

CATCH 22 CHARITY LIMITED

**Trustees'
Report and
Financial
Statements**

FOR THE YEAR ENDED 31 AUGUST 2023

Company number: 06577534
Registered charity number: 1124127



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“Catch22 colleagues have delivered huge impact: supporting thousands of people to lead better lives.”



The breadth and depth of the services and programmes we deliver at Catch22 never fails to impress me. This year, Catch22 colleagues have delivered huge impact: supporting thousands of people to lead better lives, build resilience and fulfil their ambitions.

We've supported thousands of people furthest from the job market into jobs – with over 60% of those we place into work sustaining that employment beyond six months. We have designed programmes for specific cohorts (such as care experienced young people), and for specific industries (such as energy transition, digital and tech, and the cultural and creative sector).

We've helped young victims of exploitation, including County Lines, get their lives back on track, and recovered

millions of pounds for victims of fraud. And, we've supported young people struggling with substance misuse and with their mental health.

Our rehabilitation work with those who have left prison is going from strength to strength, and we are continually driving innovation through pilots and pushing for policy change where we feel it's needed.

Our Include Schools all meet the Independent Schools Standards and all of our alternative provision colleges are flourishing – providing vital support for children and young people who struggle in mainstream settings.

Our Social Tech Amplifier programme, which provided a springboard for tech ventures with a focus on supporting employment outcomes for people with barriers, has

now evolved and broadened into Good Tech Ventures. This growing community of entrepreneurs is key to pushing the boundaries of what's possible and what will make public services the best they can be for those who need them.

I am incredibly proud of all we've achieved this year and of the partnerships we've formed with like-minded organisations, partners, and commissioners who see the value in what we do. Most of all I want to say a heartfelt thank you to all Catch22 staff for their ongoing commitment and hard work. I hope you enjoy reading this review as much as I did.

Terry Duddy
Chair, Catch22

“Organisations like ours need to continue to evidence the public benefit we create and the social value we deliver in the services we provide.”



The need to be accountable, demonstrate impact, and evidence value for money in organisations like ours has never been more important than it is today. As Chief Executive of Catch22, this is something I am determined to do and do well over the next few years.

In light of our struggling economy, cost of living crisis, and increased demand for our services, organisations like ours need to continue to evidence the public benefit we create and the social value we deliver in the services we provide.

Doing this well is not about receiving kudos for the work we do, or because we have to as a part of our funding arrangements. It's because we should, and it's the right thing to do. It's to satisfy ourselves

as social sector professionals that our day-to-day activity is having an impact: the kind of impact that brought us to work in the sector in the first place.

Social value is woven into the fabric and history of the sector and what we do and, with the explosion of technological and data-driven solutions, we have the opportunity in ways we have never seen before to fully utilise these tools to enable us to capture impact in simpler and more systematic ways. We also have the opportunity to gain insights to meet needs from information and data that we previously would not have been able to.

For us, this is a continuous journey that we are committed to and will continue to learn from. Alongside deepening our practice, evidencing our sustainability, and supporting

our workforce, we remain committed to the social impact we create.

I am very proud of the progress we have made in 2023 and continue to be inspired by the great work of my colleagues and the wider partnership network that contributes to the work we do in many ways. Without them, we would not be able to achieve the impact we do.

I hope you enjoy reading our review and are as inspired by the great work as I am.

Naomi Hulston
Chief Executive, Catch22

STEP TEAM BEER

A woman with blonde hair, wearing a white lab coat, is smiling and looking at a computer monitor in a laboratory or office setting. The background is slightly blurred, showing shelves with various items. The text 'STEP TEAM BEER' is overlaid in large, bold, white letters.

New National County Lines support contract set to support hundreds of young victims

This month we announced our [new Home office contract](#) to support hundreds of victims of exploitation from drug gangs through an expanded County Lines support service. The service operates in four priority locations of the country, where young people are often targeted – London, West Midlands, Merseyside and Greater Manchester.

Catch22 is delivering a one-to-one specialist support service for young people under 25 – safely making contact with young people who have been referred by partners, such as police and children's services, and work with them to exit their involvement in County Lines.

