

# **Catch22 Charity Limited**

## **Annual Report and Financial Statements**

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**For the year ended 31 March 2013**

Company number: 06577534

Registered charity number: 1124127



# Who we are

A forward looking social business, Catch22 has more than two hundred years' experience of providing services that help people turn their lives around

Catch22 works with troubled and vulnerable people, helping them to steer clear of crime or substance misuse, do the best they can in education or employment and play a full part in their family or community

## ***Our values***

Catch22 is non-judgmental, we confront issues head on and we are fearless of change. We constantly look to do things differently and better

Most of all Catch22 is results-driven. We value outcomes and what we can achieve, not necessarily the process. Effective results are what matters most to our service users, our commissioners and to us. No matter what the circumstances, we roll up our sleeves and get on with it.

***Our goal is to deliver social value by turning chaotic lives around.***

# Contents

<b>Board of Trustees' report.....</b>	<b>1</b>
Introduction from Jim McKenna, Chairman of Board of Trustees	1
Introduction from Chris Wright, Chief Executive	2
What we have achieved against corporate strategy 2012/15	4
Looking Ahead	7
Our financial overview	8
Structure, governance and management	11
<b>Auditors report.....</b>	<b>14</b>
<b>Financial Statements.....</b>	<b>.....</b>
Consolidated statement of financial activities for the year ended 31 March 2013	16
Consolidated balance sheet 31 March 2013	17
Charity balance sheet 31 March 2013	18
Consolidated cash flow statement 31 March 2013	19
Notes to financial statements for the year ended 31 March 2013	20
<b>Catch22 people .....</b>	<b>32</b>

# **Board of Trustees' report**

## **Introduction from Jim McKenna, Chairman of Board of Trustees**

I am delighted to be able to share the achievements of 2012/13 and describe how far we have come in the first year of delivering our new and ambitious three-year Strategic Plan

I hope you will take away from this report that despite the challenging external environment, we have been able to grow and diversify our services and consequently reach out to and, most importantly, change the lives of greater numbers of young people, families and adult offenders

We have also begun to take the necessary and important steps to transforming ourselves and the way we work in order to innovate and re-shape expectations of what public services can look like and achieve. As a result, we are seeing much closer working relationships with our partners and supporters to help us achieve our aims

Economic pressures, growing demands on services and rising public expectations are acting to challenge the traditional service delivery model. At Catch22, we believe this offers a generational opportunity to radically re-think how public services are delivered, with a view to improving outcomes, producing more responsive services designed around the needs of the person and achieving more with limited resources

In partnership with private, public, corporate and voluntary organisations, Catch22 has shown it can deliver flexible and high-quality services efficiently, cutting through layers of bureaucracy without jeopardising outcomes or our 200-year-old social mission. Opening up public services is simply another way of creating a closer link between the service user and the service provider.

In terms of leadership we have continued to strengthen the role of the board and the role of Trustees and we are facilitating Trustees to get more involved in our work and make greater use of their skill and professional acumen to inform it. As part of this process, we have welcomed a number of new Trustees and created a number of Advisory Boards to help shape and drive our strategy. This experiment is maturing. We now have in place an Education and Training Board, a Social Enterprise Board and a Relationship and Account Management Board

Finally, I want to take this opportunity to thank our staff, volunteers and Trustees for the commitment and hard work they have shown over the last year. Building strong, consistent relationships between staff and those they work with is central to our approach, whether working with someone in prison or in a 'Missing from Home' service. The professionalism, passion and bold thinking of our staff has been central to our current successes and will be vital in securing our future ones

Jim McKenna, Chairman, Catch22

# **Board of Trustees' report**

## **Introduction from Chris Wright, Chief Executive**

Looking back on the past year I am pleased with the manner in which Catch22 is responding not only to the changes to itself following last year's restructure, but also to an external environment in which the way public services are being designed and commissioned is changing fast. At Catch22 we have been determined to meet these challenges head on, arming ourselves with a business-like approach and a renewed sense of our social mission. We view the opening up of public service delivery as an opportunity to do more of what we do best- supporting those in the greatest need out of tough situations.

Against a protracted economic recovery, I am pleased to report that Catch22 finds itself on a healthy financial footing. We have seen a growth in our income, diversification of our investment portfolio, additional revenue into our business model and have increased our general reserves. This translates into being able to support more young people, offenders and families and affords the organisation the space to create more innovative service models. This has been achieved by a focus on achieving value for money, reducing corporate costs and adopting a renewed business-like approach to our work in line with being a social business.

In terms of our services and programmes, highlights include the continued expansion of our work with complex families, delivering an Intensive Family Support service in Cheshire East and retaining our existing services working with complex families in Wirral and Thurrock. Catch22 were also successful in building upon our Missing from Home services, which tackle Child Sexual Exploitation, winning the Missing from Home Service in Wirral.

We were also delighted, in partnership with JP Morgan, to have opened our first Office Apprenticeship Service in Bournemouth. Offering young people a Business Administration or Customer Service Apprenticeship while gaining valuable paid employment experience. We look forward to further building on our employability skills programmes and services, given how fundamental work is to enhancing a young person's opportunities and giving them the foundations on which to sustain changes in their lives.

Catch22 continues to think differently about the problems that face those we work with and we have further grown our first social enterprise, Auto22, our car servicing and repair business which provides training and employment for young people. With investment from Bridges Ventures, Auto22 has opened a second and third garage in Paddock Wood and Gillingham, Kent.

Further building on our work with offenders, which includes the unique payment-by-results pilot contract in HMP and YOI Doncaster and offender management model delivered in HMP Thameside, Catch22 in partnership with the St Giles Trust was awarded a contract by the London Probation Trust to deliver a mentoring scheme in Greater London. The two-prong programme trains peer mentors for young men serving community sentences, as well as linking women offenders to female volunteers from senior level professional backgrounds who use a personalised approach to recognising each person's potential and value.

# **Board of Trustees' report**

## **Introduction from Chris Wright, Chief Executive (continued)**

We are continuing to strengthen our management and are investing in systems and processes, such as our IT system, which enable us to run Catch22 more effectively for the benefit of our service users, donors, investors, commissioners and the taxpayer. We also welcomed the appointment of two new Directors, Tracy Pepper and Sally Morris to support Catch22's activity in Education and in Young People and Families.

In January this year we were fortunate enough to be able to move into office space that enables us to meet the needs of our future challenges much more effectively. The move from leased to fully owned office space saves the charity over £150K per year in overheads, positions us in the vibrant heart of growing Clerkenwell, and has been an essential tool in the modernisation of our culture, processes, and focus on becoming a social business. Visitors and staff alike have all commented on how 27 Pear Tree Street complements the forward, fresh and dynamic look and feel and culture that the Board and Senior Management team are so keen to define for our future.

