

Catch22 Charity Limited

Annual Report and Financial Statements

For the year ended 31 March 2014

Company number: 06577534

Registered charity number: 1124127

TUESDAY



L3NCPVQZ

LD9

23/12/2014

#288

COMPANIES HOUSE



Who we are

A forward looking social business, Catch22 has more than two hundred years' experience of delivering a range of public services – in education, justice, employment and young people and families – supporting those with the greatest need out of tough situations.

Our staff and volunteers work with troubled and vulnerable young people, families and adult offenders, supporting them to desist from crime or substance misuse, do the best they can in education or employment and play a full part in their family or community

We employ 1,000 staff, the majority of which work directly with our service users and 600 volunteers – generating 39,000 volunteering hours this year alone.

We worked directly with 35,890 people, supporting a further 44,772 young people through our national partnership programmes Realising Ambition and our Pupil Parent Partnership (PPP) and include our independent alternative education schools – reaching over 80,000 people overall.

Contents

Board of Trustees' report.....	1
Introduction from Jim McKenna, Chairman of Board of Trustees	1
My vision for the year ahead Chris Wright, Chief Executive	2
Strategic report - What we set out to do 2013/14	4
Looking ahead	5
Our financial overview	6
Structure, governance and management	9
Auditors report.....	12
Financial Statements	
Consolidated statement of financial activities for the year ended 31 March 2014	14
Consolidated balance sheet 31 March 2014	15
Charity balance sheet 31 March 2014	16
Consolidated cash flow statement 31 March 2014	17
Notes to financial statements for the year ended 31 March 2014	18
Catch22 people	31

Board of Trustees' report

Introduction from Jim McKenna, Chairman of Board of Trustees

I am delighted to be able to share the achievements and impact of our work in 2013/14.

An opportunity for innovation

Catch22 has achieved another successful year despite the continuing challenges it has faced in the external world. The impact of austerity and reductions in public spending have become increasingly evident, while increasing demand for and expectations of what services should provide have grown. While it is tempting in a tough economic and commissioning climate to stick with the status quo, Catch22, with the full support of the Board of Trustees, has responded with an ambitious strategy which has sought to adapt to new realities, embed a social business culture and embrace reforms to the delivery of public services as an opportunity to be bold and innovative. This reflects our belief that to sustain and improve public services we cannot continue to rely on delivering the same kinds of service we have in the past. The way forward is one that embraces new ways of funding such as social finance, places the power of the relationship at the centre of everything and facilitates new ways of partnership working in design and delivery. **We are proud to redefine what people think a charity can do.**

Rethinking public services

With this approach driving us, the organisation has been successful in developing a number of new partnerships, enabling it to take forward its work through the co-production and design of services. Consequently, the organisation has grown its work across a number of areas, stepping up its presence in the education, employment and justice sectors in particular. The acquisition of *include* – five independent alternative education schools – has also been a significant addition to our education portfolio that will enable us to work directly with 700 young people with challenging behaviours. Catch22's National Citizen Programme has continued to grow, supporting more than 3,813 young people and generating over 88,000 hours of social action. Encouraging social action is vital in creating a socially-engaged community of the future.

Investing in our staff and infrastructure

In terms of leadership, the Board of Trustees has continued to help shape and drive greater efficiencies and operational improvements through a number of now established Advisory Boards on education and training, social enterprise and key account management. We have also signed off on a number of important investments in the organisation's infrastructure – IT and its capacity to deliver business and growth opportunities – which we believe will enhance our operational effectiveness and competitiveness.

Thank you

Finally I want to thank our staff and volunteers for their dedication and commitment. We encourage staff to be entrepreneurial, fearless, open to new approaches and not afraid to do things differently. They have continued to surpass the Board's high expectations of them and take this organisation and its social mission forward with a renewed sense of purpose once again. I would also like to thank our supporters and commissioners who have also contributed so much.

I look forward to continuing to work with you in 2014 and transforming many more lives.

Jim McKenna, Chairman, Catch22

Board of Trustees' report

My vision for the year ahead – from Chris Wright

Much of my outlook, as the leader of Catch22, has been informed by my time as a practitioner working with people facing a wide range of challenges. I've become increasingly concerned that it has become harder for practitioners to do their work well given the increasingly complex and bureaucratic nature of the way in which services are organised; by the transactional nature of the work through which service users perceive themselves as being processed or passed from 'pillar to post.'

