

DEPAUL HOUSING SERVICES
COMPANY REGISTERED IN ENGLAND and WALES
COMPANY NO: 08561164
CHARITY NO: 1155073
RP NUMBER: 4792

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR TO 31 DECEMBER 2020

DEPAUL HOUSING SERVICES

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LEGAL AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEES: Bishop Mark Bryant (Chair until 11 June 2021)
John Dunn (Chair from 11 June 2021)
Ian Hellowell
Michael Jones

COMPANY SECRETARY: Judith Rowland-Hill

REGISTERED OFFICE: 34 Decima Street
London
SE1 4QQ

COMPANY REGISTRATON NUMBER: 08561164 (England and Wales)

CHARITY REGISTRATON NUMBER: 1155073 (England and Wales)

RSL NUMBER: 4792 (Homes England Number)

AUDITOR: Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

TRUSTEES' REPORT FOR THE YEAR TO 31 DECEMBER 2020

STRUCTURE GOVERNANCE AND MANAGEMENT

The Charity (Depaul Housing Services) is a registered charity, a company limited by guarantee and is also a Registered Provider of social housing (RP). The company was registered on 7 June 2013 under company number 08561164. The sole member of the company is Depaul UK, a charitable company.

The Trustees are responsible for ensuring that the report complies with the governance and financial viability standard. The Trustees who served during the year were:

Bishop Mark Bryant (Chair) (resigned 11 June 2021)

John Dunn (appointed 21 October 2020)

Monique Green (resigned 29 September 2020)

Ian Hellawell (appointed 21 October 2020)

Michael Jones (appointed 3 March 2020)

Suzanne McCarthy (appointed 9 September 2020 and resigned 26 November 2020)

Ian Prescott (resigned 1 March 2020)

Elaine Snaith (resigned 19 February 2020)

Judith Rowland-Hill (Secretary) – (appointed 1 November 2019)

OBJECTIVES AND ACTIVITIES

The charitable objects are specifically restricted to the following for the public benefit:

- to promote and advance the relief of poverty by such means as the Trustees shall in their absolute discretion determine, and in particular (without limitation) by the provision of Social Housing in England, any other purposes connected with or incidental to the provision and management of Social Housing, shelter, accommodation, training and other services to persons whom the Trustees shall deem to be in need of such provision by reason of homelessness, deprivation or social or economic circumstances ("eligible persons");
- the advancement of education including (without limitation) the provision of education and training to eligible persons;
- to provide facilities for leisure-time activities for eligible persons in the interests of social welfare so that their conditions of life may be improved; and
- to promote the efficiency and further the charitable objects of Depaul UK.

The agreed strategic objectives for 2020 were:

- To provide a financially sustainable and well governed business, fully compliant with the regulatory obligations;
- To relieve poverty by growing the business through capital projects to provide safe, affordable and good quality housing which meets housing standards including environmental sustainability standards to address the relief of fuel poverty;
- To further develop our services and the ways in which they are designed and delivered in response to client needs, aspirations and feedback.

**TRUSTEES' REPORT (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

The Board has subsequently approved a three-year strategy, with revised objectives, which will come into effect in 2021.

The company was formed in 2013 and became a registered provider in 2014. The company owns a 14 bed accommodation facility (Depaul House) in North Tyneside and holds a 35 year lease on a 11 bed accommodation facility (Safestop) in Manchester.

Depaul Housing Services provides accommodation and support to young people in North Tyneside and Manchester through a management agreement with Depaul UK.

Governance

Depaul Housing Services is constituted under a Memorandum and Articles of Association dated 7 June 2013. At the date of the balance sheet, the Board had adopted the National Housing Federation's Code of Governance (2015) and the associated Code of Conduct. The Board adopted the National Housing Federation's Code of Conduct 2020 in June 2021, and an analysis of compliance against this Code is underway.

Following an extensive review of the Code of Governance (2015) undertaken in 2019, a stringent action plan was developed to achieve full compliance and to drive up standards and quality in Governance overall. Progress against areas of improvement identified in the action plan has been monitored at the highest level and at Board meetings, but will ultimately be superseded by any actions resulting from an assessment against the new 2020 Code.