“For children and young people who are victims of County Lines activity, the impact on their lives – and the lives of those around them – is devastating. We know that grooming techniques are becoming more advanced and that escaping the clutches of these perpetrators can be incredibly difficult. That’s why as part of this service we’ll not only be bringing young people home safely, we’ll support them to make sure they can process their experiences and are protected from any future harm.”

Naomi Hulston, CEO, Catch22

Our Patron, Princess Anne, awards Digital Edge participants

Participants on our [Digital Edge programme](#) – funded by Microsoft – which supports young people facing barriers to work into digital and tech careers, were presented with awards by HRH Princess Anne. The event was a celebration of the programme and the achievements of the young people who've participated over the last year.



Reform of youth employment – 1 year on

In September 2021, Catch22 embarked in earnest on its [mission to tackle youth unemployment and underemployment](#) – by making it our Reform priority. In the last year, Catch22 employability programmes placed nearly **750 young people** into work and many of those are still in work 6 months on.

We've expanded many of our programmes, held several Employability Summits on diverse and inclusive workforces and held a roundtable series focussing on the topic of underemployment. Catch22 is also a member of the [Youth Employment Group](#), which now comprises more than 200 organisations working in and around the youth employment space. We rounded off our activity by hosting fringe events at the Conservative and Labour party conferences in the autumn.

New pay and grading service to support our staff

As part of our commitment to our People, we launched our new pay and grading structure this month.

The new structure was introduced in line with our People Strategy ambitions to develop a Catch22 total reward offer that demonstrates that we value our people and that we can use as a lever to retain outstanding talent working across our Catch22 community. The revised pay structure enabled us to provide on an average a 6.5% increase for the majority of our employees and we put aside a £1.4 million investment to achieve this.

Legal, debt and welfare benefits advice

[Community Links' annual review](#) revealed that we'd helped 1,300 clients with legal, debt, and welfare benefits advice (70% of them were Newham residents) in the previous year. Our youngest client was 18 and the oldest 86.



Restorative Justice takes centre stage

Nottingham Victim staff presented at Restorative Justice event at the Nottingham Justice Museum, speaking alongside the CEO of Nottingham Office of the Police and Crime Commissioner and two victims who they had supported through the Restorative Justice process.

Restorative Justice is a central part of our victims' services, and this year we also hosted [a podcast](#) and webinar to discuss its application and value.

Catch22 is also setting up a Restorative Practice Forum for staff, to share best practice and understand how it can be applied across different areas of our work.

Catch22 Business Strategy

Our new three year business strategy sets out how we will deliver on our mission and vision – framed around our new three strategic operational hubs. The strategy includes a series of guardrails for the organisation, which set the tone for all our organisational leaders to follow for the coming years - providing a sense of freedom to create opportunities for our service users within clear parameters



GUARDRAIL 1

An organisation that delivers demonstrable value and impact for its customers and users

Demonstrated through:

- Robust metrics reflecting total reach and positive outcomes (breadth and depth).
- Specialist insights, using national and local benchmarks to evidence impact.
- Powerful stories from participants, set in context, that demonstrate the value of our work.



GUARDRAIL 2

An organisation that is financially stable and sustainable; one true to its social value DNA

Demonstrated through:

- Remaining cash positive throughout the business plan period.
- Staying firmly within our reserves policy, which is adjusted in line with economic conditions.
- Generating a re-investable surplus, focused on strategic enablers.



GUARDRAIL 3

An organisation that is a great, safe, place to work - as defined by our employee experience

Demonstrated through:

- Consistently being ranked and recognised as a leading social business to work for
- A champion of diversity and social impact
- An organisation that is recognised for developing and growing its people as reflected in our employee net promoter score.



NOW EMB BE

Catch22's Tara Ward wins prestigious award for campaigning work for victims

Beacon's Team Leader Tara Ward won the [prestigious Saskia Jones Award](#) at the Criminal Justice Alliance awards.

As well as her great work within the Beacon service and being an advocate for Catch22's work externally, Tara successfully campaigned for a change to the Code of Practice for Victims of Crime. Thanks to her work, now in the case of homicide, wider relations to victims will receive support rather than just immediate family.



Social Switch Project Highly Commended at national awards

The Social Switch Project was [Highly Commended](#) at the Children and Young People Now Awards in the Workforce Development category. Funded by the Mayor of London's Violence Reduction and United, and delivered in partnership with RedThread, the programme trains professionals working with young people to spot the signs of online harms. It also works with young people interested in careers in social media to help them fulfil their potential.