Successful outcomes have to be predicated on establishing effective relationships between those receiving services and those providing services. **We have to do more to focus on the relational and in designing services that are responsive to the needs of those who use them.** At Catch22 we are determined not to overcomplicate things or get side-lined by process but instead focus on the three main elements of support most important to those we work with: **that is to ensure that they have somewhere safe and decent to live; that they have something positive to do and that they have access to a positive network of support.**

We have to be user driven

With this in mind I want Catch22 to contribute to the debate not only about the way we think about public service reform but **how we can translate innovative and daring ideas into actual delivery.** This is not about allowing charities simply to work around the edges of public services. This is about harnessing their expertise and talent to run services and in ensuring that outsourcing contracts are awarded beyond the small group of usual suspects. I believe that young people, families and adult offenders are best served by an organisation that places them at the heart of its services, as well as one that uses business discipline to deliver value for money and efficient services for a social purpose. However, this means new ways of working, new ways of commissioning, new ways of funding and new ways of defining corporate social responsibility. **Over the next year I am determined to continue to grow this organisation into a key public service provider, one that not only delivers public services at scale but helps to shape what they look like.** This will be challenging and will require us to up our game but it is the right thing to do for our service users and for the thousands more we need to reach.

So what can we expect from Catch22 in the year ahead?

Probation coming home?

2014 will see a radical transformation to the way probation and rehabilitation services are delivered – bringing probation full circle to where it began back in 1876 – and the establishment of the London Police Court Mission, a forerunner to Catch22. The reforms, part of the government's Transforming Rehabilitation, will see the creation of a new delivery model which will see low and medium risk offenders receiving support and advice from a wider range of providers from the private, public and social sector. **Catch22 has an evidenced based methodology that can contribute greatly to this agenda and we shall be working hard to win a piece of the action.** By placing ourselves into this environment we will increase our ability to design services that focus on outcomes and draw on social capital, such as working with other local community organisations and volunteers.

Driving aspiration of what can be achieved with young people and families

There is a huge opportunity to deliver better outcomes for children in and leaving care, as well as to the 368,000 on the edge of care. Children's services are too often characterised by a lack of relational consistency, with young people being passed transactionally through multiple placements and numerous professionals via process driven interactions. I believe the potential for transformation lies in supporting 'children in need' through more effective intervention earlier in the "cycle". To do this there is

Board of Trustees' report

a need to transform the way the children's services landscape is currently organised. To think differently about who does what, focus on unlocking the support which is available in the communities in which those in need live, to bring in new ways of financing service delivery, to design out the demand for acute provision and to focus on deflecting children, young people and families from the 'system'. This is a tall order, but the Department of Education's Innovation Programme could provide the catalyst for lasting change. Catch22 wants to be part of this journey and we will direct our resources and energy to contribute to the transformation of the children's services landscape.

Tackling underachievement in alternative provision education

Our vision is to transform the lives of the most challenging and/or vulnerable young people – wherever they learn – through personalised learning that provides real opportunities in education, employment or training. This year has seen Catch22 assume a more focused role in delivering alternative education through the acquisition of Include and its family of schools. **We are absolutely committed to ensuring that children who fall out of the mainstream are provided with the highest quality learning opportunities possible, with a focus on equipping them with the skills they'll need to give themselves a chance of getting sustainable employment.** We will focus on quality teaching in the classroom but also in working with the children's families and the communities from which they come.

This year will also see us assume our role as an Academy Sponsor of Pupil Referral Units. As in other areas of our work, this sponsorship programme enables us to contribute to the design and delivery of alternative education provision and we will be looking to work with partners at creating a better defined and more coherent alternative education pathway.

Changing jobs market

The fourth pillar of Catch22 service delivery is the support people into employment. We must do more to work with employers and to understand local and regional economies, to equip those we work with not only with practical work related skills but also with the right mindset, to provide young people in particular with the confidence and discipline required in the workplace and to ensure that employers want to work with us as a provider of choice – a provider who has high aspirations for those we support. **We will continue working to ensure that our employability programmes address the skills gap and prepare learners who are better matched to the needs of employers.**

Employment through social action

We will also be utilising our experience and expertise in social action to inform our work around employability. We will be growing the use of Plan.Do, our social action app – and we will also be looking to develop a concept called the Youth Venture Fund, a programme designed to support young entrepreneurs who might be operating under the radar to take their ideas to scale; another example of how we are trying to bring innovative and enterprising solutions to the market to fill a gap in the provision of services.

