

# **Catalyst Finance Limited**

**Directors' Report and  
Financial Statements  
31 March 2015**

**Registered number 4285958**

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## **Executives and advisors**

### **Directors**

Rod Cahill - Chair  
Rachael Dennis (appointed 30/07/14)  
John Sheldrick

Tim Hodson (resigned 30/05/14)

### **Secretary and Registered Office**

Maggie King  
  
Ealing Gateway  
26-30 Uxbridge Road  
Ealing  
London  
W5 2AU

### **Senior Management Team**

Rod Cahill	Chief Executive
Rachael Dennis	Finance Director (appointed 02/06/14)

### **Solicitors**

Winckworth Sherwood  
Minerva House  
5 Montague Close  
London  
SE1 9BB

### **Auditors**

BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex RH6 0PA

### **Bankers**

National Westminster Bank Plc  
1 The Mall  
Ealing  
London  
W5 2PL

## **Directors' Report**

The directors submit their report together with the audited financial statements for the year ended 31 March 2015.

### **Principal activity**

Catalyst Finance Limited is a company limited by guarantee and does not have share capital.

The Company acts as a borrowing vehicle for Catalyst Housing Limited.

### **Operating and financial review**

The profit and loss account is set out on page 7 and shows the result for the year. During the year the Company's borrowings remained unchanged and as at 31 March 2015 the Company had drawn down £239.1m of its Royal Bank of Scotland £290m syndicated Loan Facility "the Facility".

### **Outlook for 2015/16**

The Company will continue to act as a borrowing vehicle for other group wide undertakings. The Facility will be used to fund development across the group and other social housing activities. The principal risk relates to changing interest rates on the company's borrowings. The current ratio of fixed rate debt for the Company is 88%.

### **Directors**

The directors are disclosed on page 2. None of the directors had any interest in the capital of the Company as the Company is limited by guarantee and therefore does not have share capital. The directors of the Company are appointed by the Board of Management of its immediate parent company, Catalyst Housing Limited.

### **Political and charitable contributions**

The Company made no political contributions or charitable donations during the year (2014: £nil).

### **Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### **Auditors**

Pursuant to a members' resolution, the company is not obliged to reappoint its auditors and BDO LLP will therefore continue in office.

## Directors' Report

### Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors 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 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 directors 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

In preparing the Directors report the directors have taken advantage of the exemptions allowed for small companies as set out in the Companies Act 2006.

On behalf of the Directors

**Rod Cahill**

Chair

Date:



29/07/15

## **Independent Auditor's Report to the members of Catalyst Finance Limited**

We have audited the financial statements of Catalyst Finance Limited for the year ended 31 March 2015 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its result 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

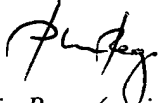
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent Auditor's Report to the members of Catalyst Finance Limited**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



*Philip Rego (senior statutory auditor)*

*For and on behalf of BDO LLP, statutory auditor*

*Gatwick, West Sussex*

*United Kingdom*

*Date 30 July 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Profit and loss account

*Year ended 31 March*

	<i>Notes</i>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Turnover</b>	<i>1</i>	14	14
Operating costs		(13)	(13)
<b>Operating profit</b>		<u>1</u>	<u>1</u>
Gift Aid payable	<i>3</i>	(1)	(1)
Interest receivable	<i>2</i>	10,859	10,961
Interest payable and similar charges	<i>2</i>	(10,859)	(10,961)
<b>Profit on ordinary activities before tax</b>	<i>3</i>	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<i>5</i>	-	-
<b>Profit for the year</b>	<i>11</i>	<u>-</u>	<u>-</u>

All amounts relate to continuing activities.

There are no recognised gains and losses other than those reported in the profit and loss account.

The notes on pages 9 to 11 form part of these financial statements.