I remain committed to making our services the best they can be, focused on the needs of the people we work with. Good services are underpinned by an on-going human connection between staff and the people they support. As we develop as an organisation, I will ensure that this remains at the core of the Catch22 approach.

Chris Wright, Chief Executive, Catch22

# **Board of Trustees' report**

## **What we have achieved against corporate strategy 2012/15**

Our three year Corporate Strategy combines our ambition to address social need with a highly business-like approach. A year into the delivery of this strategy we have been successful in achieving the following against our objectives

- 1. At least 80% of our service users say that our support has enabled them to get their lives back on track.**

We are proud that when surveyed 95% of service users said that our support had made them happier with their lives and 91% said our support had given them more control in their lives

- 2. Year-on-year improvements in rates of reducing reoffending, increasing school attendance and attainment, and supporting those we work with to access opportunities, gain recognised qualifications and get into work or training.**

We continue to reduce reoffending in prison and the community as demonstrated by services such as Cheshire West, where 98% of young people engaged did not go on to offend

After a two-year DfE-funded education pilot programme, 91% of learners were still in education, employment or training three months after the intervention. This pilot has now been remodelled and continues to make an impact on disengaged students

Our relatively new apprenticeships package has enabled young people from disadvantaged backgrounds to match the mainstream average for apprenticeship completion, at 70%

- 3. At least 90% of staff surveyed say they have a good understanding of how their role contributes to achieving better outcomes for those who use our services, and to bringing in new business.**

A programme of activity to 'transform ourselves' has included staff workshops and webinars, as well as the establishment of new directorates along service delivery lines. When surveyed, 91% of staff say they understand how what they do fits in with what Catch22 is trying to achieve and most importantly, 98% of staff put the quality of the relationship they have with service users at the heart of the work they do

- 4. To have developed a network of sustainable social enterprises, supplementing Auto22 with at least two additional social enterprises and contributing a turnover of £2.5 million.**

In 2012/13 we developed our network of sustainable social enterprises, opening a second and third Auto22 garage in Gillingham and Paddock Wood, Kent

We have established a social enterprise programme board, which is actively seeking new opportunities to create further social enterprises

# **Board of Trustees' report**

## **What we have achieved against corporate strategy 2012/15**

- 5. Based on our expertise and impact, and on the quality of our relationships, to be seen as a 'go to' organisation, evidenced in the number of approaches made to us by policymakers, opinion-formers, funders and other partners looking for well thought-through, practical solutions.**

Catch22's senior management team has been invited to speak at number of conferences and seminars over the year, contributed to as number of reports and publications, submitted evidence to national policy-making consultations and inquiries, as well as contributing to many welcome developments in policy making and commissioning around young adults in the criminal justice system through involvement in the Transition to Adulthood Alliance (T2A)

Catch22's Dawes Unit, dedicated to driving forward an understanding of how we can effectively tackle problems caused by gangs, has worked closely with the Home Office. The Unit also hosted a number of policy roundtable events at the Party Conferences in partnership with the Centre for Social Justice and Scottish Violence Reduction Unit and produced a report on the role enterprise can play in facilitating exit from gangs

New relationships have been formed with corporate organisations such as HSBC, Deloitte and the Direct Line Group bringing new opportunities to Catch22. While the Realising Ambition partnership is dedicated to identifying and replicating solutions for young people

- 6. To point to year-on-year improvements in savings to the public purse, and in the social returns from investment in our services using an externally-verified approach.**

Catch22 continues to develop innovative ways to make savings to the public purse through demonstrating social return on investment. A good example of this is use of the Department for Education's Family Savings Calculator (FSC), to determine the cost savings generated by Catch22's Intensive Family Support Service in Wirral. The FSC enabled us to evidence a total average saving per individual of £16,236, and average whole-family savings of £62,003, totalling £3,038,140 across all cases in 2012

- 7. To be recognised as a key provider of public services, with provision of statutory public services accounting for at least 40% of our work.**

Throughout 2012/13 we continue to grow our focus on statutory provision building on our base by becoming a provider of alternative education. We have also continued to strengthen our work in the area of offender rehabilitation, winning further contracts as well as positioning ourselves for the forthcoming rehabilitation competition



# **Board of Trustees' report**

## **What we have achieved against corporate strategy 2012/15**

- 8. To grow our income to at least £60 million, of which at least £50 million is revenue-generating; with income based on multiple income streams and year-on-year increases in the proportion of repeat business.**

In 2012/13 we achieved revenue of £53.8 million. We retained business in the following areas

- Hampshire 24/7 Substance Misuse
- Thurrock Family Intervention Programme
- Hackney Key Stage 4 Alternative Education Provision
- Department for Education From Care2Work
- Wandsworth Young People's Health Agency
- Wandsworth Intensive Surveillance and Supervision
- The Wirral Intensive Family Support
- Newcastle Reprimand Service
- Leicester accommodation and support

In addition we won a range of new business contracts, including

- Cheshire Troubled Families
- London Probation Peer Mentoring
- Essex Family Innovation Fund
- Surrey Youth Engagement Service
- Department for Education Prospectus – Care Planning
- European Social Fund 'ON2UP2'
- Association of Employment and Learning Providers (AELP) Apprenticeships
- Youth Contract – East Midlands

We successfully joined framework agreements, citing Catch22 as a preferred provider, in the following areas

- Salford Family Poverty Framework
- Northumberland Alternative Provision Framework
- Waltham Forest Gangs Prevention Framework
- Newcastle Alternative Education Framework
- Leicester Preferred Provider Framework
- Knowsley Family Support Framework

# **Board of Trustees' report**

## **Looking Ahead**

This report brings to a conclusion the first year of a three-year strategy. We are proud of what we have achieved in 2012/13 and look forward to another successful year in 2013/14. We will continue evolving as an organisation, driving through changes at every level to make us an highly effective and efficient organisation driven by our social mission.

We believe that tackling the roots of unemployment and poverty of aspiration are the most effective way of breaking the cycle of disadvantage. In 2013/14, we will invest, and seek further investment, in the capacity of Catch22 and its people to deliver employability programmes. Whether it is through a specialist employability programme, increasing a young person's aspirations through a programme like Project New Horizons or by giving a whole family the support and confidence needed to pursue their ambitions - our interventions will enable individuals to pursue education, training and employment.

We will continue to make the case for a diverse and competitive market place, using evidence from over 200 years of service delivery to demonstrate our ability to respond to social need. As such, we will continue to embrace outcome based payment methodologies, social investment and new financial instruments to help us turn chaotic lives around.