All in all an exciting time for an organisation like Catch22 to be in business. We welcome change and we relish opportunity. The environment is tough but we look forward to an active year ahead full of challenge and the chance to develop these projects through scale and sustainability. We are very pleased to be able to share news of these with you and always welcome discussion about how we might achieve this in partnership.

Chris Wright, Chief Executive, Catch22

Board of Trustees' report

Strategic Report

What we set out to do in 2013/14

- To be a **key provider** of high quality public services
- **Grow** all areas of our work and reach out to even greater number of marginalised and excluded young people, families and offenders
- **Rethink public services** – in partnership with private, public, corporate and voluntary sectors rethink how public services can be delivered with a view to improving outcomes, producing more responsive services designed around the needs of the person
- **Transform ourselves** – achieving value for money, reducing corporate costs and adopting a renewed business like approach to our work in line with being a social business
- To achieve **year on year improvements** in rates of reoffending, increased school attendance and attainment and support those we work with to access opportunities, gain qualification and get into work and training
- **Sustain and develop** our network of social enterprises.

What we achieved

- Worked with 80,662 young people, families and adults
- Stepped up our education work acquiring five independent alternative education schools
- Supported 3,500 young people into training, education, apprenticeships and employment through the Opportunity Partnership with HSBC
- Became a Department for Education Academy Sponsor
- Achieved against our targets for reducing reoffending in HMP and YOI Doncaster prison as part of our first of its kind, payment by results contract
- Delivered pioneering preventative services with newly created Police and Crime Commissioners
- Delivered over 88,000 hours of social action and volunteering through our National Citizen Service programme
- Launched our first social action web app supporting young people to build their CVs and increase their employability
- Facilitated the first of its kind Randomised Controlled Trial in education
- Launched a new service supporting short sentenced prisoners '*through the gate*' – a service which we believe is a blueprint for the future of justice services.

Board of Trustees' report

Looking Ahead

2013/14 has been a vibrant year for Catch22. As the needs of our clients change and the available funding and partnership opportunities emerge, we continue to deliver our services and build for the future. This year has been no exception.

Catch22 believes that a relational model of service delivery is at the heart of what achieves results. Whether we are running alternative education programmes, rehabilitating ex offenders, getting NEETs into work and training or helping families to negotiate troubling times, we place the beneficiary at the centre of our work. We strongly believe that trusting relationships, delivering flexible services geared around the needs of our service users, are what provide the bridge between a tough situation now and a hopeful future for tomorrow.

As the markets open up in education, justice, employment and children's services we will do what it takes to respond to this opportunity so we can be there for the young people we support. The open public services agenda is growing in volume and in longevity and we are very much positioning ourselves as a keen participant in this drive. We will continue to pitch for contracts and build relationships with both commissioners and partners and funders in the above markets and look to strengthen ourselves where we need to in order to play an influential role.

Board of Trustees' report

Our financial overview

Financial highlights

2013/14 has been a year of strong financial performance and the Catch22 Group goes into 2014/15 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
- 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 2013/14 were £54.9m, compared with £53.4m for 2012/13.

Voluntary income decreased significantly to £11.9m (2012/13 £14m) mainly as a result of the finishing of the Community Space challenge grant funding.

Investment income decreased slightly to £507k, including restricted interest of £112k (2012/13 £565k).

Resources expended

Overall resources expended for 2013/14 were £55.4m compared to £54.1m for 2012/13, a increase of approximately 2.4%.

Costs of charitable activities at £55.1m were approximately 2.4% up on 2012/13 (£53.8m). This reflects the overall increase in income and activity.

Surpluses on investment assets

At 31 March 2014 the portfolio was valued at £9.5m (31 March 2013 £9.3m). The increase 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 2013/14 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 target for reserves the Trustees exclude the value of the permanent endowment and the restricted funds which are not available for general expenditure.

Our general reserves at 31 March 2014 are over our current target at £10.8m.

