awareness and garner more support, including funds.
- We managed to employ our expertise and non-financial organisational resources to support Depaul Ukraine who, overnight, turned their long-standing homelessness programmes into emergency services supporting thousands of people who found themselves without shelter and food.

With staff, volunteers and many of our loyal donors personally affected by the cost-of-living crisis, delivering this response in a highly volatile socio-economic environment has been testing for Depaul UK. Keeping our colleagues safe and healthy, attracting and retaining staff, closing some services where contracts had ended and opening new ones – all whilst securing income to deliver on our mission – has led to both increased and unbudgeted costs. In line with our financial strategy, we have met those by tapping into our limited organisational reserves. Directing the funds where they were needed the most was carefully balanced against longer-term, strategic decisions on where to invest to increase our future impact. Yet again, we have demonstrated our organisational resilience and flexibility, and our ability to continuously review and adjust our plans and activities.

2022 was the second year of our six-year organisational strategy. We know that the need for our services will, sadly, continue to grow in the years to come, but thanks to our amazing staff and the many valued partners who enhance and support our work, Depaul UK remains well-placed to face the challenges ahead. We believe that we can create a world where everyone has a sense of home, and homelessness has no place. All our energy, passion and expertise remain geared to making this a reality.

WHAT WE DO

TRUSTEES' ANNUAL REPORT AND STRATEGIC REPORT

Since 1989, Depaul UK has worked to support people facing homelessness. We are a homelessness organisation with a specialism in supporting young people. We work in local communities across the country to prevent and relieve the impact of homelessness on people's lives. We specialise in supporting young people, who are among the most vulnerable in society, and especially those who have previously had traumatic experiences. We are passionate about the difference we make. Depaul UK's vision, mission and values have remained unchanged for more than 30 years and are as valid as ever.

At Depaul UK, we accept the complexity that leads to homelessness and the continuous evolution of the challenge. We also acknowledge that an organisation that wants to do this job well cannot separate how it works with clients ('How we run services and programmes') from the way it manages resources and engages staff, partners and stakeholders ('The way we run the organisation').

This is why we uncompromisingly commit to two building blocks of our strategic approach:

1. A sound organisational culture and identity, demonstrated towards clients, staff and partners alike, that is based on strong, lived values and that commits to excellence in what we do as well as a built-in agility to respond effectively to the complexity and dynamic nature of homelessness. This is what we call The Depaul Way ('Who we are').
2. A set of cross-cutting, interlinked themes that shape and direct everything we do at Depaul UK. These themes reflect what we consider essential, overarching concepts that allow us to remain relevant and sound as an organisation 'inside and out'. These cross-cutting themes are equity, diversity and inclusion; mental health and wellbeing; social value; and sustainability ('How we do it').

These building blocks are paired with a holistic, evidence-based approach to our services and programmes ('What we do'); a set of tangible organisational objectives across our core functional areas ('How we focus activity'); and a series of milestones and linked performance measures to ensure that everything we do is geared towards increasing our organisational impact ('How we monitor progress').

At the heart of everything we do is the work done with and for our clients. Working alongside and with people affected by the causes and consequences of homelessness, we:

- **prevent homelessness.** As part of a holistic approach to ending homelessness, prevention is key. We will do this through influencing policy and public opinion, educating young people, strengthening family relationships and providing advice, guidance and shelter in times of crisis.
- **increase resilience.** Strengthening the resilience of people who are experiencing homelessness is essential. We will do this through providing accommodation and support that is trauma-informed, strengths-based, and rooted in promoting mental health and wellbeing.
- **energise societal responses.** Engaging wider society in addressing homelessness is crucial. We will do this through supporting campaigns, encouraging volunteering, and seeking strategic partnering to increase our impact and improve life-chances for those we support.
- **stimulate aspirations.** Creating ambition and confidence in our beneficiaries is essential. We do this specifically through the provision of employment, training and education programmes and opportunities that enable the people we work with to take their place confidently in society.

Further, we have developed milestones and linked performance measures to monitor how we deliver our strategy. We monitor progress against eight critical success factors, reflecting what we consider 'non-negotiables' to deliver our strategy:

1. Positive, evidenced impact on the lives of beneficiaries, shaped and informed by clients' voices and data insight.
2. Motivated, skilled, engaged workforce, driven by our Vincentian values.
3. Excellent leadership and management.
4. Strong profile and reputation.
5. Maximised performance: voluntary fundraising.
6. Maximised performance: commissioned/contracted services.
7. Improved, well-managed financial position.
8. Resilient, sustainable and agile business model.

OUR IMPACT AT A GLANCE

OUR SERVICES AND PROGRAMMES

In 2022, Depaul UK worked with 8,492 people at risk of or experiencing homelessness. As the lockdown restrictions eased, the young people and adults we supported were faced with new challenges: increased mental health concerns and a cost-of-living crisis that has disproportionately affected them. Depaul UK, as always, was agile in meeting those needs, with staff creatively supporting clients in new ways.

Building on our experiences during the pandemic to support the most marginalised, 2022 saw us increase our work beyond 16- to 25-year-olds. The youngest person we worked with was just eight years old – in our family mediation service, Reconnect; the oldest was 80 years old, in an accommodation project for adult rough sleepers leaving hospital.

We continued to focus on measuring our impact, to understand what people experience when they are supported by Depaul. In 2022, we started to use a storytelling methodology, so that we could hear about changes through the words of people who use our services. In 2022, we collected stories from 45 clients, with emerging themes of improved health, relationships and wellbeing. One story noted: "The staff have been brilliant helping me in all my problems. I have bad memory loss, but they have texted me about appointments and anything else I might forget – to the extent of almost having a carer on hand. The help I have been given is 100% and it's supporting me to move on."

Our housing and support services

Our housing and support services continued to operate throughout 2022, and we provided 1,130 people with at least one night's safe accommodation – with assistance from Nightstop through to our supported accommodation. Of these, 272 people were over 25 years old.

It was a year in which, post-pandemic, we needed to consolidate. We focused on staff training, client wellbeing, and ensuring we delivered effective and consistent services to our clients. We started to extend our support to reach more complex client groups, increasing our work with older women and to care leavers. This led to new services opening in the London boroughs of Sutton and Haringey, providing supported accommodation predominantly to young people in care and to adults with complex needs, respectively. Our supported accommodation services supported 740 people in 2022.

Our rough sleeping work built on the success of our growth in 2021, reaching 290 people in 2022. We saw new services opening in Manchester (in Oldham and Manchester City Centre), and a floating support service in London.

We were successful in further rolling out the youth-specific London emergency hotel for young people, establishing the first youth-specific provision in the city. With the change in client group came a change in mental health needs, as well as a change in need around staff expertise and training. Nevertheless, our delivery model – person-centred and values-based – remained.

Of the clients in our accommodation services:

- 72% moved on to somewhere positive after Depaul
- Of the clients at Depaul with an identified mental health need, 92% saw an improvement
- Of the clients with an identified education or employment need, 87% were more engaged in that area
- Of the clients with an identified need around their relationships, 64% saw a positive change

Our prevention and programmes services

We continue to develop and deliver our work in schools through our education programme, our work with families through Reconnect, and our emergency accommodation programme through Nightstop. In 2022, Depaul UK supported:

- 5,045 people through our education programme
- 340 people through Reconnect (with 86% of young people and 97% of parents reporting that their relationship is a little or a lot better).
- 184 people through Nightstop (Depaul-run Nightstop services only) with 82% moving on positively afterwards.

The Nightstop network, a collection of organisations providing emergency accommodation through community hosting, was significantly affected by the pandemic. Volunteer host numbers significantly reduced when restrictions were in place, and Nightstop services had to re-energise and remobilise their volunteer base in 2022. In 2022, the Depaul Nightstop network worked with 306 hosting households to provide 621 people with somewhere safe to stay. We provided 7,522 bed nights across the UK and 76% of clients moved on to somewhere positive after Nightstop.

i-aspire, the four-year programme working with care leavers in London, ended in the summer of 2022. The project supported 293 young people, who were identified as the furthest from education, employment or training at the start of the programme – just 29% were in education, training or employment (ETE) at the start. Over four years, and through bespoke and person-centred one-to-one support, by the end of the programme 74% had experienced work or study. A flexible approach to supporting NEET (not in education, training or

employment) young people – focused on understanding individuals' vision, skills and support networks – informed our internal ETE programme, Steps to Success. In 2022, we supported 217 people in our supported accommodation, through Steps to Success.

Underpinning sustainable ETE is emotional resilience and wellbeing. The mental health of our clients continued to be of growing concern. The proportion of those reporting a mental health difficulty, yet without a diagnosis, increased from 53% in 2019 to 56% in 2020 and 60% in 2022. Our Mental Health and Wellbeing Team supported staff with training and tools, equipping them to effectively support our clients. In addition, the team supported 118 clients with one-to-one mental health support.

CLIENT VOICE

Client involvement is an integral cross-cutting theme at Depaul UK, with every department committing to the client voice informing and influencing the decisions that affect them.

Thirty-seven clients participated in client involvement activities in 2022 (with some clients attending on more than one occasion). These opportunities were in addition to routine involvement and they included consultations on policies, interview panels and in helping to shape development of new services and proposals. In addition, there were 186 participations in our Client Voice Group.

2022 saw the return of our annual Client Conference, a three-day residential for clients from across Depaul's services to come together and help shape our priorities for the year ahead. The focus was on how we can measure Depaul's values in action. Eighteen clients from across our services developed a client-led assessment tool, which measures whether our values are in action within our services.

We also developed our first peer-training programme, training clients to deliver 'Wellness Recovery Action Plan' training to other clients.