The review against the 2015 identified a small number of non-compliance, which can be explained as follows:

- The DHS Constitution conflicts with the Code regarding the number of Trustees that should sit on the Board, and therefore the Constitution takes precedence in this area;
- There are areas where compliance is not applicable because there are no shareholders nor paid members of staff, and Trustees receive no remuneration. The processes that might normally be managed by paid employees (e.g. Trustee recruitment and induction, management of systems relating to internal controls and the audit process) are controlled by the Group Parent, Depaul UK, and there is a Service Level Agreement between the Parent and Depaul Housing Services that formalises this arrangement. The Depaul Housing Services Board has also adopted all of Depaul UK's policies and procedures.
- For the remaining instances of non-compliance, improvements are being actioned within a specified timescale (i.e. the adoption of Terms of Reference that outline specific responsibilities and tenure, and formal adoption of a cycle for Trustee appraisal and reviewing Board effectiveness).

**TRUSTEES' REPORT (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

Public Sector Equality Duty

With Depaul UK, Depaul Housing Services is working to:

- Eliminate discrimination, harassment, victimisation and other conduct that is prohibited by, or under, the Equality Act 2010;
- Advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share them; and
- Foster good relations between persons who share a relevant protected characteristic and those who do not.

It is committed to being a truly diverse organization, and this is reflected in Depaul UK's ambitious Equality, Diversity and Inclusion Action Plan. Depaul UK measures itself against the highest standards, including those within the Equality Act 2010 and the Public Sector Equality Duty. Depaul UK holds both the Investors in Diversity and the Investors in People accreditations.

**TRUSTEES' REPORT (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

OPERATING AND FINANCIAL REVIEW

Financial Performance

The Statement of Comprehensive Income on page 15 shows that the Turnover for the year was £499k (2019: £92k). This represents the core rent set by Depaul Housing Services and charged to Depaul UK, the amortisation of the social housing grants and grant income from Depaul UK to cover the refurbishment works of the Manchester Safestop property. The surplus for the year was £433k (2019: £41k), giving total reserves of £535k (2019: 102k).

A new Social Housing Grant (SHG) for the value of £312k was awarded and received during the financial year. Capital refurbishment works amounting to £715k were incurred in the year at the Manchester Safestop property. £312k of these costs were funded by a new Social Housing Grant (SHG) awarded and received in the year. The remaining £403k were covered by a grant from Depaul UK.

Expenditure in the year also included loan interest relating to Depaul House which was acquired from Depaul UK in 2014 at the valuation of £150,000. Depaul Housing Services entered into a Loan Agreement with Depaul UK in 2015 and the loan of £150,000 is scheduled to be repaid over 30 years with interest chargeable at 2% above Base Rate. The loan is secured by Depaul UK on the property.

Internal Control Assurance

The Trustees acknowledge their overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Depaul Housing Services is ongoing and has been in place throughout the period commencing 1 January 2020 up to the date of approval of the annual report and financial statements.

Key elements of the control framework include:

- clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- robust strategic and business planning processes, with detailed financial budgets and forecasts;
- review of the Depaul Housing Services risks by the Board of Trustees at each meeting;
- established authorisation and appraisal procedures for all significant new initiatives and commitments;
- appraisal of major development projects by the Board of Trustees; and
- regular reporting to the Board of Trustees of key business objectives, targets and outcomes.

TRUSTEES' REPORT (continued) FOR THE YEAR TO 31 DECEMBER 2020

The role of the Regulator of Social Housing

As a social housing provider DHS is required by the Housing Regulator to ensure we are delivering the right service, in the right way, at the right cost.

Regulatory standards contain specific expectations and the outcomes that providers are expected to achieve. Providers' boards and local authority councillors who govern service delivery are responsible for meeting the relevant standards and determining how this is done.

The standards are classified as either 'economic' or 'consumer'.

Economic standards

The Regulator of Social Housing proactively seeks assurance from providers that they are meeting its economic standards. These apply to all registered providers except for local authorities because the regulator has no power to set economic standards for local authorities (except rents).

The three economic standards are:

- Governance and Financial Viability Standard;
- Value for Money Standard;
- Rent Standard.