Investments

All investments were acquired within the Trustees' powers. The portfolio is held in a general funds. 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.

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.

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 continued to operate in the year and will be dormant next year.

Catch22 now holds 67.5% of the share capital of Catch22 Social Enterprise Limited, the other 32.5% 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 16th February 2012.

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

Catch22 also owns 100% of Include, which it purchased on 1 December 2013, a company limited by guarantee and incorporated on 5 October 1989.

Catch22 also owns 100% of Catch22 Multi Academies Trust Limited, a company limited by guarantee, incorporated on 19th November 2013, and dormant at 31 March 2014.

Please see note 10 for disclosure of activities and performance of each subsidiary.

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 2013/14, 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
17th September 2014

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 2014 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 2014 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.F. LK LLP

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

2/12/2014

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2014

	notes	Permanent Endowment fund £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income - gifts and donations		-	333	169	502	1,480
- grants	2	-	11,442	-	11,442	12,514
Investment income	3	-	112	395	507	565
Incoming resources from charitable activities						
Fees		-	22,489	19,977	42,466	38,840
Other income		-	-	-	-	-
Total incoming resources		-	34,376	20,541	54,917	53,399
Resources expended						
Cost of generating funds						
Cost of generating voluntary income		-	-	250	250	228
Charitable activities	5	-	34,673	20,402	55,075	53,842
Governance costs						
Governance costs		-	-	36	36	21
Total resources expended		-	34,673	20,688	55,361	54,091
Net outgoing resources for the year		-	(297)	(147)	(444)	(692)
Transfers between funds	14	-	-	-	-	-
Net outgoing resources before other recognised losses		-	(297)	(147)	(444)	(692)
Other recognised gains/(losses)						
Net gains on investment assets		-	-	142	142	902
Net movement in funds before minority interest		-	(297)	(5)	(302)	210
Deduct Minority Interest		-	-	99	99	50
Net movement in funds after minority interest		-	(297)	94	(203)	260
Total funds brought forward	14,15	-	2,649	10,662	13,311	13,051
Total funds carried forward	14,15	-	2,352	10,756	13,108	13,311

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 2014

Company number: 06577534

	notes	2014 £'000	£'000	2013 £'000	£'000
Fixed assets					
Tangible fixed assets	7		3,575		3,351
Intangible assets - Goodwill	8		322		-
Gang Trust investment	9		1,058		1,784
Other Investments	9,10		<u>9,525</u>		<u>9,302</u>
			14,480		14,437
Current assets					
Stock		38		31	
Debtors	11	7,999		4,836	
Cash at bank and in hand		<u>4,828</u>		<u>4,891</u>	
		12,865		9,758	
Current liabilities					
Creditors: amounts due within one year	12	<u>(12,556)</u>		<u>(9,210)</u>	
Net current assets					
			309		548
			14,789		14,985
Creditors: amounts falling due after more than one year	12		<u>(1,770)</u>		<u>(1,709)</u>
Provisions	13		<u>(60)</u>		<u>-</u>
Net assets					
			12,959		13,276
Funds					
Restricted funds	14		2,352		2,649
Unrestricted designated funds	15		-		-
General fund	15		<u>10,756</u>		<u>10,662</u>
			13,108		13,311
Minority interest	15		<u>(149)</u>		<u>(35)</u>
			12,959		13,276

The financial statements were approved by the Board of Trustees and authorised for issue on 17th September 2014.



Jim McKenna
Chairman



John Marlor
Director

The notes on pages 18 to 31 form part of these financial statements.

FINANCIAL STATEMENTS

CHARITY BALANCE SHEET - 31 MARCH 2014
Company number: 06577534

	notes	2014 £'000	£'000	2013 £'000	£'000
Fixed assets					
Tangible fixed assets	7		3,276		3,013
Investment in subsidiary	9		475		-
	9				
Gang Trust Investment			1,058		1,784
Other Investments	9,10		<u>9,525</u>		<u>9,302</u>
			14,334		14,099
Current assets					
Stock		24		17	
Debtors	11	6,724		4,640	
Cash at bank and in hand		<u>4,329</u>		<u>4,394</u>	
		11,077		9,051	
Current liabilities					
Creditors: amounts due within one year	12	<u>(10,924)</u>		<u>(8,987)</u>	
Net current assets					
			153		64
			<u>14,487</u>		<u>14,163</u>
Creditors: amounts falling due after more than one year	12		<u>(1,405)</u>		<u>(1,334)</u>
Net assets					
			<u>13,082</u>		<u>12,829</u>
Funds					
Restricted funds	14		2,027		2,097
General fund	15		<u>11,055</u>		<u>10,732</u>
			<u>13,082</u>		<u>12,829</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 17th September 2014.