Over the coming year we will continue to respond to the open public services agenda.

We hope that the 'Transforming Rehabilitation' agenda is the start of a new wave of opportunities designed to put service users at the heart of public service delivery and ensures that the market is genuinely opened up to a greater diversity of providers. The continued commitment from government to the Open Public Services agenda, along with the clear economic imperative to achieve better value for money will provide a landscape for Catch22 to continue delivering its social mission.

# **Board of Trustees' report**

## **Our financial overview**

### **Financial highlights**

2012/13 has been a year of strong financial performance and the Catch22 Group goes into 2013/14 with a very strong consolidated balance sheet

Catch22 therefore has an extremely sound base on which to build future success and growth and to deal with the challenges presented by the current economic environment

In order to ensure we remain a financially strong organisation, we place great focus on

- ensuring that our services fully recover all their costs and do not run at a deficit, except where Trustees have chosen to invest for longer term benefits
- ensuring support services are efficient and cost effective
- managing our reserves in line with our policy
- seeking to grow our fundraising income.

### **Incoming resources**

Total incoming resources for 2012/13 were £53.4m, compared with £48.3m for 2011/12

Voluntary income increased significantly to £8.84m (2011/12 £7.5m) mainly as a result of the funding received in relation to National Citizens Service

Investment income increased to £565k, including restricted interest of £112k (2010/11 £434k)

### **Resources expended**

Overall resources expended for 2012/13 were £54.1m compared to £47.5m for 2011/12, a increase of approximately 13.68%

Costs of charitable activities at £53.8m were approximately 14.22% up on 2011/12 (£47.1m) This reflects the overall increase in income and activity

### **Surpluses on investment assets**

The valuation of our investment portfolio at 31<sup>st</sup> March 2013 reflects an unrealised increase in the market value of underlying investments of £0.9m (which is reflected in our Consolidated statement of financial activities)

### **Support costs**

We monitor the effectiveness and cost of our overheads on an ongoing basis. During 2012/13 we continued to reduce costs where appropriate to do so - but also to make significant investments in the organisation when needed

# **Board of Trustees' report**

## **Our financial overview**

### **Reserves**

The Finance and Business Administration Committee, on behalf of the Board of Trustees, conducts an annual review of the level of unrestricted reserves in the general fund by considering risks associated with the various income streams, expenditure plans and balance sheet items. This enables an estimate to be made of the level of reserves that are sufficient

- to allow time for re-organisation in the event of a downturn in income or asset values
- to protect ongoing work programmes
- to allow the Charity to meet its objectives

In considering the level of reserves the Trustees exclude the value of the restricted funds which are not available for general expenditure

Our general reserves at 31 March 2013 stood at £10.7m which the Trustees believe to be adequate for this purpose

### **Investments**

All investments were acquired within the Trustees' powers. On the 16th May 2012 we received formal approval from the Charity Commission that the Permanent Endowment can be regarded as part of the General Funds of Catch22. This is reflected in the Consolidated Balance Sheet at 31<sup>st</sup> March 2013.

The objective of the general fund is to provide a regular flow of income to support the daily activity of Catch22 and in addition, to achieve a level of capital growth which will preserve the real value of the fund over time and provide a capital fund for investment in approved development projects within Catch22.

The fund is held as a long-term core investment. Our investment portfolio is managed by firms of professional investment managers. The Trustees consider the performance of those managers and the investment portfolios they manage to be satisfactory and that our underlying investments are sound.

During the year the sum of £282k was received from the trustees of the Harrison Memorial Trust following the closure of that organisation. This money was invested in and forms part of our investment portfolio.

## **Financial risks**

### **Liquidity risk**

The Group's objective is to maintain a balance between cash balances and long-term investments. The Group's policy on liquidity risk is to ensure there are sufficient cash balances to meet the day-to-day needs of the organisation while investing surplus balances in fixed asset investments.

### **Market risk**

The Group's exposure to market risk arises primarily from the Group's fixed asset investments. The Group's policy is to utilise the services of professional investment managers to manage the fixed asset investments. Performance of these investments and therefore the investment managers is reviewed every month by the senior management team. The Board has established a sub-committee of the finance committee which meets formally approximately every six months in order to monitor performance.

# **Board of Trustees' report**

## **Our financial overview**

### **Credit risk**

The Group is mainly exposed to credit risk in relation to money due from commissioners in relation to its delivery of services. The vast majority of these commissioners have proved to be extremely credit worthy. Nevertheless, we operate a proactive credit control system designed to ensure payment is received quickly and that problems are identified as early as possible and the appropriate action is taken. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

### **Foreign exchange risk**

The Group does not have any significant exposure to foreign exchange risk.

# **Board of Trustees' report**

## **Structure, governance and management**

### **Formation and structure of the Charity**

Catch22 was incorporated as a Company Limited by Guarantee on 28 April 2008. It was registered as a charity on 19 May 2008.

Its objectives, as stated in its memorandum of association, are

'To promote opportunities for the development, education and support of young people in need to lead purposeful, stable and fulfilled lives and to promote safer, crime free communities for the benefit of the public.'

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Catch22 is the sole trustee of The Royal Philanthropic Society incorporating the Rainer Foundation and is the sole member of The Crime Concern Trust Limited. Both are charities. Rainer Foundation has released its permanent endowment and is now dormant. Crime Concern continues to operate.

Catch22 now holds 67.5% of the share capital of Catch22 Social Enterprise Limited, the other 37.5% being owned by Bridges Social Entrepreneurs Fund L.P.

Catch22 owns 100% of Pupil Parent Partnership Limited, a company limited by guarantee, which it acquired on 16<sup>th</sup> February 2013.

Catch22 also owns 100% of Catch22 Social Enterprise Solutions Limited, a company incorporated on 1<sup>st</sup> March 2012.

Catch22 also owns 100% of Catch22 Multi Academies Trust Limited, a company limited by guarantee, incorporated on 19<sup>th</sup> November 2012, and dormant at 31 March 2013.

### **Governance**

The Trustee board meets at least four times a year and has established a number of committees to which certain functions are delegated. These are Finance and Business Administration, Audit and Governance and Remuneration. Additionally, the Finance and Business Administration Committee has established an Investment sub-committee which concerns itself with Catch22's investment portfolio.

The committees monitor progress against goals and targets that flow from the strategic plan set by the Trustee board.

Catch22 complies with 'Good Governance: a Code for the Voluntary and Community Sector' issued by the Governance Code Steering Group.