Consumer standards

The Regulator of Social Housing also sets consumer standards and its role is to intervene where failure to meet the standards has caused, or could have caused, serious harm to tenants. These apply to all registered providers including local authorities

The four consumer standards are:

- Home Standard;
- Tenancy Standard;
- Neighbourhood and Community Standard;
- Tenant Involvement and Empowerment Standard.

(taken from <https://www.gov.uk/guidance/regulatory-standards>).

The Value for Money Standard and Depaul Housing Services

During 2019, there was a particular focus on developing a UK Value For Money (VFM) strategy using the guidance and standards set by the Housing Regulator, and work in this area has continued throughout 2020. This process has been supported by the introduction of a Business Excellence function at Depaul UK, driving the commitment to quality management including rigorous performance monitoring.

A key part of VFM is achieving good performance figures on rent collection, arrears and low empty night rates.

At the end of 2020, 98% of rent due was collected, the percentage of empty room nights was 7.4%, and current rent arrears were 4.5%. These were good performance indicators well within set targets.

**TRUSTEES' REPORT (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

Our VFM strategy includes a statement (below) on how we intend to achieve VFM and how this operates within our strategic objectives. For Depaul Housing Services this mirrors the strategy employed by Depaul UK.

VFM statement

Depaul Housing Services' work is underpinned by the Depaul strategic aims to 2020 which have been to:

- Prevent homelessness through education, family work and provision of supported housing.
- Increase the resilience of people who are facing homelessness, through provision of accommodation with support and targeted help that takes account of residents' mental health and trauma.
- Energise community responses to homelessness through volunteering, working with partners and creating local opportunities for young people to progress into employment and self-fulfilment.

To ensure full compliance, we have established procedures to assess, in all our activities, whether we are:

1. Purchasing resources in the right quantity and at the right price (Economy)
2. Obtaining the maximum output from our resource input (Efficiency)
3. Assessing the implications of our actual performance in relation to our target (Effectiveness)
4. Distributing our resources fairly (Equity)

The VFM indicators given in the Regulator's Guidance are in brackets.

There is also a wider requirement set by the Regulator to report on the indicators presented in the table below, as a measure of our ongoing commitment to providing affordable good quality housing:

	2020	2019
1. Reinvestment %	53%	N/A
2. New Supply %	N/A	N/A
3. Gearing %	-2%	16%
4. Earnings before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %	-7848%	1450%
5. Headline Social Housing Cost per Unit (£)	£28,820	£787
6. Operating Margin %	34%	48%
7. Return on Capital Employed (ROCE) %	30%	5%

NB The metrics are distorted by the significant impact of the Safestop development and associated funding in proportion to the size of the organisation. However, pre-development, those areas where comparison could be made were performing well.

**TRUSTEES' REPORT (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

Going Concern

The business activities of Depaul Housing Services, its current financial position and factors likely to affect its future development are set out within the Operating and Financial Review.

Taking the letter of support provided by Depaul UK for the period through to 31 December 2023 into consideration, the Trustees are satisfied that Depaul Housing Services is a going concern and the accounting policies have been prepared on that basis.

**TRUSTEES' REPORT (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

STATEMENT OF THE RESPONSIBILITIES OF THE BOARD OF TRUSTEES FOR THE REPORT AND FINANCIAL STATEMENTS

The Board of Trustees is responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and regulations.

Legislation requires the Board of Trustees to prepare the financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable laws. Under relevant legislation, 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 and surplus or deficit of Depaul Housing Services for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended practice (SORP) for Registered Social Housing Providers update 2014, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board of Trustees is responsible for keeping proper accounting records, which are sufficient to show and explain Depaul Housing Services' transactions and disclose with reasonable accuracy at any time the financial position of Depaul Housing Services and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015. It is also responsible for safeguarding the assets of Depaul Housing Services and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each member of the Board of Trustees is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have each taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Board of Trustees are responsible for the maintenance and integrity of the corporate and financial information on the parent company's website – Depaul UK. In so far as this relates to Depaul Housing Services, legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small Companies Regime

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

DEPAUL HOUSING SERVICES

The report of the Trustees was approved on 16th September 2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'John Dunn', written in a cursive style.