Jim McKenna
Chairman



John Marlor
Director

The notes on pages 18 to 31 form part of these financial statements.

FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT 31 MARCH 2014

	Note	2014	2013
		£'000	£'000
Net outgoing resources		(444)	(692)
Donation re fair value of assets at acquisition		-	-
Investment income		(402)	(189)
Interest receivable		(105)	(376)
Depreciation		282	201
Loss on disposal		39	-
Goodwill amortisation		23	-
Increase in stock		(7)	(14)
(Increase)/Decrease in debtors		(3,163)	3,196
Increase/(Decrease) in liabilities		2,375	(1,984)
Net cash(outflow)/ inflow from operating activities		(1,402)	142
Net cash outflow on portfolio investments			
Cash released		727	1,184
Returns on investments and servicing of finance			
Investment income received	402		189
Interest received	105		376
Net cash inflow from returns on investments and servicing of finance		507	565
Capital expenditure			
Purchase of tangible fixed assets	(549)		(2,586)
Purchase of goodwill	(345)		-
Net cash outflow from capital expenditure		(894)	(2,586)
Acquisitions			
Cash balance at acquisition		-	-
Financing			
Loan drawn down in the year	1,100		-
Repayment of borrowings	(101)		-
		999	-
Decrease in cash in year	17	(63)	(695)
Reconciliation of net cash flow to movement in net funds			
Decrease in cash in the year		(63)	(695)
Cash inflow from increase in debt		(1,030)	25
		(1,093)	(670)
Loan acquired with subsidiary			-
		(1,093)	(670)
Net funds brought forward		4,516	5,186
Net funds carried forward	17	3,423	4,516

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

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 £50,788,000 (2013: £48,433,000) total outgoing resources of £50,677,000 (2013: £46,966,000) and net incoming resources for the year of £111,000 (2013: £1,467,000). Gains on investment of £142,000 (2013: £967,000) result in net movement in funds of £253,000 (2013: £2,434,000).

On acquisition of subsidiaries, acquisition accounting is used. All of the 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, – 20% and 33% per annum
- Motor vehicles – 25% per annum

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill has been amortised on a straight line basis over five years.

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

1. Accounting policies (cont.)

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 charities 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

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 £538,000 (2013: £863,000). 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:

	2014			2013		
	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	112	115	52	133	82	55
Big Lottery – NCAS Advice Service	-	-	-	-	62	1
Big Lottery - Nottingham Just Ask	53	101	-	114	66	48
Big Lottery – Improving Futures Wandsworth Study	300	337	124	291	130	161
Big Lottery – Realising Ambitions	7,115	7,168	-13	4,291	4,251	40
	7,580	7,721	163	4,829	4,591	305

NCS Income:

	2014 £'000	2013 £'000
NCS – delivery of National Citizen Service	6,331	3,049
Total NCS Income	6,331	3,049

Other Income:

	2014 £'000	2013 £'000
Community Action Against Crime	-	115
Barrow Cadbury Trust	13	32
Total Other Income	13	147

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

3. Investment and other income

	Permanent Endowment Fund £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2014 £'000	Total 2013 £'000
Investment income	-	112	290	402	471
Interest and other income	-	-	105	105	94
Property income	-	-	-	-	-
	-	112	395	507	565

4. Net incoming resources for the year

	2014 £'000	2013 £'000
This is stated after charging:		
Depreciation of fixed assets	407	201
Amortisation of goodwill	23	-
Loss on disposal of property	-	20
Property rental	655	912
Auditor's remuneration		
Audit fees for Charity's annual accounts	30	26
Audit fees for other services:		
- the audit of the Charity's subsidiaries, pursuant to legislation	12	4
- Other fees and taxation advice	30	2