# **Board of Trustees' report**

## **Structure, governance and management**

### **Trustees responsibilities**

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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 Group and charity and of the surplus or deficit of the Group 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 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 Charity will continue in operation
- observe the methods and principles in the Charities SORP,

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Charity'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 Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **Valuing our Trustees – recruitment, induction and ongoing training**

The Governance and Remuneration Committee oversees the recruitment of Trustees and undertakes a periodic skills audit of the Board. Applications for Trusteeship are sought through open advertisement, use of a specialist agency and personal contact. Applicants are assessed against a trustee job description and shortlisted candidates are interviewed by a panel of Trustees and appointed by the Trustee Board. Trustees are normally appointed for four years and may be reappointed for a further four years subject to agreement of the Board.

# Board of Trustees' report

## Structure, governance and management

### Valuing our Trustees – recruitment, induction and ongoing training (continued)

New Trustees are provided with induction meetings with the key staff and are given a detailed governance pack. Arrangements are made for Trustees to visit Catch22's projects and services. Trustees receive information newsletters, presentations on aspects of Catch22's work and on matters affecting the voluntary sector.

Catch22 looks to all those involved in its governance to make a reasonable commitment to ongoing development and training. This may involve away days, visits, presentations and other internal functions as well as opportunities to attend relevant external events such as seminars, courses and conferences.

Catch22 also circulates publications of general interest and provides access to magazines, articles, newsletters, policy briefings and other documents of more specialist interest.

### Risk management

The Trustees have in place a risk management process. The process identifies the types of risks the Charity faces, prioritises them in terms of likelihood of occurrence and potential impact, identifies the means of managing these risks and monitors how they are managed. Development and review of the risk management arrangements are the responsibility of the Audit Committee.

The key risks identified by Catch22 at the end of 2012/13, together with the actions taken or intended to be taken in response to these risks are as follows:

- Loss of income due to public sector spending cuts and increased competition. Catch22's response is to focus more resource on our business development team, keep our quality high and our costs competitive.
- Increasingly stringent delivery conditions imposed by commissioners – particularly in relation to 'payment by results' contracts. Catch22's response is to ensure a strong focus on quality and performance as well as careful consideration and control on the contract terms we accept.

Signed on behalf of the Board of Trustees



Jim McKenna  
Chairman  
Catch22 Charity Ltd  
18<sup>th</sup> September 2013



# Auditors report

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATCH22 CHARITY LIMITED

We have audited the financial statements of Catch22 Charity Limited for the year ended 31 March 2013 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement 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 charitable 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 charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including 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

# Auditors report (continued)

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

## 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

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company's 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

V.S. - J.S. LLP

Neil Finlayson (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date 25/9/2013

Devonshire House  
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# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2013

	notes	Permanent Endowment fund £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2013 £'000	Total 2012 £'000
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income - gifts and donations		-	643	837	1,480	2,480
- grants	2	-	12,514	-	12,514	4,974
Investment income	3	70	112	383	565	434
<b>Incoming resources from charitable activities</b>						
Fees		-	24,328	14,512	38,840	40,389
Other income		-	-	-	-	50
<b>Total incoming resources</b>		<b>70</b>	<b>37,597</b>	<b>15,732</b>	<b>53,399</b>	<b>48,327</b>
<b>Resources expended</b>						
<b>Cost of generating funds</b>						
Cost of generating voluntary income		-	-	228	228	323
<b>Charitable activities</b>	5	-	38,555	15,287	53,842	47,075
<b>Governance costs</b>						
Governance costs		-	-	21	21	64
<b>Total resources expended</b>		<b>-</b>	<b>38,555</b>	<b>15,536</b>	<b>54,091</b>	<b>47,462</b>
<b>Net incoming/ (outgoing) resources for the year</b>		<b>70</b>	<b>(958)</b>	<b>196</b>	<b>(692)</b>	<b>865</b>
<b>Transfers between funds</b>	12	<b>(1,838)</b>	<b>4</b>	<b>1,834</b>	<b>-</b>	<b>-</b>
<b>Net incoming (outgoing) resources before other recognised gains/( losses)</b>		<b>(1,768)</b>	<b>(954)</b>	<b>2,030</b>	<b>(692)</b>	<b>865</b>
<b>Other recognised gains/(losses)</b>						
Net gains/(losses) on investment assets		(65)	-	967	902	(278)
<b>Net movement in funds before minority interest</b>		<b>(1,833)</b>	<b>(954)</b>	<b>2,997</b>	<b>210</b>	<b>587</b>
Deduct Minority Interest		-	-	50	50	(15)
<b>Net movement in funds after minority interest</b>		<b>(1,833)</b>	<b>(954)</b>	<b>3,047</b>	<b>260</b>	<b>572</b>
<b>Total funds brought forward</b>	12,13	<b>1,833</b>	<b>3,603</b>	<b>7,615</b>	<b>13,051</b>	<b>12,479</b>
<b>Total funds carried forward</b>	12,13	<b>-</b>	<b>2,649</b>	<b>10,662</b>	<b>13,311</b>	<b>13,051</b>

All income arises from the continuing activities of the Group. The Group had no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

# FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET - 31 MARCH 2013

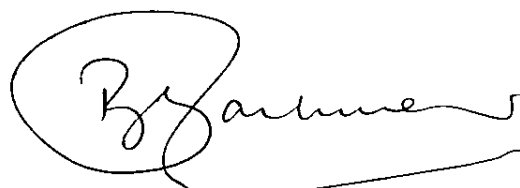
Company number: 06577534

	notes	2013 £'000	£'000	2012 £'000	£'000
<b>Fixed assets</b>					
Tangible fixed assets	7		3,351		1,058
Gang Trust investment	8		1,784		2,045
Other Investments	8,9		<u>9,302</u>		<u>9,214</u>
			<b>14,437</b>		<b>12,317</b>
<b>Current assets</b>					
Stock		31		17	
Debtors	10	4,836		8,032	
Cash at bank and in hand		<u>4,891</u>		<u>5,586</u>	
		<b>9,758</b>		<b>13,635</b>	
<b>Current liabilities</b>					
Creditors amounts due within one year	11	<u>(9,210)</u>		<u>(10,772)</u>	
<b>Net current assets</b>			<b>548</b>		<b>2,863</b>
			<u>14,985</u>		<u>15,180</u>
Creditors amounts falling due after more than one year	11		<u>(1,709)</u>		<u>(2,114)</u>
<b>Net assets</b>			<u><b>13,276</b></u>		<u><b>13,066</b></u>
<b>Funds</b>					
Permanent endowment fund	12		-		1,833
Restricted funds	12		2,649		3,603
Unrestricted designated funds	13		-		-
General fund	13		<u>10,662</u>		<u>7,615</u>
			<b>13,311</b>		<b>13,051</b>
Minority interest	13		<u>(35)</u>		<u>15</u>
			<u><b>13,276</b></u>		<u><b>13,066</b></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 18<sup>th</sup> September 2013