COMPLAINTS

Depaul UK has adopted The Housing Ombudsman's Complaint Handling Code as the basis of our approach to complaints. While not all of our services or business activities are directly housing related, we believe that the principles offer best practice in complaint handling and are applicable across our business.

Complaints are monitored and reported-on quarterly to our Services and Business Development Committee. The Business Excellence Partner is the Complaints Officer for Depaul UK and is responsible for the implementation of our Complaints Policy.

In 2022, we asked some of our clients about their experiences of making a complaint and we used their feedback to help us review our policy, making the process simpler and reducing it down from a three stage process to just two.

In 2023, we will be implementing our action plan to make improvements to our complaints handling. This includes having a named trustee and director with joint responsibility for complaints-monitoring to improve accountability, delivering new staff training to improve handling and recognition of complaints, and refining our complaints recording and reporting systems and processes to help us better understand and monitor our performance.

Our performance	2022	2021
Number of complaints received	25	50
Percentage of complaints satisfactorily resolved*	80%	80%
Percentage of complaints resolved at stage 1	100%	92%

*"Satisfactorily resolved" means a complaint resolved first time, within timescales, at stage 1, and that the complainant has indicated satisfaction with the outcome, either by confirming their satisfaction, not responding to a request for feedback or not requesting that their complaint is escalated to stage 2.

HOW WE DO IT

CROSS-CUTTING THEMES

Equity, diversity and inclusion (EDI)

For Depaul UK, increasing equity, diversity and inclusion (EDI) is a priority across the organisation. This commitment is reflected in our EDI statement (available in full via our website). Depaul UK measures itself against the highest standards, including those within the Equality Act 2010 and the Public Sector Equality Duty.

At Depaul UK, we are committed to go beyond mere compliance and to take action to embrace the benefits that EDI can bring to the engagement of our staff, the outcomes for our clients and how we deliver our mission. Depaul has Investors in Diversity accreditation, and we have a published, organisation-wide action plan to ensure we keep our commitment to equity, diversity and inclusion at the forefront of our agenda.

We have committed not only to recognising our responsibilities in respect of the protected groups specified in the Equality Act 2010, but also to giving the same access to opportunities to clients, staff and volunteers, regardless of their race, age, gender, sexuality, disability, culture or anything else that might be discriminated against. To facilitate this, we began a full review of Depaul's people policies (with our new approach launching in 2023), and have a Hybrid Working policy, allowing our teams more flexibility in their place of work. We have also further developed our recruitment, onboarding, and learning and development approach to ensure fair access, inclusivity and equality of opportunity.

We are not afraid to embrace change, have difficult conversations or acknowledge areas for improvement as we work together to continuously embed EDI at Depaul. In 2022, we began our roll out of Acceptance and Commitment Therapy training, supporting our staff and managers to continue to build their skills in mental health, wellbeing and values-focused outcomes.

We continue to develop our EDI learning opportunities, to ensure we give our teams the skills and confidence to have difficult conversations, to challenge their own unconscious biases and to build welcoming, well-informed, supportive environments for our clients and colleagues alike.

Mental health and wellbeing

Depaul UK acknowledges that mental health and wellbeing is essential if our clients, staff and volunteers are to be happy and to function, and that 'being well' requires us as an organisation to create the environment, including the physical and emotional spaces, to remain well or to become and remain well. We believe that the mental health and wellbeing of our clients, volunteers and staff is fundamental to the success and sustainability of our work. Hence, we regard supporting people to maintain or achieve positive mental health and wellbeing a part of our overall mission.

In 2022, we continued to support both staff and clients affected by the pandemic and by wider challenges. Our research suggests that the Covid-19 pandemic impacted on the mental health of young people experiencing housing instability, with 59% of respondents stating that their mental health had been negatively impacted and 52% feeling more anxious about the future. In addition, our data tells us that a higher proportion of clients who are women or LGBTQ+ are increasingly struggling with their mental health.

We continued to roll out training to all staff on core themes, including self-harm and suicide ideation, alongside practical-tools training – providing them with resources and activities to support clients experiencing poor mental health.

In 2023, we will work towards achieving our mental health strategy, ensuring:

- every client at Depaul UK has the practical tools and strategies to manage their mental health and wellbeing
- those most at risk of experiencing poor mental health have access to professionals and agencies that can help
- we support those with or without a diagnosis to stay well and manage their mental health within Depaul services.

Social value

At Depaul UK, we define 'social value' as the additional benefit our organisation provides to the wider communities and economies within which we work. Social value focuses on how we can secure wider social, economic and environmental benefits through the work we do and places we inhabit. Improving social, environmental and economic wellbeing and resilience supports Depaul UK's strategic priorities, including the prevention and relief of homelessness.

In line with this and, more importantly, in accordance with our organisational value of taking a wider role in society, we strive to deliver relevant and measurable social, economic and environmental benefits for local people and communities, through all our services and activities.

The social value that we deliver to the communities we work in continues to be of importance when funders commission Depaul UK to provide new services. Social value is localised to meet the needs of the specific communities around our services and our offer is therefore based on the needs and facilities available in those areas.

Our pledges cover everything from how we procure goods and services locally to how we will open up and use our buildings for greater community good. This ensures that we are aligned with the local environmental, economic and health strategies in each area that we work.

Examples of social value delivered in 2022 include school prevention sessions; training and volunteering opportunities; and opportunities for community involvement in, or use of, our facilities. Sixty-nine social value events have been recorded across seven contracts, where there is a contractual requirement to deliver and measure social value. Over the six contracts where the Local Authority provided a monetised proxy value for that social and local economic value, these commitments were worth a total of £1,052,739.

In addition to our contractual requirements for social value, we continue to recruit locally from the communities that our projects serve, thereby ensuring economic capital is retained in the community and the impact of travel on the environment is reduced. We welcomed volunteers and employees with lived experience of homelessness and have worked to ensure our recruitment process is accessible and fair. We have built strong relationships with other service providers in the areas we serve and offered places on training courses to our partners and volunteers. We are working on building a strong procurement process, which means we will procure from local businesses and suppliers wherever possible. In 2022, we also built our Apprenticeship programme.

Value for money

Throughout 2022, we continued to deliver on our strategy, achieving value for money by maintaining our commitment to the four core principles of economy, efficiency, effectiveness and equity. We did this through improved policies and procedures relating to the selection of suppliers, the commissioning process, and evaluation of the services we provided. Service delivery is now getting back to normal, following the Covid-19 restrictions imposed over the past couple of years, and is helped by the structures that our procedures have established.

Reducing voids and arrears remains a key priority for us, especially in budget-setting and in the review of financial performance by the Finance, Audit and Risk Committee and trustees. We collected 84% of rent due in 2022, somewhat below the target of 95%, and the rate of empty beds per night was 14%, slightly outside the target level of 12%.

Addressing the rate of empty beds per night will continue to be a particular focus for 2023.

Environmental sustainability

Depaul UK recognises the importance of charities achieving net zero by 2030.

The greatest impact, in terms of carbon neutrality, is within our owned and managed properties and, in 2022 we began the task of developing an asset management strategy to help us determine how we best manage, develop and maintain our property stock into the future.

We continued to implement and enhance the energy saving activity that took place throughout 2022. Activities included:

- Effective recycling systems.
- Incentives to use environmentally friendly forms of transport including the Cycle to Work scheme.
- The roll out of low-energy lighting and boilers.
- The purchase of green tariff utilities.
- Starting on a programme to reduce Energy Performance Certificates ratings from E to C for existing properties, by 2028.
- Moving towards paperless offices, with reductions in paper already being seen in parts of the organisation.
- Building on learnings from the pandemic, we have reduced the amount of travel by benefitting from hybrid/online meetings, where appropriate.

We will also work closely with the landlords of our leased properties to take advantage of any opportunities to improve energy efficiency across our entire estate of owned and leased property. Other activities for the year(s) ahead include:

- A carbon reduction plan.
- Recycling and food compost facilities within our housing services.
- Environmental matters to be included in our client welcome pack – equipping clients with practical tips and skills to make 'green' decisions in their home.

FINANCE REVIEW

For the year ended 31 December 2022, the trustees have taken the decision to produce consolidated accounts for Depaul UK, to include the results of its two subsidiaries: Depaul Housing Services (DHS) and Depaul UK Trading CIC (DUT). Whilst DUT was inactive during the year, the activity in DHS increased significantly. Accounts for the year ended 31 December 2021 have been restated to reflect the consolidation.

Depaul UK group ended the year with a deficit of £697k (2021: £206k surplus), with a deficit of £902k in general funds (2021: £236k surplus) and a surplus of £205k in restricted funds (2021: £30k deficit).

Income

The UK group's total income for the year ended 31 December 2022 was £17.9m (2021: £18.5m). The slight fall in income from 2021 was largely due to many long-term contracts coming due for re-tendering during the year, with the loss of one long-standing contract in Sheffield. We continued to provide accommodation for rough sleepers and, in total in 2022, we received £6.0m from the UK Government through its Supporting People programme. Despite the current economic challenges, voluntary income increased by over 30%, with total income from donations, grants and legacies exceeding £5.4m (2021: £4.8m).

Depaul UK continued to receive greatly valued support from People's Postcode Lottery, with continued funding of £2.8m.

Expenditure

Expenditure on charitable activities – i.e. the services and programmes we provided to our beneficiaries – increased by £0.2m to £17.0m (2021: £16.8m) as we, nevertheless, worked to support the growing number of vulnerable clients. Expenditure on charitable activities represented 91% of all expenditure in the year. The remaining spend was used to raise funds for our work and for running the charity. The fundraising return on investment improved, increasing to 3.4:1 (from 3.1:1 in 2021). The strategy to invest in building fundraising capacity remains relevant to the delivery of the organisation's 2021-2026 strategy.