## Balance sheet

*As at 31 March*

	<i>Notes</i>	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
<b>Current assets</b>			
Debtors due within one year	6	1,147	1,146
Debtors due after more than one year	6	239,100	239,100
Cash at Bank		6	12
		<u>240,253</u>	<u>240,258</u>
Creditors: amounts falling due within one year	7	(1,151)	(1,156)
<b>Net current assets</b>		<u>239,102</u>	<u>239,102</u>
Creditors: amounts falling due after more than one year	8	(239,100)	(239,100)
<b>Net assets</b>		<u>2</u>	<u>2</u>
<b>Capital and reserves</b>			
Share capital	10	-	-
Profit and loss account	11	2	2
<b>Equity Shareholders' Funds</b>		<u>2</u>	<u>2</u>

These financial statements were approved and authorised for issue by the Board on 29/07/15 and signed on its behalf by:

**Rod Cahill**  
Chair



Date 29/07/15

The notes on pages 9 to 11 form part of these financial statements.

## Notes to the financial statements

### 1 Principal Accounting Policies

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. The following accounting policies have been applied:

#### Turnover

Turnover represents the total amount receivable in the ordinary course of business for entering into funding arrangements on behalf of Catalyst Housing Limited. Turnover is recognised on a receivable basis.

#### Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### Cash Flow

Under FRS 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking, Catalyst Housing Limited, includes the company in its own published consolidated financial statements.

### 2 Interest receivable and payable

Interest payable is in respect of bank loans which is in turn receivable from Catalyst Housing Limited under the on lending arrangements.

### 3 Profit on ordinary activities before tax

	2015 £'000	2014 £'000
Is stated after charging:		
Auditor's remuneration - in their capacity as auditors	1	1
Gift Aid payable to parent company	1	1
	<hr/>	<hr/>

### 4 Employee information

The company does not have any employees and the directors did not receive any remuneration during the year (2014: £nil).

### 5 Tax on profit on ordinary activities

No tax liability arises on the assessable results for the year (2014: £nil).

## Notes to the financial statements

### 6 Debtors

	Amounts owed within one year	Amounts owed after more than one year	Total	Amounts owed within one year	Amounts owed after more than one year	Total
	2015 £'000	2015 £'000	2015 £'000	2014 £'000	2014 £'000	2014 £'000
Due from other group members	1,147	239,100	240,247	1,146	239,100	240,246

### 7 Creditors

Amounts falling due within one year	2015 £'000	2014 £'000
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Accruals and deferred income	1,151	1,156
	<u>1,151</u>	<u>1,156</u>

### 8 Creditors

Amounts falling due after more than one year	2015 £'000	2014 £'000
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Housing loans (note 9)	<u>239,100</u>	<u>239,100</u>
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### 9 Loans

Loans from lending institutions are secured by specific charges on the housing properties of the ultimate borrowers and are repayable by instalments at varying periods as follows:

	2015 £'000	2014 £'000
Between two and five years	28,692	26,100
In five or more years	210,408	213,000
	<u>239,100</u>	<u>239,100</u>

### Funding and interest exposure

At 31 March 2015, £239.1m was drawn under the Facility, of which £211.6m is at fixed rates of interest.

## Notes to the financial statements

### 9 Loans (continued)

Under the Facility, the company can enter into additional fixed interest rate arrangements. These arrangements are supported by back to back agreements with the ultimate borrower.

The Facility is arranged on a cross-collateralised basis and is secured against a portfolio of housing stock owned by Catalyst Housing Limited on a fixed charge basis. Work has been completed to convert the floating charges to fixed charges.

The revolver element of the Facility was repaid in full in April 2013 and the remaining loan balances will be repaid from April 2016 on an accelerated basis.

The average rate for £211.6m fixed rate loans was 5.1% at the end of the year and for variable loans the average rate was 0.8%.

### 10 Share capital

Catalyst Finance Limited is a company limited by guarantee and therefore does not have share capital. The maximum value of contribution each member undertakes to pay should the company be wound up is £10.

### 11 Profit and loss account

	£'000
At 1 April 2014	2
Profit for the year	-
At 31 March 2015	2

### 12 Parent entity

The company's immediate and ultimate parent is Catalyst Housing Limited, a Registered Provider of Social Housing. The consolidated accounts of Catalyst Housing Limited are available from their registered office, Ealing Gateway, 26-30 Uxbridge Road, Ealing, London, W5 2AU.

### 13 Related party disclosures

Under FRS 8 the company is exempt from the requirement to disclose related party transactions with Catalyst Housing Limited and its associated undertakings on the grounds that 100% of its voting rights are controlled within the Group.

No other related party transactions have been identified.