Jim McKenna  
Chairman



Brian Larkman  
Director

The notes on pages 22 to 36 form part of these financial statements

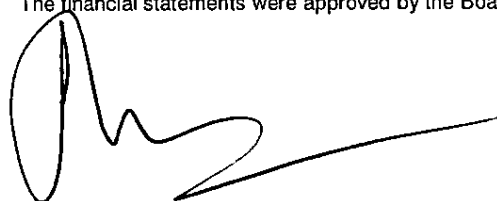
# FINANCIAL STATEMENTS

## CHARITY BALANCE SHEET - 31 MARCH 2013

Company number. 06577534

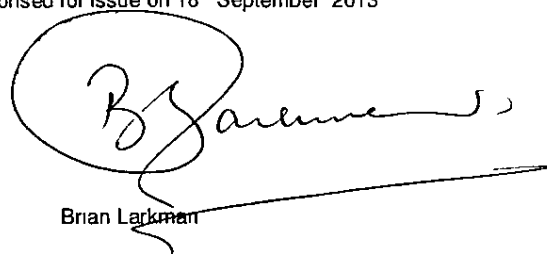
	notes	2013 £'000	£'000	2012 £'000	£'000
<b>Fixed assets</b>					
Tangible fixed assets	7		3,013		744
Gang Trust Investment	8		1,784		2,045
Other Investments	8,9		<u>9,302</u>		<u>7,381</u>
			<b>14,099</b>		<b>10,170</b>
<b>Current assets</b>					
Stock		17		7	
Debtors	10	4,640		7,588	
Cash at bank and in hand		<u>4,394</u>		<u>4,517</u>	
		<b>9,051</b>		<b>12,112</b>	
<b>Current liabilities</b>					
Creditors amounts due within one year	11	<u>(8,987)</u>		<u>(10,123)</u>	
<b>Net current assets</b>					
			<b>64</b>		<b>1,989</b>
			<b>14,163</b>		<b>12,159</b>
Creditors amounts falling due after more than one year	11		<u>(1,334)</u>		<u>(1,764)</u>
<b>Net assets</b>					
			<b>12,829</b>		<b>10,395</b>
<b>Funds</b>					
Restricted funds	12		2,097		2,834
Unrestricted designated funds	13		-		-
General fund	13		<u>10,732</u>		<u>7,561</u>
			<b>12,829</b>		<b>10,395</b>

The financial statements were approved by the Board of Trustees and authorised for issue on 18<sup>th</sup> September 2013



Jim McKenna

Chairman



Brian Larkman

Director

The notes on pages 22 to 36 form part of these financial statements

# FINANCIAL STATEMENTS

## CONSOLIDATED CASH FLOW STATEMENT 31 MARCH 2013

	Note	2013	2012
		£'000	£'000
Net incoming /(outgoing) resources		(692)	865
Donation re fair value of assets at acquisition		-	(675)
Investment income		(189)	(356)
Interest receivable		(376)	(78)
Depreciation		201	106
Profit on disposal of shares		-	(50)
Increase in stock		(14)	(3)
Decrease/(Increase) in debtors		3,196	(4,753)
(Decrease)/Increase in liabilities		(1,984)	2,840
<b>Net cash inflow/ (outflow) from operating activities</b>		<b>142</b>	<b>(2,104)</b>
<b>Net cash inflow (outflow) on portfolio investments</b>			
Cash released/ (invested)		1,184	(2,070)
<b>Returns on investments and servicing of finance</b>			
Investment income received	189		356
Interest received	376		78
<b>Net cash inflow from returns on Investments and servicing of finance</b>		<b>565</b>	<b>434</b>
<b>Capital expenditure</b>			
Purchase of tangible fixed assets	(2,586)		(39)
<b>Net cash outflow from capital expenditure</b>		<b>(2,586)</b>	<b>(39)</b>
<b>Acquisitions</b>			
Cash balance at acquisition		-	1,170
<b>Financing</b>			
Loan drawn down in the year	-		200
Issue of share capital to minority interest (see note 9)	-		50
			250
<b>(Decrease)/Increase in cash in year</b>	15	<b>(695)</b>	<b>(2,359)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Decrease in cash in the year		(695)	(2,359)
Cash inflow from increase in debt		25	(200)
		(670)	(2,559)
Loan acquired with subsidiary		-	(200)
		(670)	(2,759)
Net funds brought forward		5,186	7,945
<b>Net funds carried forward</b>	15	<b>4,516</b>	<b>5,186</b>

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 1 Accounting policies

#### Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 and comply with the Statement of Recommended Practice 2005 "Accounting and Reporting by Charities" and applicable accounting standards. The accounts are prepared under the historical cost convention subject to the revaluation of investments to market value.

On 1 July 2008, the Charity became the sole trustee of The Royal Philanthropic Foundation incorporating the Rainer Foundation (Rainer) and the sole member of Crime Concern Trust Limited (Crime Concern). The Charity did not pay any consideration for becoming the sole trustee/sole member. The consolidated financial statements have been prepared in accordance with the principles of FRS6 'Acquisitions and Mergers' using the merger accounting method for the combination of the Group. Accordingly, the Group's reserves are calculated on the basis the 2 subsidiary charities had always been part of the Group. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption in the Companies Act 2006 not to present its own statement of financial activities. However, in accordance with paragraph 397 of SORP 2005, the results of the Trust are set out here – total incoming resources of £48,433,000 (2012 £44,810,000) total outgoing resources of £46,966,000 (2012 £44,680,000) and net incoming (outgoing) resources for the year of £1,467,000 (2012 (£130,000)).

On acquisition of subsidiaries, all of their assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. Where subsidiaries are acquired for nil consideration and are akin to a gift, the fair value of the assets and liabilities at the date of acquisition are recognised as voluntary income in the statement of financial activities. All changes to those assets and liabilities and the resulting surpluses or deficits that arise after the group has gained control of the subsidiary are charged to the post-acquisition statement of financial activities.

#### Resources arising - Income

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt. The following accounting policies are applied to income:

##### Grants and fees

Where contract and grant funding is subject to specific performance conditions, the income is recognised as earned (as the related services are provided). Other grant income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Any amounts received in excess of what has been earned by the year end are included within deferred income in current liabilities.

##### Donations

Donations and all other receipts from fundraising are reported gross and are accounted for on a receivable basis. The related fundraising costs are reported in costs of generating voluntary income.

##### Investment Income

Investment income is accounted for when receivable and includes the related tax recoverable.