Cash and reserves

With a number of new contracts starting near the end of the year, debts outstanding to us increased by £1.2m on last year, with total monies due to us of £3.1m. This, together with an increase of £0.1m owed to creditors, and the deficit of £0.7m, has meant that group cash reserves have fallen to £3.5m, from £5.2m last year. The year-end reserves position was £8.6m for the group, a decrease of £0.7m from last year (2021: £9.3m). Of total reserves, £1.9m were restricted (2021: £1.7m) and £6.8m unrestricted (2021: £7.7m).

Like many organisations, Depaul and its clients face significant challenges in the current economic environment and, recognising this, Depaul has formulated a long-term financial strategy to improve its financial sustainability, in order to deal with difficult circumstances.

Depaul UK is aware that approximately 50% of its voluntary fundraising income is represented by the People's Postcode Lottery. Although we have had no indication that this support will change significantly, we are nevertheless continuing to diversify and grow our income streams. The projections underpinning our financial strategy also contain a realistic target for growth in grant income. The importance of budgetary control is stressed and will be monitored effectively. Further, we anticipate an increase in funds for activity from 2024. Various avenues to enable this growth have been identified and are being explored.

Reserves policy

The reserves policy covers free reserves, excluding designated funds and restricted funds. This was reviewed during 2021, with trustees taking a risk-based approach and setting free reserves at a level sufficient to provide 4-6 months cover for medium and high priority expenditure not covered by high reliability income. This was estimated at between £1.6m and £2.4m for the group.

At the end of the year, the free reserves were in excess of the policy minimum and will be used to fund additional strategic activities in the future. Reserves held at the end of the year were:

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed Asset designated funds	3,511	3,636	3,137	3,239
Restricted funds	1,858	1,653	1,022	777
General funds (free reserves)	3,283	4,060	3,208	4,024
Total funds	8,652	9,349	7,367	8,040

Going concern

Currently, about 24% of Depaul's income for charitable activities is derived from relatively stable rental income, linked to commissioned contracts and a further 41% is also contractual (Supporting People payments). This funding enables the organisation to finance the major part of its activities but is subject to regular contract re-tendering. During 2022, many contracts were, retendered and successfully retained. Many additional services, including the prevention and 'wrap around' services are funded by voluntary donations and grants, with currently 50% being donated by the Postcode Lottery Trust. Whilst voluntary funding can be unpredictable, the group cash reserves of £3.5m, together with current forecasts, indicate that the group has sufficient liquid resources to meet its obligations as they fall due, and to deal with the additional costs associated with the current inflationary conditions and risks associated with cost-of-living pressures.

Based on this, trustees are satisfied that Depaul UK will be able to continue as a going concern for the foreseeable future and that there is no material uncertainty related to going concern that requires disclosure in the annual report and financial statements. Therefore, it is deemed appropriate to prepare the financial statements on a going concern basis.

FUNDRAISING, COMMUNICATIONS AND PUBLIC AFFAIRS

Our generous supporters are critical to our mission of ending youth homelessness. Thanks to the growing number of individuals and organisations who believe in our work, in 2022 we raised over £5.4m in voluntary income – an increase of 13% from 2021.

This income is essential to the running of our innovative homelessness prevention services and the vital wrap-around support programmes that help young people move on into brighter futures. Voluntary income also plays a vital part in supporting our core running costs and strategic investments, ensuring that we remain an agile, innovative and sustainable organisation.

We are so grateful to each and every one of our supporters and are committed to using their contributions in the most impactful ways possible. Our voluntary income in 2022 was made up of:

- £ 2.79m (51%) from People's Postcode Lottery.
- £1.26m (23%) from trusts and foundations.
- £200k (4%) from major donors.
- £578k (10%) from legacy gifts.
- £379k (7%) in individual donations from the public, in response to our fundraising campaigns, appeals and regular giving acquisition.
- £266k (5%) from corporate partners, community fundraising and challenge events.

We are particularly grateful to the staff, trustees and players of People's Postcode Lottery (PPL) who, once again, supported us with an incredible £2.79m donation in flexible funding. Since 2014, the loyal support of PPL has enabled us to build resilience, drive quality and innovation, and invest in our fundraising activities to ensure we can be there for young people now and in the future.

We are also delighted to have grown our income from trusts and foundations by 59% from 2021, including the development of significant new partnerships with the Charles Plater Trust, Stavros Niarchos, and the Benefact Trust.

Income from corporate partners, community fundraising and events was unfortunately significantly below target, and down 17% from 2021. This was, in part, impacted by recruitment challenges and the external economic environment.

We launched a public fundraising appeal in October 2022, generating new cash and regular donors and over £70K. We also piloted, then successfully launched, our first door-to-door fundraising campaign. The campaign generated approximately 830 new regular givers between January and October and 100 new cash donors.

Income from legacies grew by a significant 47% in 2022 on the previous year, and we are immensely grateful to all those who generously chose to leave a gift to Depaul in their will. Their kind gifts will make a lasting difference for many young people facing homelessness in the future.

Overall, the year's fundraising expenditure was £1.59m, an increase of 4% from 2021.

In our recruitment and retention of supporters in 2022, we used the following channels: direct mail, monthly e-newsletters, door-to-door fundraising, our Safe & Sound magazine and a range of digital and print advertising. We are committed to being open and transparent with our donors, building strategic and trusting relationships that change young people's lives for the better.

When raising funds from the public we aim to do so in a respectful and compelling way, adhering to the highest standards. We are registered with the Fundraising Regulator and adhere to its Code of Fundraising Practice. We will not put undue pressure or unreasonably intrude on anyone to make a gift. If any of our donors do not wish to receive future communications from us or would like to stop their donations, we are clear in our mailings and on our website about how to unsubscribe.

We are also transparent about our complaints process and always aim to respond to complaints quickly and effectively. In 2022, we had no fundraising complaints through our internal procedure. We warmly welcome any opportunity to improve the way we handle complaints.

To support our objectives, we work with REAL Fundraising agency who carry out our door-to-door campaigns. We carry out due diligence checks on all suppliers, ensure we have robust agreements in place and deliver comprehensive training to ensure any third parties adhere to the same high standards that we would expect from our own staff.

We are hugely grateful for the kind generosity of every individual, company and charitable organisation that has supported our work throughout 2022, including:

The Albert Gubay Charitable Foundation
The Astra Foundation
Benefact Trust
Charles Plater Trust
Computershare
Co-op Foundation
Garfield Weston Foundation
Clare Scherrer and Gary Lapidus
John Lyon's Charity
The Joseph Cox Charity
The Linbury Trust
LNER Customer and Community Investment Fund
The Mary Kinross Charitable Trust
The May and Stanley Smith Charitable Trust
The Merchant Taylors' Foundation
Montpelier Foundation
The NHS North Tyneside Clinical Commissioning Group
People's Postcode Lottery
The Schütz Engel Trust
The Sir Cliff Richard Charitable Trust
Stavros Niarchos Foundation
The Swire Charitable Trust
The Zochonis Charitable Trust

Telling our clients' stories in their words is an important part of our client involvement strategy. In collaboration with clients, we produced two in-depth multimedia content projects. These projects provided the collateral for our summer brand awareness campaign, in which we shared the stories of Ruth, Xenia, and Naomi, demonstrating the individuality of a young person's experience of homelessness and the positive impact of Depaul UK's services. The campaign reached tens of thousands of people, through over 10,000 video plays and hundreds of engagements.

The projects also inspired our winter fundraising appeal, **One night can change a life**, which highlighted the need for our emergency accommodation network, Nightstop, and the dangers facing young people sleeping rough.

To coincide with National Volunteer Week, we worked with Nightstop hosts to promote their amazing contribution to our Nightstop volunteer network, with stories on social media and media coverage in Metro, The Big Issue, and BBC Radio, among others.

In December, we worked with TBWA marketing agency in Manchester, who supported Depaul UK through a reactive poster next to a Waitrose advert in the city's most prominent area for rough sleepers. PRWeek picked up the story and our social media following increased as a result.

HOW WE'VE ENGAGED OUR SUPPORTERS

Volunteers play a vital role in the work of Depaul across Nightstop and other services and programmes. Across our services and programmes in 2022, 676 registered volunteers kindly donated more than 11,682 volunteer hours and 2,028 mentoring hours. We are hugely grateful for their commitment. In the year, our volunteer hours alone equated to approximately £155k in donations. The great rise in volunteer hours was due to coming out of lockdown restrictions and restarting delivery of the European volunteering programme.

Our volunteers support our services and teams to deliver the very best opportunities for young people, delivering specific projects and bringing new skills and diverse life experience.

Our mentoring service supports young people to become more independent and to learn skills they can use as they move on from our services. Working with a trained volunteer mentor, a client works towards specific goals, builds their confidence and increases their community engagement and social networks.

Despite continued challenges in recruitment, new volunteering roles were still developed across all Depaul's directorates, and it was wonderful to engage volunteers in new roles enhancing the services we deliver. These new roles included a volunteer in the Inform Team, volunteers becoming active in delivering induction and training to their peers and co-ordinating peer support sessions for volunteers.

Our European Solidarity Corp (ESC) volunteering programme also continued to face challenges, due to changes in employment law following Brexit. Visa requirements continued to delay start dates and this also impacted the duration of ESC volunteer placements, as many had to end placements early in order to start university in September. The programme ran with seven volunteers from Denmark, Germany and Italy, and all volunteers received outstanding support from the Programmes Team. Sadly, the programme ended on 31st December 2022, and this will be our last ESC programme as, due to Brexit, we are no longer eligible for this funding. Depaul has hosted international volunteers through ESC, and previously through European Voluntary Service (EVS), for 20 years. There are so many memories and successes from being both a hosting and sending organisation through both schemes. The final report for our last ESC programme was submitted in February 2023.

