

Catalyst Finance Limited

Annual Report and Financial Statements

31 March 2020

Registered number 4285958



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Executives and advisors

Directors

Ian McDermott - Chair
Joseph Chambers (resigned 29/07/2019)
Rachael Dennis (resigned 05/04/2019)
Timothy Jennings (appointed 29/07/2019)
Sarah Thomas (appointed 29/07/2019)

Secretary and Registered Office

Sophie Atkinson
Ealing Gateway
26–30 Uxbridge Road
London
W5 2AU

Senior Management Team

Ian Mc Dermott Chief Executive
Joseph Chambers Interim Executive Director Of Operations
(resigned 29/07/2019)

Rachael Dennis Chief Operating Officer (resigned
05/04/19)
Sarah Thomas Chief Operating Officer (appointed
29/07/2019)

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 2020.

Principal activity

Catalyst Finance Limited is a company limited by guarantee and does not have share capital. The Company acted as a borrowing vehicle for Catalyst Housing Limited.

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.

The directors are remunerated through management fee recharges from Catalyst Housing Limited of £nil for the year ended 31 March 2020 (2019: £8,268).

Operating and financial review

The statement of comprehensive income is set out on page 10 and shows the result for the year. On 5 April 2019, the Company collapsed its Royal Bank of Scotland syndicated Loan Facility. The proceeds of this facility had been advanced to Catalyst Housing Limited and these arrangements were simultaneously unwound. The Company is now inactive.

Principal Risk and Uncertainty

Following the end of the Royal Bank of Scotland Loan Facility and associated lending to Catalyst Housing Limited, this company is now inactive and there are no remaining principal risks or uncertainty.

Political and charitable contributions

The Company made no political contributions or charitable donations during the year (2019: £nil).

Going concern

Following the novation of the loans to Catalyst Housing during the year, the entity is to become dormant and is expected to remain inactive for the foreseeable future.

Auditors

BDO LLP were the auditors for the year and their independent report is included at pages 6 to 8.

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 they ought to have taken as a director to make themselves 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

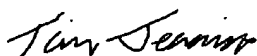
applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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.

On behalf of the Directors



Timothy Jennings

Director

Date: 14/09/2020

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF CATALYST FINANCE LIMITED

Opinion

We have audited the financial statements of Catalyst Finance Limited ("the Company") for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including a summary of 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 Company's affairs as at 31 March 2020 and of its loss 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.

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 Company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which 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

Responsibilities of Directors

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, and for such internal control as the Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Company 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Elizabeth Kulczycki (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date: 13 November 2020

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

Statement of comprehensive income
Year ended 31 March

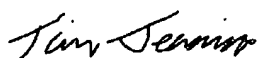
	Note	2020 £'000	2019 £'000
Turnover	1	1,290	8,292
Administrative expenses		(2)	(13)
Operating profit	2	<u>1,288</u>	<u>8,279</u>
Interest payable and similar charges	3	(1,290)	(8,279)
(Loss)/Profit on ordinary activities before taxation		<u>(2)</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	4	-	-
Total comprehensive (expenditure)/income for the year		<u>(2)</u>	<u>-</u>

The notes on pages 12 to 16 form part of these financial statements.

Balance sheet As at 31 March

	Note	2020 £'000	2019 £'000
Current assets			
Debtors due within one year	5	-	1,080
Debtors due after more than one year	5	-	233,679
Cash and cash equivalents		2	4
		<u>2</u>	<u>234,763</u>
Creditors: amounts falling due within one year	6	(4)	(7,896)
Net current (liabilities)/assets		<u>(2)</u>	<u>226,867</u>
Creditors: amounts falling due after more than one	7	-	(226,867)
Net liabilities		<u>(2)</u>	<u>-</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account		(2)	-
		<u>(2)</u>	<u>-</u>

These financial statements were approved and authorised for issue by the Board on 14 September 2020 and signed on its behalf by:



Timothy Jennings
Director

Date: 14/09/2020

The notes on pages 12 to 16 form part of these financial statements.