#### Resources expended

All expenditure is accounted for on an accruals basis and has been allocated on the bases indicated below:

##### Charitable activities

These costs include expenditure associated with the delivery of the objects of the Charity and include both the direct costs and support costs relating to these activities.

##### Governance costs

These costs include the costs of governance arrangements which relate to the general running of Catch22 as opposed to the direct management functions inherent in generating funds, service delivery and project work. This includes such items as external audit, legal advice for trustees and costs associated with statutory arrangements.

#### Fund accounting

The Charity maintains various types of funds as follows:

##### Restricted funds

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes.

##### Unrestricted funds

Designated funds are amounts which have been put aside at the discretion of the trustees. General unrestricted funds represent funds which are expendable at the discretion of the trustees in the furtherance of the objects of the Charity.

##### Endowment fund

These are funds where the assets must be held permanently by the charity. Permission was received from The Charity Commission for England and Wales, for the charity's permanent endowment to be released and applied for the general purposes of the Group and this release occurred during the year.

#### Tangible fixed assets

Freehold properties and equipment are stated in the balance sheet at cost less depreciation which is provided in equal annual instalments over the estimated useful life of the assets. The rates of depreciation are:

- Freehold property – 2% per annum
- Furniture and equipment – 33% per annum
- Motor vehicles – 25% per annum

#### Investments

Investments are stated at market value at the balance sheet date. Any change in the market value of investments is taken to the relevant fund together with any profits or losses on disposal of investments during the year.

#### Stock

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### Pension costs

The charity makes payments to defined contribution pension schemes on behalf of qualifying employees. Such contributions are charged in the Statement of Financial Activities as they fall due. The contributions are invested separately from the charity's assets.

#### Leased assets

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the leases.

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 1 Accounting policies (cont )

#### In kind funding/support

The Group benefits from the services of secondees, many thousands of voluntary hours and unclaimed out-of-pocket expenses by a very large number of supporters. In addition companies, organisations and individuals have, in many cases, provided the use of facilities, equipment and premises for various activities and meetings without charge. The value of such gifts in kind have been estimated and included in the consolidated statement of financial activities as income and expenditure when there is a cost to the third party of donating the gift/service. Although our systems are not set up to summarise the total value of these gifts in kind, we do know they are worth in excess of £863,000 (2012 £994,000). This figure does not include a value for the volunteer work which is indispensable to the work that the Group undertakes.

### 2. Incoming resources from generated funds

Included within Grants are the following payments received

	2013			2012		
	Income	Spend	Unspent funds	Income	Spend	Unspent funds
	£'000	£'000	£'000	£'000	£'000	£'000
Big Lottery - NCAS Research programme – Corporate Parenting for Young People in Care	133	82	55	130	126	4
Big Lottery – NCAS Advice Service	-	62	1	63	-	63
Heritage Lottery - Barnet Action 4 Youth	-	-	-	13	13	-
Big Lottery - Nottingham Just Ask	114	66	48	94	94	-
Big Lottery – Improving Futures Wandsworth Study	291	130	161	85	85	-
Big Lottery – Realising Ambitions	4,291	4,251	40	70	70	-
	<b>4,829</b>	<b>4,591</b>	<b>305</b>	<b>455</b>	<b>388</b>	<b>67</b>

NCS Income	2013 £'000	2012 £'000
NCS – delivery of National Citizen Service	3,049	2,318
<b>Total NCS Income</b>	<b>3,049</b>	<b>2,318</b>
Other Income	2013 £'000	2012 £'000
Home Office Funding – Right Choice	-	282
Community Action Against Crime	115	22
Barrow Cadbury Trust	32	99
<b>Total Other Income</b>	<b>147</b>	<b>403</b>



# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 3. Investment and other income

	Permanent Endowment Fund £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2013 £'000	Total 2012 £'000
Investment income	70	112	289	471	356
Interest and other income	-	-	94	94	78
Property income	-	-	-	-	-
	<b>70</b>	<b>112</b>	<b>383</b>	<b>565</b>	<b>434</b>

### 4 Net incoming resources for the year

	2013 £'000	2012 £'000
This is stated after charging		
Depreciation of fixed assets	201	94
Loss on disposal of property	20	-
Property rental	912	821
Auditor's remuneration		
Audit fees for Charity's annual accounts	26	55
Audit fees for other services		
- the audit of the Charity's subsidiaries, pursuant to legislation	4	9
- Taxation advice	2	6

### 5. Charitable activities

	2013 £'000	2012 £'000
Direct cost of charitable activities	50,578	43,257
<b>Support costs</b>		
Management	506	340
Facilities	352	331
Finance and IT	809	1,301
Human Resources	735	753
Regional Support	862	1,093
	<b>53,842</b>	<b>47,075</b>

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 6. Staff costs

	2013 £'000	2012 £'000
Salaries	18,491	18,219
National Insurance contributions	1,668	1,716
Pension contributions	376	420
Life assurance and healthcare	-	52
	<b>20,535</b>	<b>20,407</b>
The average number of employees during the year split as follows		
Operations	832	816
Support	74	61
Total	<b>906</b>	<b>877</b>

During the year payments to agencies for temporary staff amounted to £192,877 (2012 £356,612)  
Agency staff are used to cover temporary vacancies and to meet short term needs

The number of employees whose emoluments were £60,000 and above excluding pension contributions were as follows

	2013 Number	2012 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	3	4
£80,001 - £90,000	2	1
£90,001 - £100,000	-	1
£120,001 - £130,000	1	1

Employer's pension contributions of £39,664 (2012 £59,522) were paid on behalf of all the above staff

No trustees received any remuneration during the year The trustees were reimbursed £nil (2012 £nil) of travelling expenses incurred during the year

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 7. Tangible fixed assets – Group Figures

	Long leasehold buildings £'000	Freehold land & buildings £'000	Furniture & equipment £'000	Motor Vehicles £'000	Total £'000
<b>Costs</b>					
1 April 2012	385	957	861	83	2,286
Additions	-	2,290	296	-	2,586
Disposals	-	(96)	-	-	(96)
<b>31 March 2013</b>	<b>385</b>	<b>3,151</b>	<b>1,157</b>	<b>83</b>	<b>4,776</b>
<b>Depreciation</b>					
1 April 2012	110	325	717	76	1,228
Charge for the year	77	30	89	5	201
Disposals	-	(4)	-	-	(4)
<b>31 March 2013</b>	<b>187</b>	<b>351</b>	<b>806</b>	<b>81</b>	<b>1,425</b>
<b>Net book value</b>					
At 31 March 2013	<b>198</b>	<b>2,800</b>	<b>351</b>	<b>2</b>	<b>3,351</b>
At 31 March 2012	275	632	144	7	1,058