We continue to offer our mentoring service, both remotely and in person. It has been wonderful to see an increase in face-to-face sessions, supporting clients to access activities and support in their local community.

As ever, we have delivered our Volunteering programme with support from members of our communities who generously donated their time and experience.

It has been an amazing opportunity for the Volunteering Team to embrace their learning on ACT (Acceptance and commitment therapy) roll out from the Mental Health and Wellbeing Team and, in a pilot to engage clients in our ACT way of working, we have developed our mentoring documents.

We continue to offer one-to-one support to all volunteers and to deliver national forums, where we hope all volunteers will feel part of Depaul, get updates on future developments and receive peer support. We continued to deliver celebration events for volunteers (this year, in person), all of which were well attended, with positive feedback. It has been fantastic to work across more teams as a result of new volunteer roles, and we look forward to expanding our offer further in 2023, as well as developing a framework to support all those on a placement at Depaul.

In 2022, we once again achieved our Investors in Volunteers quality standard.

THE DEPAUL GROUP

Depaul UK is part of an international family of charities with a focus on helping people in crisis who are either homeless or are at risk of becoming homeless. What started as a response to the growing number of homeless people on the streets of London has now grown into a response to tackling homelessness worldwide. The Depaul Group is made up of charities working in the UK, Ireland, France, Slovakia, Ukraine, Croatia and the USA, united by a shared mission, vision and values. Depaul UK is committed to strengthening the 'Depaul family' and to expanding mutual support.

In 2022, Depaul UK continued to make its contribution to the group. Depaul UK sought to support colleagues in Depaul Ukraine as they developed their service offer to meet rapidly increasing needs and challenges during the conflict. We helped with the development of new policies and procedures as they initiated their volunteer-led food delivery service, and trained staff to work in a trauma-informed way – both in serving their clients and in looking after themselves. We also continued to support global advocacy, campaigns, awareness raising, and research work, through the Institute of Global Homelessness (IGH), as well as raising more funds to deliver our mission and respective strategic plans by harnessing our international set up – which included strengthening our approach to joint funding bids.

LOOKING FORWARD

FUTURE PLANS

The social and economic implications of the Covid-19 pandemic and the cost-of-living crisis will be felt for years to come and will increase inequalities. We therefore expect to see significant homelessness, in all its forms, over the next decade. This will continue to shape our operations in many ways. We anticipate there will be a large and diverse group of vulnerable people who require more bespoke solutions; changes in the commissioning environment and compliance requirements; different behaviour, interest and expectations from voluntary donors; a fundamentally transformed recruitment market and – very importantly – resulting pressures on our workforce.

2021 marked the first year of our new organisational strategy (2021-2026) and it has proved just as relevant in its second year. To ensure effective delivery of our strategy, Depaul UK will have to maintain its ability to be agile and to innovative, while staying focused on providing the right services at the right time to a larger number of people. We will have to ensure this despite a continuing highly volatile and uncertain socio-economic environment that will put further pressure on our workforce and our financial sustainability.

The following key strategic objectives position Depaul UK well to respond to the challenges and opportunities and to provide focus for our 2023 activity:

Our sole purpose: the best services and programmes for clients. In order for Depaul UK to remain a vibrant, growing and effective organisation of choice for the people we serve, employees, donors and commissioners, the organisation must provide an offer of housing and support services, and programme and prevention activities, that is effective, relevant, affordable, accessible and impactful. In 2023, we will focus on expanding our services and programmes to an even more diverse client group, in a trauma-informed way. We will provide safe temporary housing and accommodation, and we will specifically focus on employability, training and education, mental health and wellbeing support. We will also continue to focus on involving our clients in everything we do, and we will review our approach to governance, management and reporting of the health and safety of all clients, staff and volunteers. Further, we will get ready for the implementation of new National Standards, which will apply to several of our services from 2024 onwards.

Funding our mission: business development and voluntary fundraising.

To help improve the lives of people affected by homelessness, Depaul UK must increase the scope and breadth of its operations, by securing more commissioned contracts and fostering new business ventures that result in effective services and programmes. We do this based on harnessing our unique experience and culture as an international organisation, coupled with a commitment to demonstrable quality in service provision and value

for money. In 2023, we are set to secure yet more commissioned services and create new business opportunities, including through our subsidiary, Depaul Housing Services. Depaul UK has a holistic approach to addressing and preventing homelessness, which means that we cannot merely provide services that are funded by commissioned contracts. We also require a healthy funding balance that allows us to manage dependencies and mitigate risks. In addition to securing income through our business development activity, it is a priority for us to raise voluntary funds. To do so, in 2023 we will enhance our public profile to attract and inspire more people to join our fight against homelessness, whether that is through donating money or through giving their time to our Volunteering programme.

Our greatest asset: people. In order for Depaul UK to achieve the best outcomes for the people we serve, we will need to continue to attract, develop, retain and engage skilled, high-performing professionals who are happy in their work, and use a values-driven approach to deliver the best outcomes for our clients. At Depaul, we believe that our people are our biggest asset. Along with many other charitable organisations, recruiting and retaining staff has proved to be a significant challenge for Depaul UK. In 2023, we will therefore make changes to our pay policy and pay structure, as well as our benefits package. We will continue to optimise our learning and development offer, especially considering the different needs that our colleagues must respond to when dealing with a wider, more diverse group of clients.

Our backbone: financial sustainability and organisational efficiency.

Depaul UK delivers its work through a combination of contracted services and voluntary income funded services. In response to the need to develop the ability of the organisation to deliver on its mission, investment has been made in the functions that support delivering our services and programmes. Whilst making those necessary investments, the charity must remain alert to any factors that may put its financial sustainability and health at risk. In 2023, we will have to review our financial strategy to ensure that it is still fit for purpose. We will also focus on improving our financial processes and systems, and put increased emphasis on measuring and reporting our performance as an organisation, so that we can be even more proactive in managing opportunities and challenges. This will include fully implementing our new performance monitoring framework.

Homelessness is a global problem. While Depaul UK's focus lies with ending homelessness in the UK, it embraces that being part of an international homelessness organisation means playing a role in the effort to tackle homelessness worldwide. Collectively, we will continue to strengthen the Depaul family, through exploring support across Depaul subsidiaries and sharing evidence, best practice and innovation with our international members. In 2023, we will focus on fundraising together with members of the Depaul family and we will continue to support our colleagues in Ukraine for as long as it takes.

RISK

The trustees of Depaul UK are aware of their responsibilities and obligations regarding risk management. The effectiveness and relevance of our system of internal controls is reviewed on a regular basis, and at the same time it is ensured that the charity's objectives remain on track and are achieved. Trustees can only provide reasonable, not absolute, reassurance against material misstatement or loss.

Depaul UK's risk management model includes several stages that help to identify and manage risk. The charity has an established risk management policy and related procedures that clearly explain its position, approach, processes and responsibilities. This is supported by:

1. Procedures and processes that set out to identify and manage risk rather than eliminate it.
2. A Corporate Risk Management Register tool, used to assist in identifying and assessing risks, considering their impact and evaluating actions.
3. Allocating each risk to an executive director of Depaul UK to ensure accountability at the highest level.
4. Actively monitoring risks and reporting upon this as a standing item to the Council of Trustees meetings, at Executive Team meetings and to the Leadership Group of Depaul UK.

In addition to the Corporate Risk Register, Depaul UK's services undertake risk assessments on a regular basis using the same methodology as contained in the charity's Risk Management Policy and Procedures, on themes such as Covid-19, health and safety, fire safety, and other specific activities. This ensures a consistent approach to risk management throughout the organisation and enables localised risk management and engagement of service managers in the risk management process.

During 2022, the trustees have given due consideration to the major risks that the charity is exposed to and were satisfied that the control measures in place to manage those risks are appropriate.

The headline risks that have a significant impact and/or carry a high likelihood of occurring include:

1. Finance

Like most charities, our work is dependent upon the generosity of funders and donors, and we acknowledge that some charities have seen considerable changes to their income streams and funding priorities, as a direct impact of Covid-19. This risk therefore concerns high levels of financial volatility that result from economic factors outside the charity's control.

Mitigating interventions have included: risk-based reserves ranges being identified to enable operations to continue through short/medium-term volatility; and strategic financial planning underpinned by the approval of a multi-year finance strategy, which includes detailed projections and scenario planning.

2. Data protection and cyber security

The increased dependency on the use of ICT-based technology during the pandemic has also seen global acknowledgement of the increase and potential of cybercrime. This risk links directly to compliance with GDPR and our Data Protection Act obligations.

Mitigating interventions have included: increased resourcing, with a 12-month data protection and compliance manager post intended to build capacity and review our core compliance activities as well as make improvements to our systems and processes in data protection and information governance; sustained achievement of Cyber Essentials quality accreditation; a data protection lead for Depaul UK; ongoing registration with the Information Commissioners Office; monitoring of potential data breach reviews and reporting upon these to the Finance, Audit and Compliance Committee; continuing to take legal and expert advice for complex enquiries; providing staff with training materials to assist them in advancing their digital capacity and capability; migration to Microsoft 365 and increased security of our digital environments and equipment.

3. Health and safety

As an employer and service provider, making sure that our environments are as safe as possible is a priority. We operate and work in partnership with a wide range of landlords across the country to provide safe and secure accommodation. This risk relates to acknowledgement that some of the buildings we occupy require improvement but that these are, at times, outside of the charity's direct control. The risk also relates to the ongoing need to ensure that we maintain compliance with health and safety regulation.