5. Charitable activities

	2014 £'000	2013 £'000
Direct cost of charitable activities	51,461	50,578
Support costs		
Management	509	506
Facilities	298	352
Finance and IT	790	809
Human Resources	787	735
Regional Support	1,230	862
	55,075	53,842

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

6. Staff costs

	2014 £'000	2013 £'000
Salaries	19,460	18,491
National Insurance contributions	1,722	1,668
Pension contributions	341	376
Life assurance and healthcare	-	-
	21,523	20,535
The average number of employees during the year split as follows:		
Operations	905	832
Support	90	74
Total	995	906

During the year payments to agencies for temporary staff amounted to £574,941 (2013 £192,877)
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:

	2014 Number	2013 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	5	3
£80,001 - £90,000	5	2
£90,001 - £100,000	-	-
£120,001 - £130,000	1	1

Employer's pension contributions of £60,224 (2013 £39,664) were paid on behalf of all the above staff.

No trustees received any remuneration during the year. The trustees were reimbursed £124 (2013 £nil) of travelling expenses incurred during the year.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

7. Tangible fixed assets – Group Figures

	Long leasehold buildings £'000	Freehold land & buildings £'000	Furniture & equipment £'000	Motor Vehicles £'000	Total £'000
Costs					
1 April 2013	385	3,151	1,157	83	4,776
Transfer	2,196	(2,196)	-	-	-
Additions	-	42	503	-	545
Disposals	-	(37)	(227)	-	(264)
31 March 2014	2,581	960	1,433	83	5,057
Depreciation					
1 April 2013	187	351	806	81	1,425
Transfer	8	(8)	-	-	-
Charge for the year	111	23	146	2	282
Disposals	-	(4)	(221)	-	(225)
31 March 2014	306	362	731	83	1,482
Net book value					
At 31 March 2014	2,275	598	702	-	3,575
At 31 March 2013	198	2,800	351	2	3,351

7. Tangible fixed assets – Charity only

	Long leasehold buildings £'000	Freehold land & buildings £'000	Furniture & equipment £'000	Motor Vehicles £'000	Total £'000
Costs					
1 April 2013	-	3,043	833	78	3,954
Transfer	2,196	(2,196)	-	-	-
Additions	-	-	424	-	424
31 March 2014	2,196	847	1,257	78	4,378
Depreciation					
1 April 2013	-	330	534	77	941
Transfer	8	(8)	-	-	-
Charge for the year	34	13	113	1	161
31 March 2014	42	335	647	78	1,102
Net book value					
At 31 March 2014	2,154	512	610	-	3,276
At 31 March 2013	-	2,713	299	1	3,013

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

8. Intangible fixed assets – Group Figures

	Goodwill £'000	Total £'000
Costs		
1 April 2013	-	-
Additions	345	345
31 March 2014	345	345
Depreciation		
1 April 2013	-	-
Charge for the year	23	23
31 March 2014	23	23
Net book value		
At 31 March 2014	322	322
At 31 March 2013	-	-

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary, Include, at the date of acquisition.

9. Investment in subsidiary – Charity only

	Investment in subsidiary £'000	Total £'000
Costs		
1 April 2013	-	-
Additions	475	475
31 March 2014	475	475

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

9. Investment – Group figures

	2014 £'000	2013 £'000
Gang trust investments at market value	1,058	1,784
Other investments at market value	9,525	9,302
Investments at market value	10,583	11,086
Quoted investments	10,188	10,785
Cash held by investment managers	395	301
	10,583	11,086
1 April 2013	11,086	11,259
Adjustments to market value	142	902
Additions at cost	-	750
Gang trust interest	82	109
Disposal	(727)	(1,934)
Market value at 31 March 2014	10,583	11,086
Historic cost at 31 March 2014	9,632	10,099

	2014			2013		
	Market value		Original cost	Market value		Original cost
	£'000	%	£'000	£'000	%	£'000
UK fixed interest	838	8	811	1,071	10	979
Overseas fixed interest	268	3	266	163	2	146
UK equities	3,143	31	2,656	3,769	35	3,230
Overseas equities	2,375	23	1,839	2,292	21	1,778
COIF units	3,522	35	3,636	3,448	32	3,636
Other	42	-	29	42	-	29
	10,188	100	9,237	10,785	100	9,798