John Dunn

Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEPAUL HOUSING SERVICES

Opinion

We have audited the financial statements of Depaul Housing Services for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 Depaul Housing Service's affairs as at 31 December 2020 and of its 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 Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2019.

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 Depaul Housing Services 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 Depaul Housing Service'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEPAUL HOUSING SERVICES (continued)

Opinions 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 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 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 Depaul Housing Services and their environment obtained in the course of the audit, we have not identified material misstatements in 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 or the Housing and Regeneration Act 2008 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of Depaul Housing Services 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 Depaul Housing Service'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 Depaul Housing Services or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEPAUL HOUSING SERVICES (continued)

appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which Depaul Housing Services 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, the Housing and Regeneration Act 2008, together with the Housing SORP. 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 Depaul Housing Services's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within Depaul Housing Services for fraud. The laws and regulations we considered in this context for the UK operations were requirements imposed by the Regulator of Social Housing 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 Compliance 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, designing audit procedures over the timing of income 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 Depaul Housing Service's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to Depaul Housing Service's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Depaul Housing Services and Depaul Housing Service's 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 U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

Date: 28 September 2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 Unrestricted £'000	2020 Restricted £'000	2020 Total £'000	2019 Total £'000
Turnover	1, 2	96	403	499	92
Operating Costs	11	<u>(60)</u>	<u>(3)</u>	<u>(63)</u>	<u>(48)</u>
Operating Surplus		36	400	436	44
Interest payable	11	(3)	-	(3)	(3)
Surplus for the year before taxation		<u>33</u>	<u>400</u>	<u>433</u>	<u>41</u>
Taxation		-	-	-	-
Surplus for the year and total comprehensive income for the year		<u>33</u>	<u>400</u>	<u>433</u>	<u>41</u>

The results relate wholly to continuing activities.

The accompanying notes 1 to 15 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020
REGISTRATION NUMBER: 08561164

	Notes	2020 £'000	2019 £ 000
Fixed Assets			
Tangible assets	3	1,361	678
		<u>1,361</u>	<u>678</u>
Current Assets			
Cash at bank and in hand		338	26
Debtors	5	-	74
		<u>338</u>	<u>100</u>
Creditors: amounts falling due within one year	6	(264)	(41)
		<u>74</u>	<u>59</u>
Net Current Assets		74	59
Total Assets less Current Liabilities		1,435	737
Creditors: amounts falling due after one year	7	(900)	(635)
NET ASSETS		535	102
Funds and reserves			
General Fund		135	102
Restricted Fund	14	400	-
Total Funds		<u>535</u>	<u>102</u>

The accounts have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Trustees on 16th September 2021 and signed on their behalf by:



John Dunn
Trustee

The accompanying notes 1 to 15 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	General Fund £'000	Restricted Fund £'000	Total £'000
Balance as at 1 January 2018	61	-	61
Surplus for the year	41	-	41
Balance as at 31 December 2019	102	-	102
Surplus for the year	33	400	433
Balance as at 31 December 2020	135	400	535

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020

1. Accounting Policies

1.1 Legal and Company Status

Depaul Housing Services Ltd, a public benefit entity, is a charitable company limited by guarantee and also a registered social housing provider. The parent company Depaul UK is the sole member and its liability is limited to £10. The address of the registered office is 34 Decima Street, London, SE1 4QQ. The company is UK registered with information as follows:

Company Registration Number: 08561164 (England and Wales)

Charity Registration Number: 1155073 (England and Wales)

RSL Number: 4792 (Homes England Number)

1.2 Basis of preparation of financial statements

The financial statements of the Charity are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers updated in 2014 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015, applicable accounting standards and the Companies Act 2006. The Board of Trustees is satisfied that the current accounting policies are the most appropriate for Depaul Housing Services.

1.3 Accounting for Funds

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes.

1.4 Income

All income is included in the Statement of Comprehensive Income when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Rental income is recognised at the gross level, net of rent losses from voids.

1.5 Expenditure

All expenditure is accounted for on an accruals basis.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

1.6 Tangible fixed assets and depreciation

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

Tangible fixed assets are stated at cost or their value at the time of donation, less depreciation. Depreciation is provided at rates calculated to write off the cost, or their value at the time of donation, of fixed assets, less their estimated residual value, over their expected useful lives.