Mitigating interventions have included: conducting an organisation-wide audit of fire and gas safety in 2022 and, led by the senior facilities manager, using these findings to form the basis of a new health and safety action plan to further improve health and safety compliance at Depaul UK; Depaul UK having a health and safety policy and procedure that is owned, at the highest level, by the CEO; the senior facilities manager providing a centralised point of contact for advice, holding a NEBOSH qualification and having external support.

4. Compliance with regulatory and quality standards

Depaul UK operates its services using a range of regulated and quality frameworks. During 2022, several regulatory changes were progressed by the UK Government to come into effect in 2023. This includes the National Standards for Unregulated Provision and Tenant Charter, which will have a direct impact on Depaul UK. Whilst we welcome these improvements to the sector, this risk acknowledges there will be resourcing implications for the charity to meet and comply with the standards.

Mitigating interventions have included: direct liaison with the Department for Education – providing feedback on, and the influencing and shaping of, the design and implementation of the National Standards for Unregulated Provision; staying up-to-date with regulatory developments and engaging with sector expert organisations and regulators, including the Housing Ombudsman, National Housing Federation and Ofsted; regular reporting and communications with senior managers and staff teams; agreement of a six month resource to ensure compliance with the National Standards for accommodation for 16-17 year olds.

5. Appointment of quality staff

Appointment of low-quality staff, or failure to recruit, leads to a drain on management and resources, impacts the morale of the staff teams and leads to an unsatisfactory service for our clients. In 2022 we faced considerable challenges in recruiting staff. We found that we were advertising jobs more than once, experiencing drop out at offer stage and getting less initial response to advertisements.

Mitigating interventions have included: developing a new recruitment strategy in 2022, which we are keeping under review at the same time as escalating this risk to our Strategic Risk Register to be monitored by the board; our Communications Team putting in place stronger employer branding to improve our profile in the sector, and continuing to explore new methods of recruitment; trialing several open days in our London services, which have proved successful, and currently working with our colleagues and suppliers to scale up this model to support our larger recruitment need. A significant review of pay and reward was

undertaken during 2022 to ensure that we offer a fair and competitive package to our workforce.

6. Safeguarding

As a housing and support provider to some of the most vulnerable people in our communities, safeguarding children and vulnerable adults is central to the work we do. The risk is therefore in failing to provide a robust framework to keep children and vulnerable adults safe from potential and actual harm.

Mitigating interventions have included: the annual internal safeguarding policy and procedures review and the triannual external review in 2022; compulsory staff induction and training on safeguarding, professional boundaries and incident management and reporting; DBS checks and safer recruitment for employees and volunteers; trustee annual training on safeguarding and their obligations in relation to safeguarding; quarterly review of safeguarding incidents, to identify and act on themes and trends; safeguarding as a standing item on all team meetings, and coordination of a Safeguarding Managers group, scrutiny and 'deep-dive' reviews.

DIRECTORS' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Depaul UK charitable objects and public benefit

Depaul UK's charitable objects are:

- The prevention and relief of poverty, homelessness and financial hardship.
- The advancement of education.
- 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.
- Nothing in the articles shall authorise an application of the property of the charity for purposes that are not charitable, in accordance with section 7 of the Charity and Trustee Investment (Scotland) Act 2005.

The trustees have a very strong regard for the public benefit guidance published by the Charity Commission and are in compliance with its duties under Section 17 of the Charities Act 2011.

That guidance sets out two key principles:

- The organisation must have an identifiable benefit.
- The benefit must be open to the public or a section of the public.

The provision of accommodation and support fully meets the Charity Commission's public benefit test.

Constitution

Depaul UK (the Charity) is registered as a charitable company limited by guarantee. The Charity was founded in 1989 as the Depaul Trust. It is now constituted under a Memorandum and Articles of Association dated 9 June 2009, last amended by a Special Resolution on 22 March 2019, and is a charity registered with the Charity Commission (number 802384) and Office of the Scottish Charity Regulator (number SC049244).

Depaul International was established in 2004 and became the parent company of Depaul UK in 2005. The Depaul Group now consists of: Depaul International (the parent company); Depaul UK; Depaul Ireland and its subsidiaries Depaul Northern Ireland and Depaul Housing Association;

Depaul Slovensko (based in Slovakia); Depaul Ukraine; Depaul USA; Depaul France; Depaul Croatia; and Depaul Group Trading Limited.

Depaul UK is a subsidiary of Depaul International by virtue of the rights conferred on Depaul International in the Articles of Association.

Depaul UK has two of its own subsidiaries, Depaul Housing Services (DHS) and Depaul UK Trading CIC.

Depaul Housing Services is an incorporated Private Company, a Registered Charity and Registered Provider of Social Housing. A robust parent/subsidiary relationship and high standard of governance is facilitated by biannual meetings of the chairs of both boards, the Depaul UK/DHS CEO and the DHS lead officer.

Depaul UK Trading CIC was established in 2013 to facilitate the running of a coffee shop, but it has not traded since 2020, due to the pandemic.

Depaul UK's governance structure is in three UK parts: the Council of Trustees, the Committees of the Council and the Executive and Leadership Teams. This arrangement facilitates effective strategic focus and decision making.

The Council of Trustees, the Committees and the Executive Team

The Council of Trustees (the Council) currently consists of 10 members. They are also the directors of Depaul UK. The trustees are responsible for, and committed to, leading the Charity in accordance with its charitable objects. The Council approves the Charity's strategic and business plans and associated financial planning and budgets and monitors their delivery.

Trustees are recruited for a three-year term and may then be re-appointed for a further term of three years.

All Depaul UK trustees are formally appointed by Depaul International. Depaul International also exercises several governance functions, including ratification of senior roles, budgets and the strategic plans of the Charity.

The chief executive and the trustees appoint several executive directors who, while not being trustees, attend Council meetings and support the Council's Committees.

It is the responsibility of the executive directors to work with the chief executive to ensure that the Council has all the information it needs to exercise its role.

The Council's Committees

The Committees are:

The Services and Business Development Committee: This committee's main role is to recommend to the Council the Services and Business Development strategy, and to monitor the delivery of services, safeguarding, health and safety, external complaints resolution and client involvement across Depaul UK.

The Fundraising and Communications Committee: This committee's main role is to recommend to the Council the Fundraising and Communications strategies and to monitor fundraising standards across Depaul UK, including reporting on the maintenance and development of best fundraising practice to the Council.

The Finance, Audit and Risk Committee: This committee's main role is to monitor the financial performance of the organisation and to have oversight of all aspects of internal control and audit, while making recommendations to the Council on the management of strategic risks.

The People and Remuneration Committee: This committee's main role is to review and recommend to the Council any changes in the remuneration of staff and their conditions of employment. Depaul UK has adopted the Depaul Group's Policy and Principles for the Determination of Executive Remuneration. This policy reflects the Depaul Group's reward philosophy for senior executive staff and forms the basis on which Depaul International and Depaul Group subsidiaries are expected to manage executive remuneration.

In addition, the Chairs' Committee, which is composed of the chairs of the above Committees and the Council chair, discusses strategic challenges and priorities, and how the Committees can work best together to support delivery on them. This Committee also agrees the forthcoming Council meeting agenda.

The Executive Team

The Executive Team comprises the paid strategic leaders of the Charity and is supported by the staff working with them, the most senior of whom form the Leadership Team.

The Executive Team provides the Charity's day-to-day executive leadership.

The team is led by the chief executive officer and comprises:

- the Deputy CEO
- the executive directors of services, of finance, facilities and IT, and of people and organisational development
- the directors of philanthropy and partnerships and public engagement.

The Executive Team meetings take place regularly and are chaired by the chief executive.

Policies adopted for recruitment and induction and appraisal of trustees

The Council also manages the process for the recruitment of new trustees and the appointment of the chair and vice-chair, according to agreed policy and procedures. A skills audit of trustees is undertaken regularly to assist in identifying what skills and experience are lacking on the Council. This, in turn, influences the recruitment, selection and appointment process, which involves open and transparent advertising.

All trustees go through a full, comprehensive induction process on appointment, which includes the provision of key Charity Commission guidance on being an effective trustee and on public benefit. Relevant training is then made available throughout their period of appointment to ensure they are able and confident to perform their duties.

Trustees reflect on their contribution through an annual appraisal process led by the chair.

This is also used as an opportunity to identify any potential learning or development needs.

The Charity Governance Code

The Charity has adopted the 2020 Charity Governance Code and conducted an in-depth review of its compliance with the Code in November 2022. The review found that Depaul UK could evidence compliance with all recommended practice to some extent, but the board has identified a small number of areas where improvements could still be made, and an action plan has been created to ensure that these can be addressed in the next one to two years.

Pay policy for senior staff

When setting the CEO's remuneration and reviewing it, the Chairs' Committee considers how a fair salary can be set, taking into account:

- the purposes, aims and values of the charity and its beneficiary needs
- how these impact on the CEO's pay and including whether a 'discount', compared with pay for similar roles in other sectors, is appropriate
- the types of skills, experiences and competencies that the charity needs from its CEO, the specific scope of these roles in the charity and the link to pay
- the charity's current business plan and how the implementation of this plan may affect the number of senior staff the charity needs to employ or recruit, and the nature of these roles and their link to the CEO
- the charity's ability to pay. This includes the cost to the charity of raising pay and whether it is sustainable, and how appropriate the level of pay and any pay increase is in the context of the charity, as measured against the needs of its charitable purposes and beneficiaries
- its assessment of the charity's performance and the CEO's performance against expectations, both short and long term
- appropriate available information on CEO pay in other organisations, which can help in making the decision on whether a level of pay is fair and reasonable, with explicit reference to the views of the Depaul Group's CEO and chair
- the nature of the wider 'employment offer' they can make to the CEO, in which pay is one part of a package that includes personal development, personal fulfilment, and association with the public benefit delivered
- the likely impact on, and views of, beneficiaries, donors, funders, volunteers and potential volunteers, where appropriate.