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

9. Investment – Charity only

	2014 £'000	2013 £'000
Gang trust investments at market value	1,058	1,784
Other investments at market value	9,525	9,302
Investments at market value	10,583	11,086
Quoted investments	10,188	10,785
Cash held by investment managers	395	301
	10,583	11,086
1 April 2013	11,086	9,426
Transfer of Permanent Endowment from subsidiary	-	1,768
Adjustments to market value	142	967
Gang trust interest	82	109
Additions at cost	-	750
Disposal	(727)	(1,934)
Market value at 31 March 2014	10,583	11,086
Historic cost at 31 March 2014	9,632	8,692

	2014			2013		
	Market value		Original cost	Market value		Original cost
	£'000	%	£'000	£'000	%	£'000
UK fixed interest	838	8	811	1,071	10	979
Overseas fixed interest	268	3	266	163	2	146
UK equities	3,143	31	2,656	3,769	35	3,230
Overseas equities	2,375	23	1,839	2,292	21	1,778
COIF units	3,522	35	3,636	3,448	32	3,636
Other	42	-	29	42	-	29
	10,188	100	9,237	10,785	100	9,798

10 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%	-	-	-	-
Crime Concern Trust Limited.	Great Britain	Helping young people	100%	-	439	523	(84)
Catch22 Social Enterprise Limited	Great Britain	Automobile maintenance and repairs	62.5%	(395)	601	901	(300)

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

10 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%	325	1,510	1,653	(143)

The Pupil Parent Partnership currently has a 31 August year end to match it's funding profile. The figures above relate to the year ended 31 March 2014.

Catch22 Social Enterprise Solutions Limited	Great Britain	Providing training and employment opportunities for the unemployed	100%	(24)	104	104	-
---	---------------	--	------	------	-----	-----	---

Catch22 Multi Academies Trust Limited	Great Britain	Dormant	100%	-	-	-	-
---------------------------------------	---------------	---------	------	---	---	---	---

The Catch22 Multi Academies Trust Limited is dormant at 31 March 2014 and currently has a 31 August year end to match it's funding profile.

Catch22 Rehabilitation Limited	Great Britain	Dormant	100%	-	-	-	-
--------------------------------	---------------	---------	------	---	---	---	---

Catch22 Rehabilitation Limited was incorporated on 24 March 2014 and is dormant at 31 March 2014.

Include	Great Britain	Providing alternative education to troubled and challenged young people	100%	128	1,670	1,542	128
---------	---------------	---	------	-----	-------	-------	-----

Include has a 31 August year end to match it's funding profile. The figures above relate to the period from acquisition to 31 March 2014.

The charity acquired 100% of Include, a company limited by guarantee, on 1st December 2013. The fair value of the assets totalled £130k, for which cash consideration of £475k was paid. The value of the goodwill is £345k.

There is no difference between the fair value and book values of the assets acquired. There was a nil surplus at the date of acquisition and the prior year was dormant.

Include net assets acquired:

	£'000
Debtors	304
Cash at bank and in hand	130
Creditors	(304)
	<hr/>
	130

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

11. Debtors: amounts due within one year

	2014 £'000	2013 £'000
Consolidated		
Grant debtors	5,008	3,162
Other debtors	267	20
Prepayments	2,724	1,654
	7,999	4,836
Charity only		
Grant debtors	3,749	2,984
Other debtors	16	84
Prepayments	2,559	1,572
Amounts owed from other group companies	400	-
	6,724	4,640

12. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Consolidated		
Bank loan	110	-
Trade creditors	1,118	1,782
Accrued expenditure and income in advance	9,648	6,355
Other taxes and social security	1,242	1,034
Other creditors	438	39
	12,556	9,210
Charity only		
Bank loan	110	-
Trade creditors	720	1,509
Accrued expenditure and income in advance	8,908	6,209
Other taxes and social security	1,069	984
Accrued pension contributions	50	43
Amounts owing to other group companies	43	203
Other creditors	24	39
	10,924	8,987

Consolidated – deferred income movement	£'000
Balance at 1 April 2013	5,522
Amount released in the year	(5,522)
Amount deferred in the year	7,626
Balance at 31 March 2014	7,626
Due within one year	7,110
Due after more than one year	516

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

12. Creditors: amounts falling after more than one year

	2014 £'000	2013 £'000
Consolidated		
Bank loan	889	-
Deferred income	516	1,334
Amounts owed to related parties	315	275
Other creditors	50	100
	1,770	1,709
Charity only		
Bank loan	889	-
Deferred income	516	1,334
	1,405	1,334

Deferred income less than one year relates to income received in advance. Deferred income greater than one year 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 £76k within two years and £280k 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 £100k, of which £50k is greater than one year.