### 7. Tangible fixed assets – Charity only

	Freehold land & buildings £'000	Furniture & equipment £'000	Motor Vehicles £'000	Total £'000
<b>Costs</b>				
1 April 2012	943	577	78	1,598
Additions	2,196	256	-	2,452
Disposals	(96)	-	-	(96)
<b>31 March 2013</b>	<b>3,043</b>	<b>833</b>	<b>78</b>	<b>3,954</b>
<b>Depreciation</b>				
1 April 2012	309	472	73	854
Disposals	(4)	-	-	(4)
Charge for the year	25	62	4	91
<b>31 March 2013</b>	<b>330</b>	<b>534</b>	<b>77</b>	<b>941</b>
<b>Net book value</b>				
At 31 March 2013	<b>2,713</b>	<b>299</b>	<b>1</b>	<b>3,013</b>
At 31 March 2012	634	105	5	744

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 8 Investment – Group figures

	2013 £'000	2012 £'000
Gang trust investments at market value	1,784	2,045
Other investments at market value	9,302	9,214
Investments at market value	<b>11,086</b>	<b>11,259</b>
Quoted investments	10,785	10,487
Cash held by investment managers	301	772
	<b>11,086</b>	<b>11,259</b>
1 April 2012	11,259	12,218
Adjustments to market value	902	(278)
Additions at cost	750	-
Gang trust interest	109	-
Disposal	(1,934)	(681)
Market value at 31 March 2013	<b>11,086</b>	<b>11,259</b>
Historic cost at 31 March 2013	<b>10,099</b>	<b>10,344</b>

	2013			2012		
	Market value		Original cost	Market value		Original cost
	£'000	%	£'000	£'000	%	£'000
UK fixed interest	1,071	10	979	939	9	644
Overseas fixed interest	163	2	146	108	1	96
UK equities	3,769	35	3,230	4,327	41	1,659
Overseas equities	2,292	21	1,778	2,834	27	2,825
COIF units	3,448	32	3,636	2,242	22	2,275
Other	42	-	29	37	-	29
	<b>10,785</b>	<b>100</b>	<b>9,798</b>	<b>10,487</b>	<b>100</b>	<b>7,528</b>

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 8. Investment – Charity only

	2013 £'000	2012 £'000
Gang trust investments at market value	1,784	2,045
Other investments at market value	9,302	7,381
Investments at market value	<b>11,086</b>	<b>9,426</b>
Quoted investments	10,785	8,666
Cash held by investment managers	301	760
	<b>11,086</b>	<b>9,426</b>
1 April 2012	9,426	10,355
Transfer of Permanent Endowment from subsidiary	1,768	-
Adjustments to market value	967	(248)
Gang trust interest	109	-
Additions at cost	750	-
Disposal	(1,934)	(681)
<b>Market value at 31 March 2013</b>	<b>11,086</b>	<b>9,426</b>
Historic cost at 31 March 2013	8,692	8,937

	2013			2012		
	Market value		Original cost	Market value		Original cost
	£'000	%	£'000	£'000	%	£'000
UK fixed interest	1,071	10	979	939	11	644
Overseas fixed interest	163	2	146	108	1	96
UK equities	3,769	35	3,230	4,328	50	1,659
Overseas equities	2,292	21	1,778	1,713	20	1,700
COIF units	3,448	32	3,636	1,541	18	1,723
Other	42	-	29	37	-	29
	<b>10,785</b>	<b>100</b>	<b>9,798</b>	<b>8,666</b>	<b>100</b>	<b>5,851</b>

### 9 Subsidiaries

The charity is the parent of the following subsidiaries

Name of subsidiary	Country of Incorporation	Activity	Level of control	Aggregate amount of assets, liabilities and funds £'000	Turnover incl invest income £'000	Costs £'000	Surplus/ (deficit) £'000
The Royal Philanthropic Society incorporating the Rainer Foundation	Great Britain	Helping young people	100%	-	352	2,120	(1,768)
Crime Concern Trust Limited	Great Britain	Helping young people	100%	84	2,635	2,642	(7)
Catch22 Social Enterprise Limited	Great Britain	Automobile maintenance and repairs	62.5%	(95)	428	563	(135)

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 9 Subsidiaries (continued)

Name of subsidiary	Country of incorporation	Activity	Level of control	Aggregate amount of assets, liabilities and funds £'000	Turnover incl invest income £'000	Costs £'000	Surplus/ (deficit) £'000
Pupil Parent Partnership	Great Britain	Providing multi-disciplinary support and educational services to young people and their families	100%	499	2,127	2,337	(210)

The Pupil Parent Partnership currently has a 31 August year end to match it's funding profile

Catch22 Social Enterprise Solutions Limited	Great Britain		100%	(24)	67	91	(24)
Catch22 Multi Academies Trust Limited	Great Britain		100%	-	-	-	-

The Catch22 Multi Academies Trust Limited is dormant at 31 March 2013 and currently has a 31 August year end to match it's funding profile

### 10. Debtors' amounts due within one year

	2013 £'000	2012 £'000
<b>Consolidated</b>		
Grant debtors	3,162	6,331
Other debtors	20	27
Prepayments	1,654	1,674
	<b>4,836</b>	<b>8,032</b>
<b>Charity only</b>		
Grant debtors	2,984	5,978
Other debtors	84	24
Prepayments	1,572	1,586
	<b>4,640</b>	<b>7,588</b>

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 11. Creditors' amounts falling due within one year

	2013 £'000	2012 £'000
<b>Consolidated</b>		
Trade creditors and other creditors	1,782	1,093
Accrued expenditure and income in advance	6,394	8,929
Other taxes and social security	1,034	750
	<b>9,210</b>	<b>10,772</b>
<b>Charity only</b>		
Trade creditors and other creditors	1,509	833
Accrued expenditure and income in advance	6,248	8,471
Other taxes and social security	984	701
Accrued pension contributions	43	52
Amounts owing to other group companies	203	66
	<b>8,987</b>	<b>10,123</b>

### Creditors: amounts falling after more than one year

	2013 £'000	2012 £'000
<b>Consolidated</b>		
Deferred income	1,334	1,764
Amounts owed to related parties	275	200
Other creditors	100	150
	<b>1,709</b>	<b>2,114</b>
<b>Charity only</b>		
Deferred income	<b>1,334</b>	<b>1,764</b>

Deferred income relates to a legacy received in 2010 in order to set up a gangs unit

Amounts owed to related parties represent monies owed to Bridges Social Entrepreneurs Fund L.P. who own 37.5% of Catch22 Social Enterprise Limited. Repayment terms are £nil within two years and £275k between two to five years.