The Charity separately identifies the major components which comprise its housing properties and charges depreciation so as to write down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful life.

The organisation has adopted the following depreciation policy:

- Structure – over 50 years
- Kitchens – over 10 years
- Bathrooms – over 10 years
- Boiler – over 15 years
- Roof – over 30 years
- Fixtures and Fittings – over 5 years

Freehold land is not depreciated.

Properties held on leases are amortised over the life of the leases or their estimated useful economic lives in the business, if shorter.

1.7 Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS102 are accounted for under an amortised historical cost model.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. Depaul Housing Services has no non-basic financial instruments at the year end.

1.8 Significant Management Judgements

In the view of the Trustees the useful lives of depreciable assets and specifically the Charity's property represents the most significant management judgement with the greatest impact on the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR TO 31 DECEMBER 2020**
1.9 Government and Other Grants

Social Housing Grant (SHG) is receivable from the Homes England and is recognised in income over the expected useful life of the housing property structure and components under the accruals model. SHG due from the HE or received in advance is included as a current asset or liability. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

1.10 Going Concern

Depaul Housing Services continues to operate on a going concern basis. The business activities of Depaul Housing Services, its current financial position and factors likely to affect its future development are set out within the Operating and Financial Review.

Having considered current forecasts and budgets for 2022 and letter of support provided by Depaul UK for the period through to 31 December 2023, the directors are satisfied that Depaul Housing Services is a going concern and the financial statements have been prepared on that basis.

1.11 Statement of Cash flows

As the results of Depaul Housing Services are consolidated into its ultimate parent entity's financial statements, Depaul International, Depaul Housing Services has taken the exemption from preparing a statement of cash flows.

2. Turnover, Operating Costs and Operating Surplus

	2020			2019		
	Turnover £'000	Operating Costs £'000	Operating Surplus/ (Deficit) £'000	Turnover £'000	Operating costs £'000	Operating Surplus/ (Deficit) £'000
Social Housing Lettings	96	(63)	33	92	(48)	44
Other Social Housing Activities	403	-	403	-	-	-
	499	(63)	436	92	(48)	44
					2020	2019
				£'000	£'000	
Turnover from Social Housing Lettings						
Rents receivable				70	70	
Amortisation of Social Housing Grant				26	22	
				96	92	

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR TO 31 DECEMBER 2020**
Fixed Assets

Depaul Housing Services acquired Depaul House from Depaul UK during 2014 at the valuation of £150,000. Depaul Housing Services entered into a Loan Agreement with Depaul UK and the loan of £150,000 is scheduled to be repaid over 30 years with interest chargeable at 2% above Base Rate. The loan is secured by Depaul on the property.

Depaul Housing Services received a capital grant from the Homes England for the refurbishment of Depaul House. The project was completed in April 2015 and a total of £630,316 was capitalised on the renovation and accounted for in the Statement of Financial Position.

A further capital grant for £312k was awarded by Homes England in 2020 to contribute towards the refurbishment project at Manchester Safestop, completed in November 2020. A total of £715k was capitalised and £403k was funded by a grant from Depaul UK.

	Land	Buildings	Fixtures and Fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2020	75	725	12	812
Additions	-	715	-	715
At 31 December 2020	<u>75</u>	<u>1,440</u>	<u>12</u>	<u>1,527</u>
Depreciation				
At 1 January 2020	-	(122)	(12)	(134)
Charge in year	-	(32)	-	(32)
At 31 December 2020	<u>-</u>	<u>(154)</u>	<u>(12)</u>	<u>(166)</u>
Net Book Value				
At 31 December 2020	<u>75</u>	<u>1,286</u>	<u>-</u>	<u>1,361</u>
At 31 December 2019	<u>75</u>	<u>603</u>	<u>-</u>	<u>678</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

3.Fixed Assets (Continued)

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Social Housing Grant		
Total accumulated SHG receivable at 31 December:		
Capital Grants	942	<i>630</i>
	942	<i>630</i>

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Expenditure on works to existing properties		
Components capitalised	715	<i>-</i>
Amount charged to income and expenditure account	-	<i>3</i>
	715	<i>3</i>

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Housing properties book value net of depreciation comprise:		
Freehold land and building	1,361	<i>677</i>

4. Units Managed by Agencies

The Charity owns 25 units (*2019: 27*) that are managed on its behalf, under management agreements, by Depaul UK. Where the agency carries the financial risk, the Charity's income and expenditure account included only the income and expenditure for which it retains responsibility being the rent charged to Depaul UK.