A bank loan of £1.1m was received in May 2013 and is repayable in 120 monthly instalments of £11,025. The amount outstanding at the 31 March 2014 is £999,167 (2013: £nil).

The bank loan is secured by a fixed charge over the charity's leasehold property at Pear Tree Street, London. There is a second charge on the company for a rent deposit deed in relation to one of the charity's properties.

13. Provisions

A provision of £60,000 has been made in the year ended 31 March 2014 for an onerous lease relating to Gillingham garage premises, which is showing in the profit and loss as discontinued.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

14. Restricted funds

	Restricted funds £'000
Consolidated	
Balance at 1 April 2013	2,649
Incoming resources	34,376
Outgoing resources	(34,673)
Transfers (to)/from unrestricted reserves	-
Investment revaluation	-
Balance at 31 March 2014	2,352
Charity only	
Balance at 1 April 2013	2,097
Incoming resources	32,419
Outgoing resources	(32,489)
Transfers (to)/from unrestricted reserves	-
Investment revaluation	-
Balance at 31 March 2014	2,027

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.

15. Unrestricted funds

	Balance 1 April 2013 £'000	Incoming £'000	Outgoing £'000	Net gains/ (losses) £'000	Transfers £'000	Minority interest £'000	Balance 31 March 2014 £'000
Consolidated							
General Fund	10,662	20,541	(20,688)	142	-	99	10,756
Charity							
General Fund	10,732	18,361	(18,180)	142	-	-	11,055

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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2014

16. Analysis of net assets between funds

	Restricted funds £'000	Unrestricted funds £'000	Total £'000
Fund balances at 31 March 2014 are represented by:			
Tangible fixed assets	124	3,451	3,575
Goodwill	-	322	322
Investments	1,058	9,525	10,583
Current assets	2,944	9,687	12,631
Current liabilities	(1,208)	(11,114)	(12,322)
Long term liabilities	(566)	(1,204)	(1,770)
Provisions	-	(60)	(60)
Total net assets	2,352	10,607	12,959

17. Analysis of net funds

	Balance at 1 April 2013 £'000	Cash flow £'000	Bank loan £'000	Balance at 31 March 2014 £'000
Investment held as cash	-	-	-	-
Bank	4,891	(63)	-	4,828
	4,891	(63)	-	4,828
Debt due less than one year	(50)		(101)	(151)
Debt due greater than one year	(325)	(31)	(898)	(1,254)
Total net funds	4,516	(94)	(999)	3,423

18. Commitments under operating leases

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

	2014 £'000	2013 £'000
Land and buildings:		
expiring in the first year	178	146
expiring in the second to fifth year	786	280
expiring after five years	61	70
	1,025	496

19. Related party transactions

Catch22 makes payments on behalf of Catch22 Social Enterprise Limited. These total £49k (2013: £45k) and have been reimbursed to Catch22. Catch22 Social Enterprise Limited made a payment of £109k (2013: £54k) on Catch22's behalf, which had been reimbursed after the balance sheet date.

Catch22 made a total of £109k (2013: £89k) payments, and received a total of £59k (2013: £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 2014 was £74k (2013: £12k).

20. Contingent liability

Catch 22 was the lead partner on an European Union funded project which was completed in 2011. An external examination of the costs relating to this project identified costs which were either deemed to be ineligible or insufficiently evidenced as relating to this project and Catch 22 may be liable to repay a portion of the funding. As at 31 March 2014 this repayment is subject to negotiation and the Trustees feel that disclosing an estimate of amount to be reclaimed may be seriously prejudicial to the outcome of the negotiations.

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 (resigned 19th February 2014)

Paul Williams

Elaine Bailey

Pauline Campbell

Laura Marcelli

Kieron Boyle

Carl Cramer (appointed 25th March 2014)

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

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