The pay of other senior staff is reviewed regularly and normally adjusted in accordance with a benchmark of similar roles in peer organisations in the sector. The remuneration is set at a median point of the range paid for similar roles, as it is across the organisation.

In 2022, the structure of the Executive Team was reviewed, and a temporary Deputy CEO role was created, alongside a reduction in the number of executive directors. Roles and responsibilities within the team were amended and new job descriptions designed. These job descriptions were benchmarked externally, in accordance with the criteria outlined above, and pay was adjusted accordingly for each post.

Our trustees, who are also directors of the charitable company, are volunteers and give their time freely. No trustee received remuneration for the year. Details of trustees' expenses and related party transactions are disclosed in Note 26 to the accounts.

Gender pay gap

As at 5 April 2021, female staff received a gross hourly rate of £14.00 and the male employees £14.51, which represents a gender pay gap of 3.51%. This compares to an overall national average pay gap of 7.9% (male employees receive an hourly wage 7.9% higher than female employees).

Statement on employee engagement

In 2022 we embedded our hybrid-working approach, which supports flexible working arrangements for staff.

Due to the reduction in travel restrictions, we were able to relaunch some of the face-to-face elements of our Learning and Development programme, encouraging staff to build connections across the organisation, and to further facilitate peer learning.

We have re-launched our annual Executive Team Roadshow, and implemented an annual virtual all staff meeting to ensure there is regular and scheduled connection between the Executive Team and our colleagues.

Following the BackforGood consultation project, undertaken in 2021, we have worked on improving our internal systems and initiated the transition to Microsoft 365 in December 2022. The objective of this investment is to simplify working practices and improve staff communication and engagement.

Our Champion's programme is now well-established, and our Employee Voice champions support and promote staff consultation and engagement.

Depaul UK is an Investors in People silver-accredited employer, and our latest accreditation took place in November/December 2022, with excellent initial feedback received from our assessor. Part of this assessment was an all-staff survey, the results of which will be used to design our organisational action plan for the next three years.

We remain acutely aware of the impact of the cost-of-living crisis on both our staff and the clients we serve, and with this in mind we implemented a 2% pay uplift to all staff in 2022. This sits outside our usual benchmarking cycle, and our bi-annual benchmarking project will take place in 2023.

A review of our benefits package began in 2022 and will continue into 2023.

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS, FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

Sandeep Katwala, Chair
Urvashi Bhagat (joined the board 21 February 2022)
Fr. Eugene Curran
John Dunn
Anthony Harris (left the board 14 June 2022)
Ian Hellawell
Ben Jackson
Steve James (joined the board 21 February 2022)
Katy Porter, Vice Chair
Edward Tait
Sr. Maureen Tinkler (joined the board 22 February 2022)

Company registered number

02440093

Charity registered numbers

802384 (Charity Commission, England and Wales) and SC049244 (Office of the Scottish Charity Regulator, Scotland)

Registered and principal office

Sherborne House, 34 Decima Street, London SE1 4QQ

Company secretary

Judith Rowland-Hill (to 22 April 2022)
Penny Bull (from 22 April - 9 September 2022, and from 10 October 2022)
Debbie Bankole-Williams (from 9 September - 10 October 2022)

Chief executive officer

Mike Thiedke

Auditor

Crowe UK LLP, 55 Ludgate Hill, London EC4M 7JW

Bankers

Barclays Bank, 1 Churchill Place, London E14 5HP

Solicitors

Russell-Cook Solicitors, 8 Bedford Row, London C1R 4BX
SA Law, 91 Wimpole Street, Marylebone, London W1G 0EF

Investment advisors

Seven Investment Management, PO Box 3733, Royal Wootton Bassett, Swindon SN4 4BG

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable group and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO THE AUDITOR

Crowe UK LLP has indicated its willingness to be reappointed as statutory auditor.

So far as each of the trustees are aware, there is no relevant audit information of which the charitable group's auditors are unaware, and each of the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

The Trustees' Annual report incorporating the Strategic Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the trustees in their capacity as company directors and signed on their behalf by:



Sandeep Katwala, Chair of Trustees

Date **15 September 2023**

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEPAUL UK

Opinion

We have audited the financial statements of Depaul UK (the charitable company) and its subsidiaries ('the group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charitable company's affairs as at 31 December 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were health and safety legislation, employment legislation, General Data Protection Regulation (GDPR) and taxation legislation.

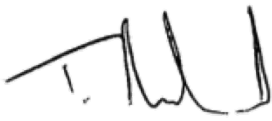
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood (Senior statutory auditor)
for and on behalf of

Crowe UK LLP

Statutory Auditor
London

Date: 28 September 2023

Crowe UK LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022 Unrestricted funds	2022 Restricted funds	2022 Total funds	2021 Total funds
	Note	£'000	£'000	£'000	£'000
Income from:					
Donations and legacies	4	4,178	1,298	5,476	4,832
Charitable activities	6	10,778	1,705	12,483	13,690
Investments	5	1	-	1	1
Total income		<u>14,957</u>	<u>3,003</u>	<u>17,960</u>	<u>18,523</u>
Expenditure on:					
Raising funds	7	1,587	-	1,587	1,524
Charitable activities	7	14,262	2,798	17,060	16,793
Total expenditure		<u>15,849</u>	<u>2,798</u>	<u>18,647</u>	<u>18,317</u>
Net (expenditure)/ income before net gains on investments		(892)	205	(687)	206
Net gains on investments	11	(10)	-	(10)	-
Net movement in funds		<u>(902)</u>	<u>205</u>	<u>(697)</u>	<u>206</u>
Reconciliation of funds:					
Total funds brought forward		<u>7,696</u>	<u>1,653</u>	<u>9,349</u>	9,143
Total funds carried forward		<u>6,794</u>	<u>1,858</u>	<u>8,652</u>	9,349

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 49 to 71 form part of these financial statements.

BALANCE SHEETS AS AT 31 DECEMBER 2022

REGISTERED NUMBER: 02440093

		2022 Group	2022 Charity	2021 Group	2021 Charity
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10	4,347	3,137	4,512	3,239
Investments	11	83	83	93	93
Social investments	12	47	47	47	47
		4,477	3,267	4,652	3,379
Current assets					
Debtors	13	3,115	3,173	1,866	2,102
Cash at bank and in hand		3,471	3,230	5,215	4,798
		6,586	6,403	7,081	6,900
Creditors: amounts falling due within one year	14	(2,039)	(2,047)	(1,959)	(1,934)
		4,547	4,356	5,122	4,966
Net current assets					
		9,024	7,623	9,774	8,345
Total assets less current liabilities					
Debtors: amounts falling due after more than one year	13	-	116	-	120
Creditors: amounts falling due after more than one year	15	(372)	(372)	(425)	(425)
		8,652	7,367	9,349	8,040
Total net assets					
Funds					
Restricted funds	16	1,858	1,022	1,653	777
Unrestricted funds	16	6,794	6,345	7,696	7,263
		8,652	7,367	9,349	8,040
Total funds					

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Sandeep Katwala

Date: 15 September 2023

The notes on pages 49 to 71 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 DECEMBER 2022**

	Note	2022 Group £'000	2021 Group £'000
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>(1,703)</u>	<u>11</u>
Cash flows from investing activities:			
Dividends, interests and rents from investments		1	1
Purchase of tangible fixed assets		<u>(42)</u>	<u>25</u>
Net cash provided by/ (used in) investing activities		<u>(41)</u>	<u>26</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		5,215	5,178
Cash and cash equivalents at the end of the year		<u>3,471</u>	<u>5,215</u>

The notes on pages 49 to 71 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General Information

Depaul UK is a company limited by guarantee and Registered Charity. Registered company No. 02440093 registered in England and Wales and Registered Charity No. 802384. The Registered Principal office is 34 Decima Street, London, SE1 4QQ. The members of the company are the Trustees named on page 37. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Depaul UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

For 2022, Depaul UK has prepared consolidated accounts, including its two subsidiaries as set out in note 23. This is a departure from previous practice where Depaul UK didn't prepare consolidated accounts as it is a wholly controlled subsidiary of Depaul International, which produces full group accounts and is incorporated in England and Wales. Consequently, Depaul UK accounts for 2021 have been restated to also include the two subsidiaries. The results have been consolidated on a line by line basis.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

2.2. Going concern

Currently, about 24% of Depaul's income for charitable activities is derived from relatively stable rental income, linked to commissioned contracts and a further 41% is also contractual (Supporting People payments). This funding enables the organisation to finance the major part of its activities but is subject to regular contract re-tendering. During 2022, many contracts were, retendered and successfully retained. Many additional services, including the prevention and 'wrap around' services are funded by voluntary donations and grants, with currently 50% being donated by the Postcode Lottery Trust. Whilst voluntary funding can be unpredictable, the group cash reserves of £3.5m, together with current forecasts, indicate that the group has sufficient liquid resources to meet its obligations as they fall due, and to deal with the additional costs associated with the current inflationary conditions and risks associated with cost-of-living pressures.

2.3. Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are recognised when receivable.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from government and other grants is recognised in the financial statements when receivable unless they are performance related. Performance related grants and contracts for services, including rental income, are recognised in income to the extent that entitlement has been earned through delivery of the underlying service.