Other creditors represent monies owed to London Borough of Hounslow, which lent the charity's subsidiary, Pupil Parent Partnership, £250k on 13 April 2010. Repayment terms are £50k per annum. The current loan balance is £150k, of which £100k is greater than one year.

<b>Consolidated — deferred income movement</b>	<b>£'000</b>
Balance at 1 April 2012	10,523
Amount released in the year	(10,523)
Amount deferred in the year	5,522
<b>Balance at 31 March 2013</b>	<b>5,522</b>
Due within one year	4,188
Due after more than one year	1,334

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 12. Restricted funds

	Permanent endowment fund £'000	Restricted funds £'000
<b>Consolidated</b>		
<b>Balance at 1 April 2012</b>	1,833	3,603
Incoming resources	70	37,597
Outgoing resources	-	(38,555)
Transfers (to)/from unrestricted reserves	(1,838)	4
Investment revaluation	(65)	-
<b>Balance at 31 March 2013</b>	<b>-</b>	<b>2,649</b>
<b>Charity only</b>		
<b>Balance at 1 April 2012</b>	-	2,834
Incoming resources	-	32,835
Outgoing resources	-	(33,576)
Transfers (to)/from unrestricted reserves	-	4
Investment revaluation	-	-
<b>Balance at 31 March 2013</b>	<b>-</b>	<b>2,097</b>

### Permanent endowment fund

The permanent endowment fund represents the only remaining assets of the Rainer Foundation. Previously, this was a capital fund in respect of which there is no power to convert the capital into income. Income generated by the permanently endowed investments can be used for the general purposes of the charity and has therefore been transferred to unrestricted funds.

At the request of the trustees, permission was received from The Charity Commission for England and Wales, for the charity's permanent endowment to be released and applied for the general purposes of the Group and this release occurred during the year.

### Restricted funds

These arise from donations and grants to fund activities or services as specified by the donor. Incoming funds represent donations and grants from the Government Bodies and corporate and trust donors. Restricted funds also includes the subsidiary company, The Pupil Parent Partnership.

Outgoing funds represent expenditure on specific services linked to restricted donations and grants.



# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 13. Unrestricted funds

	Balance 1 April 2012 £'000	Incoming £'000	Outgoing £'000	Net gains/ (losses) £'000	Transfers £'000	Minority interest £'000	Balance 31 March 2013 £'000
<b>Consolidated</b>							
Designated funds	-	-	-	-	-	-	-
General fund	7,615	15,732	(15,536)	967	1,834	50	10,662
	<u>7,615</u>	<u>15,732</u>	<u>(15,536)</u>	<u>967</u>	<u>1,834</u>	<u>50</u>	<u>10,662</u>
<b>Charity</b>							
Designated funds	-	-	-	-	-	-	-
General fund	7,561	15,528	(15,158)	967	1,834	-	10,732
	<u>7,561</u>	<u>15,528</u>	<u>(15,158)</u>	<u>967</u>	<u>1,834</u>	<u>-</u>	<u>10,732</u>

### Designated funds

In 2012 all designated funds not spent in the year were written back to general reserves

### General fund

This represents funds which are not restricted or designated for specific purposes. General funds are expendable at the discretion of the trustees to further the charitable objects of Catch22.

### 14. Analysis of net assets between funds

	Permanent endowment fund £'000	Restricted funds £'000	Unrestricted funds £'000	Total £'000
<b>Fund balances at 31 March 2013 are represented by</b>				
Tangible fixed assets	-	206	3,145	3,351
Investments	-	1,784	9,302	11,086
Current assets	-	3,060	6,698	9,758
Current liabilities	-	(967)	(8,243)	(9,210)
Long term liabilities	-	(1,434)	(275)	(1,709)
<b>Total net assets</b>	<u>-</u>	<u>2,649</u>	<u>10,662</u>	<u>13,276</u>

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2013

### 15. Analysis of net funds

	Balance at 1 April 2012 £'000	Cash flow £'000	Acquisition £'000	Balance at 31 March 2013 £'000
Investment held as cash	-	-	-	-
Bank	5,586	(695)	-	4,891
	5,586	(695)	-	4,891
Debt due less than one year	(50)	-	-	(50)
Debt due greater than one year	(350)	25	-	(325)
Total net funds	5,186	(670)	-	4,516

### 16. Commitments under operating leases

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as follows

	2013 £'000	2012 £'000
<b>Land and buildings</b>		
expiring in the first year	146	113
expiring in the second to fifth year	280	357
expiring after five years	70	5
	<u>496</u>	<u>475</u>

### 17. Related party transactions

Catch22 makes payments on behalf of Catch22 Social Enterprise Limited. These total £45k (2012 £91k) and have been reimbursed to Catch22. Catch22 Social Enterprise Limited made a payment of £54k (2012 £5k) on Catch22's behalf, which had been reimbursed after the balance sheet date.

Catch22 made a total of £89k payments, and received a total of £77k receipts on behalf of Catch22 Social Enterprise Solutions Limited. The total inter-company balance between Catch22 Charity Limited and Catch22 Social Enterprise Solutions Limited at 31 March 2013 was £12k.

# Catch22 people

## **Patron**

HRH The Princess Royal

## **Board of Trustees**

Jim McKenna, Chairman

John Marlor, Treasurer

Nikki Brauer

Brian Larkman

Bruce Noble

Tove Okunniwa

John Sutherland

Julie Taylor (resigned 25 January 2012)

Ben Welsh (resigned 5 April 2013)

Paul Williams

Elaine Bailey (appointed 30 November 2012)

Pauline Campbell (appointed 21 December 2012)

Laura Marcelli (appointed 27 November 2012)

Keiron Boyle (appointed 5 April 2013)

## **Chief Executive**

Chris Wright

## **Company Secretary**

Mike Truelove

## **Registered office**

27 Peartree Street

London

EC1V 3AG

## **catch-22.org.uk**

Catch22

27 Peartree Street

London EC1V 3AG

T 020 7336 4800 F 020 7336 4801 E [information@catch-22.org.uk](mailto:information@catch-22.org.uk)

Registered charity no 1124127

Company limited by guarantee

Company no 6577534

## **Bankers**

Barclays

Level 27, 1 Churchill Place

London

E14 5HP

## **Solicitors**

Blake Laphorn

Harbour Court

Compass Road, North Harbour

Portsmouth PO6 4ST

## **Investment Managers**

CCLA Investment Managers

COIF Charity Funds

80 Cheapside

London EC2V 6DZ

Newton Investment Management

The Bank of New York Mellon Centre

160 Queen Victoria Street

London EC4V 4LA

## **Auditors**

Kingston Smith LLP

Devonshire House,

60 Goswell Road,

London,

EC1M 7AD