Statement of changes in equity
Year ended 31 March

	Profit and loss
	£'000
At 1 April 2019	-
Total comprehensive income for the year	<u>(2)</u>
At 31 March 2020	<u>(2)</u>

	Profit and loss
	£'000
At 1 April 2018	-
Total comprehensive income for the year	<u>-</u>
At 31 March 2019	<u>-</u>

The notes on pages 12 to 16 form part of these financial statements.

Notes to the financial statements

1 Accounting Policies

Catalyst Finance Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements are presented in sterling and have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The following accounting policies have been applied.

Going concern

Following the novation of the loans to Catalyst Housing during the year, the entity is to become dormant and is expected to remain inactive for the foreseeable future

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.

Interest Payable

Interest Payable is recognised to profit or loss over the term of the debt using the effective interest rate method so that the amount recognised is at a constant on the carrying amount.

Qualifying Charitable Donations

Taxable profits transferred to the parent entity, a provider of social housing, are recognised as distributions from equity, when the company has made an irrevocable commitment to the parent to pay the donation within nine months of the year end. We are recognising the tax reduction when it is probable that the distribution is made within nine months of the year end.

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 102.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash Flow

The company is exempt from the requirement to prepare a cash flow statement on the grounds that reduced disclosures have been applied under FRS 102.

Financial instruments

The company 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 amortised cost.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparation of these financial statements, the key sources of estimation uncertainty were in relation to the interest rates used for the amortised cost calculations of basic financial instruments.

Notes to the financial statements

2 Operating profit

	2020 £'000	2019 £'000
Is stated after charging:		
Auditor's remuneration - in their capacity as auditors	-	1

The audit fee for the years ended 31 March 2020 are being borne by the company's parent, Catalyst Housing Limited.

3 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.

4 Taxation on profit on ordinary activities

No tax liability arises on the assessable results for the year (2019: £nil).

5 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
	2020 £'000	2020 £'000	2020 £'000	2019 £'000	2019 £'000	2019 £'000
Amounts owed by parent undertaking	-	-	-	1,080	233,679	234,759

6 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Intercompany on lending (note 8)	-	6,812
Amounts due to parent undertaking	2	-
Accruals and deferred income	2	1,084
	4	7,896

7 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Intercompany on lending (note 8)	-	226,867

Notes to the financial statements

8 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:

	2020 £'000	2019 £'000
Within one year	-	6,812
Between one and two years	-	7,663
Between two and five years	-	30,310
In five or more years	-	188,894
	<hr/>	<hr/>
	-	233,679

Funding and interest exposure

Loan facility was novated to Catalyst Housing Limited at 5 April 2019.

9 Financial instruments

The company's financial instruments can be analysed as follows:

	2020 £'000	2019 £'000
Financial assets		
Financial assets measured at amortised cost	-	233,679
Financial assets measured at transaction value	2	1,084
	<hr/>	<hr/>
	-	234,763
Financial liabilities		
Financial liabilities measured at amortised cost	-	(233,679)
Financial liabilities measured at transaction value	(4)	(1,084)
	<hr/>	<hr/>
	-	(234,763)

Financial assets comprise cash and cash equivalents and amounts owed by parent undertaking. Financial liabilities comprise external debt, accruals and deferred income and amounts owed to parent undertaking.

Notes to the financial statements

9 Financial instruments

Financial assets and liabilities measured at amortised cost are the housing loans and the related amounts included within amounts owed by parent undertaking. Cash and accrued income are measured at transactional value.

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 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.

12 Related party disclosures

Under FRS 102 the company is exempt from the requirement to disclose related party transactions with Catalyst Housing Limited and its associated undertakings.

No other related party transactions have been identified.

13 Key management personnel

The Management team are remunerated by Catalyst Housing Limited. Management fees are charged by Catalyst Housing Limited, £nil for the year ended March 2020 (2019: £8,268). The members are listed on page 2 of these accounts. The company does not have any employees (2019: nil).