2.4. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and have been allocated in proportion to the level of direct costs attributable to the relevant projects. Governance costs are those incurred in connection with administration and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

2.5. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6. Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost or their value at the time of acquisition, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or their value at the time of acquisition of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Depreciation is provided on the following bases:

Land	- Not depreciated
Freehold property	- 50 to 100 years Straight line
Property refurbishment	- 5% to 20% Straight line
Fixtures and fittings	- 20 - 25% Straight line
Computer equipment	- 25 - 33% Straight line

2.7. Investments

Current asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

2.8. Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9. Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10. Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2.11. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.12. Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.13. Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.14. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

Preparation of financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

(i) Useful economic lives of tangible assets. The annual depreciation charges for the tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates based on future investments and physical condition of the assets. For freehold properties, a valuation is conducted every five years. In addition, impairment reviews are carried out every year.

(ii) Bad debts provision: As part of the charity's rental income arrangements with tenants and local authorities, all rental income is received in arrears and there is always a risk of some debts becoming irrecoverable. An appropriate provision is made in the accounts to take account of that risk.

(iii) Cost allocations: The charity is required to make judgements about which costs should be allocated directly to charitable activities and which should be recorded as support costs.

4. Income from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Donations	616	230	846	858
Legacies	525	53	578	391
Grants	3,037	1,015	4,052	3,583
Total	4,178	1,298	5,476	4,832

Unrestricted grants income includes £2,797k (2021: £2,796k) from Postcode Support Trust, a registered charity in Scotland (SC045861).

5. Investment income

	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Income from local listed investments	1	-	1	1
Total	1	-	1	1

6. Income from charitable activities

Income from charitable activities is made up of:

	Unrestricted Funds	Restricted Funds	Total Funds	Restated Total Funds
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Safe Choices	100	405	505	1,166
Safe Places	10,635	1,300	11,935	12,497
Other	43	-	43	27
Total	10,778	1,705	12,483	13,690
	Unrestricted Funds	Restricted Funds	Total Funds	Restated Total Funds
	2022	2022	2022	2021
	£'000	£'000	£'000	£'000
Contracts for project work	867	551	1,418	1,810
Rents and charges	4,190	-	4,190	4,357
Supporting People	5,598	452	6,050	6,833
Statutory grants	-	675	675	565
Other income	123	27	150	125
Total from Charitable Activities	10,778	1,705	12,483	13,690
Total 2021	11,232	2,458	13,690	

Government Grants - The restricted income above includes £1,027k (2021: £1,206k) received from statutory bodies for the provision of services aimed at the alleviation and prevention of homelessness. There are no unfunded commitments.

7. Expenditure

Direct costs

	Raising Funds	Safe Choices	Safe Places	Total funds	Restated Total funds
	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000
Direct Staff	752	963	7,127	8,842	9,042
Other	620	256	5,952	6,828	6,315
Total 2022	1,372	1,219	13,079	15,670	15,357
Total 2021	1,272	1,774	12,311	15,357	

Support costs

	Raising Funds	Safe Choices	Safe Places	Total funds	Restated Total funds
	2022	2022	2022	2022	2021
	£'000	£'000	£'000	£'000	£'000
Direct Staff	183	223	2,123	2,529	2,206
Other	32	40	376	448	754
Total 2022	215	263	2,499	2,977	2,960
Total 2021	252	373	2,335	2,960	

8. Auditor's remuneration

	2022	2021
	£'000	£'000
Fees payable to the company's auditor for the audit of the company's annual accounts (including VAT)	44	35

9. Staff costs

	2022	2021
	£'000	£'000
Staff and Volunteer costs		
Salaries and wages	8,206	7,929
Social security costs	752	688
Pension contributions	461	446
Training, travel, insurance and recruitment	518	426
Volunteer expenses	105	54
Agency staff	1,329	1,706
	11,371	11,249

Volunteer expenses include payments made to Supported Lodgings hosts and Depaul UK Nightstop hosts, and costs of travel, accommodation and allowances paid to European volunteers. In 2022 we involved 676 volunteers (2021: 525) in our work. Volunteers are involved in providing accommodation in our Nightstop service and in providing support and mentoring to our young people through our Get Up and Go programme.

The average number of persons employed by the company during the year was as follows:

	2022	Revised 2021
	£'000	£'000
Safe Choices	22	39
Safe Places	209	186
Cost of Generating funds	18	16
Support and administration	46	39
	295	280

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
	£'000	£'000
In the band £60,001 - £70,000	3	-
In the band £70,001 - £80,000	-	2
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	1

The remuneration paid to key management personnel, including the CEO and Executive Team, amounted to £546,006 (2021 £480,927).

Employer contributions made to the Depaul pension scheme for the employees who earned over £60,000 during the year amounted to £32,656 (2021: £25,332). The remuneration policy is set out in detail in the Trustees' Strategic Report.

During the year £36,789 (2021: £11,178) was paid out in redundancy payments. All obligations in relation to redundancy are recognised in the year in which the redundancy is agreed.

10. Tangible fixed assets

Group

	Land	Freehold Property	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2022	75	3,900	1,036	159	473	5,643
Additions	-	-	-	6	36	42
Disposals	-	-	-	-	(1)	(1)
At 31 December 2022	75	3,900	1,036	165	508	5,684
Depreciation						
At 1 January 2022	-	360	212	141	418	1,131
Charge for year	-	82	56	7	61	206
At 31 December 2022	-	442	268	148	479	1,337
Net Book Value						
At 31 December 2022	75	3,458	768	17	29	4,347
At 31 December 2021	75	3,540	824	18	55	4,512

10. Tangible fixed assets (continued)**Charity**

	Freehold Property	Leasehold Improvements	Fixtures and Fittings	Computer Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2022	2,485	1,036	147	473	4,141
Additions	-	-	6	36	42
Disposals	-	-	-	(1)	(1)
At 31 December 2022	2,485	1,036	153	508	4,182
Depreciation					
At 1 January 2022	143	212	129	418	902
Charge for year	19	56	7	61	143
At 31 December 2022	162	268	136	479	1,045
Net Book Value					
At 31 December 2022	2,323	768	17	29	3,137
At 31 December 2021	2,342	824	18	55	3,239

11. Fixed asset investments

	Group	Charity
	£'000	£'000
Cost or valuation		
At 1 January 2022	93	93
Revaluations	(10)	(10)
At 31 December 2022	83	83
Net book value		
At 31 December 2022	83	83
At 31 December 2021	93	93

12. Programme related investments

	Group	Charity
	£'000	£'000
Market value	47	47
At 1 January 2022 and 31 December 2022	47	47

During the year ended 31 March 1999, Depaul UK contributed £47,000 towards the refurbishment of a property in Newcastle owned by Home Housing and occupied by the Simonside project, which Depaul UK manages and funds. Depaul UK has a 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, whichever is higher. Programme related investments are recognised at amortised cost.

13. Debtors

	2022	2022	2021	2021
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Due within one year				
Trade debtors	877	877	915	910
Amounts owed by subsidiary companies	-	80	-	246
Amounts owed by parent company	52	52	8	8
Other debtors	351	351	202	202
Prepayments and accrued income	1,835	1,813	741	736
	3,115	3,173	1,866	2,102
Due after more than one year				
Amounts owed by group undertakings	-	116	-	120
	-	116	-	120
Total	3,115	3,289	1,866	2,222

14. Creditors: Amounts falling due within one year

	2022	2022	2021	2021
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Trade creditors	643	635	563	562
Amounts owed to group undertakings	-	233	-	-
Other taxation and social security	179	179	184	184
Other creditors	192	170	62	62
Accruals and deferred income	1,025	830	1,150	1,126
Total	2,039	2,047	1,959	1,934

	2022	2022	2021	2021
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Deferred income				
Deferred income at 1 January	442	442	323	323
Resources deferred during the year	162	162	442	442
Amounts released from previous years	(442)	(442)	(323)	(323)
Deferred income at 31 December	162	162	442	442

15. Creditors: Amounts falling due after more than one year

	2022	2022	2021	2021
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Other loans	372	372	425	425

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2022	2022	2021	2021
	Group	Charity	Group	Charity
	£'000	£'000	£'000	£'000
Payable or repayable by instalments	159	159	212	212

In 2016, Depaul UK entered into a loan arrangement with London Housing Foundation. This loan is repayable over 13 years on semi-annual instalments from 30 June 2018. Interest is charged at 4% per annum.

The loan is secured against 10 St Stephens Crescent, a property owned by Depaul UK.

16. Statement of funds

Group	Balance at 1 January 2022	Income	Expenditure	Transfers in/out	Gains/ (losses)	Balance at 31 December 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
Designated funds						
Fixed Assets	3,636	-	(166)	41	-	3,511
General funds						
General Funds	4,060	14,957	(15,683)	(41)	(10)	3,283
Unrestricted funds	7,696	14,957	(15,849)	-	(10)	6,794
Restricted funds						
Restricted funds	1,653	3,003	(2,798)	-	-	1,858
Total of funds	9,349	17,960	(18,647)	-	(10)	8,652

Group	Balance at 1 January 2021	Income	Expenditure	Transfers in/out	Gains/ (losses)	Balance at 31 December 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds						
Designated funds						
Fixed Assets	3,864	-	(203)	(25)	-	3,636
General funds						
General Funds	3,556	15,352	(14,873)	25	-	4,060
Unrestricted funds	7,420	15,352	(15,076)	-	-	7,696
Restricted funds						
Restricted funds	1,723	3,171	(3,241)	-	-	1,653
Total of funds	9,143	18,523	(18,317)	-	-	9,349

Designated funds:

Fixed asset designated funds represent the amount of reserves tied up in fixed assets.