	Number of units 2020	<i>Number of units 2019</i>
Depaul UK	25	<i>27</i>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

5. Debtors: amounts falling due within one year

	2020 £'000	<i>2019</i> <i>£'000</i>
Amounts due from parent company	-	74
	<u>-</u>	<u>74</u>

6. Creditors: amounts falling due within one year

	2020 £'000	<i>2019</i> <i>£'000</i>
Expenditure accruals	48	15
Deferred capital grant	40	22
Loan from Depaul UK	4	4
Amounts due to parent company	172	-
	<u>264</u>	<u>41</u>

7. Creditors: Amounts falling due after one year

	2020 £'000	<i>2019</i> <i>£'000</i>
Loan from Depaul UK		
Due in 1 -2 years	4	4
Due in 2 – 5 years	13	12
Due in > 5 years	107	112
	<u>124</u>	<u>128</u>

	2020 £'000	<i>2019</i> <i>£'000</i>
Deferred capital grant (note 8)		
To be released in 1 - 2 years	40	22
To be released in 2 – 5 years	120	66
To be released in > 5 years	616	419
	<u>776</u>	<u>507</u>
Total	<u>900</u>	<u><i>635</i></u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

8. Deferred capital grant

	2020 £'000	<i>2019</i> <i>£'000</i>
At 1 January	529	551
Grant received in year	312	-
Released to income in the year	(25)	22
At 31 December	<u>816</u>	<u>529</u>

9. Related Parties

The Trustees of Depaul Housing Services do not receive any remuneration or benefits in kind. No Trustee was reimbursed for 2020 (2019: £nil) for expenses incurred.

Depaul UK, incorporated in the UK, is the parent company of Depaul Housing Services, a part of Depaul International (incorporated in the UK) – the ultimate parent entity. The financial statements of Depaul International can be obtained from St Vincent's Centre, Carlisle Place, London, SW1P 1NL. During the year, Depaul UK paid invoices and management costs of £713k (2019: £8k) on behalf of Depaul Housing Services of which £403k was awarded as a grant to Depaul Housing Services. The remaining amounts have been repaid or will be reimbursed to Depaul UK. Depaul Housing Services charged rental income of £70k (2019: £70k) to Depaul UK. The amounts owed at year end between Depaul Housing Services and Depaul UK are disclosed in notes 5,6 and 7 above.

10. Operating Surplus

The operating surplus is stated after charging:

	2020 £'000	<i>2019</i> <i>£'000</i>
Auditor's Remuneration		
Audit Services	1	2
Depreciation:		
Housing Properties	32	23
Other Fixed Assets	-	3
	<u>33</u>	<u>28</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR TO 31 DECEMBER 2020**

11. Analysis of Expenditure:

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Operating Costs		
Depreciation charge	32	26
Insurance	2	2
Lease costs	13	14
Office Costs & Audit	14	6
Professional fees	2	-
Operating Costs	<u>63</u>	<u>48</u>
Interest	3	3

12. Employees

The Charity does not directly employ any staff. The parent company, Depaul UK, makes management charges for the Charity's use of its staff time. There are also no individuals, other than the trustees who are considered to be Key management personnel.

13. Board of Trustees and Executive Directors

The Board of Trustees and Executive Directors received no remuneration from the Charity during the year, and are remunerated by the parent company.

Details of the emoluments of Board of Trustees and Executive Directors are set out in the Financial Statements of Depaul UK. Therefore, management personnel remuneration in the current and previous year is nil.

14. Restricted Funds

Restricted funds represent funds that have been donated for specific purpose.

Manchester Safestop Refurbishment

Funds donated specifically for the refurbishment of the Manchester Safestop property at 69 Palatine Road.

15. Operating Lease Commitments

At 31 December 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Not later than 1 year	14	14
Later than 1 year and not later than 5 years	56	56
Later than 5 years	176	190
	<u>246</u>	<u>260</u>