17. Analysis of net assets between funds

Group	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	3,511	836	4,347	3,636	876	4,512
Fixed asset investments	83	-	83	93	-	93
Social investments	47	-	47	47	-	47
Current assets	5,564	1,022	6,586	6,304	777	7,081
Debtors due after more than one year	-	-	-	-	-	-
Creditors due within one year	(2,039)	-	(2,039)	(1,959)	-	(1,959)
Creditors due in more than one year	(372)	-	(372)	(425)	-	(425)
Total	6,794	1,858	8,652	7,696	1,653	9,349

Charity	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	3,137	-	3,137	3,239	-	3,239
Fixed asset investments	83	-	83	93	-	93
Social investments	47	-	47	47	-	47
Current assets	5,381	1,022	6,403	6,123	777	6,900
Debtors due after more than one year	116	-	116	120	-	120
Creditors due within one year	(2,047)	-	(2,047)	(1,934)	-	(1,934)
Creditors due in more than one year	(372)	-	(372)	(425)	-	(425)
Total	6,345	1,022	7,367	7,263	777	8,040

18. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021	Group 2020
	£'000	£'000
Net (expenditure)/ income for the year (as per Statement of Financial Activities)	(697)	206
Adjustments for:		
Depreciation charges	206	243
Losses on disposal of fixed assets	1	-
Loss on investments	10	-
Dividend, interests and rents from investments	(1)	(1)
(Increase)/ decrease in debtors	(1,249)	(236)
Increase/ (decrease) in creditors	27	(201)
Net cash provided by operating activities	(1,703)	11

19. Analysis of cash and cash equivalents

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£'000	£'000	£'000	£'000
Cash in hand	3,471	3,230	5,215	4,798

20. Analysis of changes in net debt

Group	At 1 January 2022	Cash flows	Other non- cash changes	At 31 December 2022
	£'000	£'000	£'000	£'000
Cash at bank and in hand	5,215	(1,744)	-	3,471
Debt due within 1 year	(52)	52	(52)	(52)
Debt due after 1 year	(425)	52	-	(373)
	4,738	(1,640)	(52)	3,046

Charity	At 1 January 2022	Cash flows	Other non- cash changes	At 31 December 2022
	£'000	£'000	£'000	£'000
Cash at bank and in hand	4,798	(1,568)	-	3,230
Debt due within 1 year	(52)	52	(52)	(52)
Debt due after 1 year	(425)	52	-	(373)
	4,321	(1,464)	(52)	2,805

21. Operating lease commitments

At 31 December 2022 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£'000	£'000
Not later than 1 year	413	84
Later than 1 year and not later than 5 years	371	132
Later than 5 years	320	347
	1,104	563

22. Ultimate parent undertaking and controlling party

The parent undertaking of Depaul UK is Depaul International, a company incorporated in England & Wales (Company number 5245818, Charity number 1107385). Depaul International works to support homeless and marginalised people around the world. Depaul International's registered office is St Vincents Centre, Carlisle Place, London, SW1P 1NL. Consolidated Financial Statements are available from Companies House.

23. Principal subsidiaries

During the year, the company had the following wholly owned subsidiaries all of which are registered in the UK.

Name	Country	Nature of Business	Company Type
Depaul Housing Services	England & Wales	Registered Social Landlord	Private limited by guarantee
Depaul UK Trading CIC	England & Wales	Trading Company	Private limited by shares

The financial results of the subsidiaries are summarised below.

	Depaul Housing Services		Depaul UK Trading CIC	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Profit and Loss Account				
Income	448	113	-	-
Expenditure	(432)	(115)	-	-
Net income/(deficit) for the year	16	(2)	-	-
Balance Sheet				
Fixed Assets	1,210	1,273		
Current Assets				
Debtors	255	9	1	1
Cash	161	337	80	80
	416	346	81	81
Current liabilities				
Creditors	(254)	(230)	(99)	(99)
Net current assets	162	116	(18)	(18)
Total assets less current liabilities	1,372	1,389	(18)	(18)
Creditors due after more than 1 year	(812)	(856)	-	-
Provisions				
Dilapidations provisions	(11)	-	-	-
Net Assets	549	533	(18)	(18)

24. Related party transactions

No trustees received remuneration (2020: Nil). Four Trustees received reimbursement for travel and subsistence expenses amounting to £1,187 in the current year (2021: £94).

During the year, there were no transactions between Depaul UK and Depaul Trading CIC (2021: nil). As at 31 December 2022, the total outstanding was £92k (2021: £92k).

During the year Depaul UK paid £150k (2021: £150k) to Depaul International as annual subscription to the group. Depaul UK also recharged £9k (2021: £9k) towards the cost of financial administration and incurred costs of £100k (2021: £50k) on behalf of Depaul International, while Depaul International paid £29k (2021: £9k) of invoices and expenses and collected donations income of £16k (2021: £20k) on behalf of Depaul UK. At the end of the year, Depaul International owed Depaul UK £52k (2021: £8k).

In 2014, Depaul UK sold Depaul House to Depaul Housing Services (DHS) for £150,000 on a 30 year loan. £4k was repaid in the year and £120k remained outstanding at 31 December 2022.

During the year, Depaul UK charged Depaul Housing Services £12k (2021: £8k) for management costs and Depaul Housing Services charged rental income of £321k (2021: £70k) to Depaul UK.

Depaul UK also made payments of £61k (2021: £20k) on behalf of Depaul Housing Services and these were recharged via the intercompany account.

Depaul UK paid £2,500 in the year (2021: £2,500) to the Fundraising Regulator in respect of its annual levy.

25. Restricted funds

The following restricted funds require a separate disclosure in the accounts. Grants received and applied as detailed in this note are also included in the restricted funds in Note 27 of the financial statements.

Nightstop Northeast- Big Lottery Fund

	2022	2021
	£'000	£'000
Funds brought forward	-	53
Grant received	-	40
Expenditure	-	(93)
Funds carried forward	<u>-</u>	<u>-</u>

Nightstop Northeast- Cumbria County Council

	2022	2021
	£'000	£'000
Funds brought forward	-	-
Grant received	25	25
Expenditure	(25)	(25)
Funds carried forward	<u>-</u>	<u>-</u>

26. Restricted Funds

	Balance at 1 January 2022	Income	Expenditure	Balance at 31 December 2022
	£'000	£'000	£'000	£'000
Alone in London	321	426	(373)	374
Capital Grants	876	-	(40)	836
I-Aspire	-	174	(174)	-
National Programmes	50	302	(352)	-
Nightstop	180	813	(726)	267
Pathfinder	-	376	(376)	-
Safestop	54	26	(7)	73
The Youth Hub	150	452	(496)	106
Other Restricted Funds	22	434	(254)	202
Total 2022	1,653	3,003	(2,798)	1,858
	Balance at 1 January 2021	Income	Expenditure	Balance at 31 December 2021
	£'000	£'000	£'000	£'000
Alone in London	381	273	(333)	321
Capital Grants	916	-	(40)	876
I-Aspire	-	473	(473)	-
National Programmes	45	137	(132)	50
Nightstop	243	638	(701)	180
Pathfinder	-	351	(351)	-
Safestop	64	25	(35)	54
The Youth Hub	-	1,066	(916)	150
Other Restricted Funds	74	208	(260)	22
Total 2021	1,723	3,171	(3,241)	1,653

26. Restricted Funds (continued)

Restricted funds represent funds unspent as at 31 December 2022 that have been donated for a specific purpose and include:

Alone in London

Funds donated specifically to provide advice and support to young people who are homeless or at risk of homelessness. Its work includes advice, family mediation, first contact and schools work, complementing the work of Nightstop and programmes teams.

Capital Grants

Funds donated for the refurbishment and development of properties managed by Depaul Housing Services to be used for supported housing accommodation.

I-Aspire

Funds donated specifically to deliver an outcomes project to support care leavers in London into education, training or employment.

National Programmes

Programmes which enable us to equip young people with the soft and hard skills to progress into education, training and employment and ultimately move on positively with their lives and in to independent living.

Nightstop

Funds donated specifically to support our work to provide a safe place to sleep for young people in the homes of trained volunteers. These funds help us to ensure that young people are prevented from sleeping in unsafe places or from having to ever need formal housing support and are donated by a wide range of funders including local authorities, corporate supporters and trusts and foundations.

Pathfinder

Funds donated specifically to deliver an outcomes project to prevent homelessness to young people in Manchester through a tenancy sustainment programme.

The Youth Hub

Funds donated specifically to provide accommodation with support to young people who are sleeping rough in London, or at imminent risk of having to do so.

27. Prior period Consolidated Statement of Financial Activities

		Group Unrestricted funds	Group Restricted funds	Group Total funds
		2021	2021	2021
	Note	£'000	£'000	£'000
Income from:				
Donations and legacies	4	4,119	713	4,832
Charitable activities	6	11,232	2,458	13,690
Investments	5	1	-	1
Total income		<u>15,352</u>	<u>3,171</u>	<u>18,523</u>
Expenditure on:				
Raising funds	7	1,524	-	1,524
Charitable activities	7	13,552	3,241	16,793
Total expenditure		<u>15,076</u>	<u>3,241</u>	<u>18,317</u>
Net income/(expenditure) before net gains on investments		276	(70)	206
Net gains on investments	11	-	-	-
Net movement in funds		276	(70)	206
Reconciliation of funds:				
Total funds brought forward		<u>7,420</u>	<u>1,723</u>	<u>9,143</u>
Total funds carried forward		<u>7,696</u>	<u>1,653</u>	<u>9,349</u>



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