This month also saw the 1500th participant complete the programme!



Catch22 Minutes Podcast

We're now into our third series of the [Catch22Minutes podcast](#) – with our justice series completed this year and our young people and families episodes launching in autumn 2022. The latest series covers topics including children who go missing from home, the criminalisation of children in care and County Lines.





DEE EM BER

Salesforce partnership extended to help more people into tech roles.


We [extended our partnership](#) with Salesforce to support more young people into digital and tech sectors. The successful Digital Leap programme will now operate in Manchester as well and London.

“It’s nice to know that there is someone there to listen and understand you and to give me help when needed. I appreciate the whole programme. The support went very hand in hand to help prepare me for my apprenticeship interview. I officially started my Data apprenticeship in November”

Jamal, Digital Leap participant



#16DaysofAction against Gender-Based Violence



Backed by the United Nations and organisations around the world, 16 days of Action against Gender-Based Violence is an annual international campaign which calls for the end of violence against women and girls (VAWG). To mark the campaign, we published a [series of blogs](#) highlighting the different forms VAWG can take, approaches to tackling it and supporting its victims, and exploring how we can keep up the movement's momentum.

Green jobs for all

We completed our [Green Jobs For All Forum webinar series](#), where we explored with employers, job seekers, researchers and policy makers, the market for entry level green jobs and how people can access them. Across the series, we heard from speakers from the Department for Work and Pensions, the Department for Environment, Food and Rural Affairs, PWC, City & Guilds, SUEZ.

Our partners at the Green Alliance will be pulling together the key findings and recommendations in a short report next year, as we hope to build programmes to support those furthest from the job market into green jobs.



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Social Tech Amplifier onboards 11 ventures

Partnering with Ufi VocTech Trust and Social Tech Trust, we began delivering the Social Tech Amplifier, which, over the year, has supported 11 ventures who are focused on developing and implementing tech solutions to help tackle youth unemployment.

The Amplifier helps ventures unlock opportunities in the public sector supply chain and prepare them for scale through venture activity development activities and access to investment. They also receive support from Hatch and Microsoft whose products and expertise give them access to relevant software, guidance and mentorships.

“We’re thrilled to be part of the Social Tech Amplifier. The Amplifier is the perfect platform to learn from experts such as Microsoft but also gain valuable advice and guidance from Catch22 whilst we develop, test, network and launch our technology into the employment sector.”

Marina Hoole, Chief Operating Officer at Imployable

Catch22 mentoring network programme kicks off

The hugely successful mentoring network saw 12 mentors and 12 mentees from across Catch22 combine to enhance their networks, build confidence and learn from each other's experiences.

The programme includes:

- **bi-monthly workshops** for mentees covering a range of topics and guest speakers,
- **monthly calls** between a mentee and mentor to discuss development and challenges faced at work,
- **an internal placement** within a chosen team,
- **a mini project** on a topic which is both of interest to the mentee and beneficial to Catch22,
- regular **mentee catch-up calls** to provide peer support and work on a project, and
- a **two-day** residential.



FEB RU ARY

A person wearing a plaid shirt is shown from the chest up. They are holding a white cloth over their face, with only their eyes visible through a narrow slit. The background is a solid teal color. Large, bold, white text is overlaid on the image, reading "FEB" on the first line, "RU" on the second line, and "ARY" on the third line. The text is partially obscured by the person's face and the cloth.

Apprenticeship provision strengthened through joining Learn Plus Us

Catch22's award-winning apprenticeship provision joined Learn Plus Us this month – an apprenticeship business which is part of the Angus Knight group. Catch22 and Angus Knight already enjoy a strong relationship as part of their joint venture, Jobs 22. This acquisition further strengthens the link between the two organisations.

Last year, our provision was rated a “Good” Grade 2 provider by Ofsted and was recognised in the Rate My Apprenticeship survey as a “Top 20” training provider nationally.

Treehouse celebrates its first birthday

The Lighthouse Pedagogy Trust's first home, Treehouse, which is based in Sutton, celebrated its first birthday. The home offers a safe, nurturing, and empowering community in which young people can develop, learn, and thrive. We want young people to be safe, to feel loved and happy with a strong network of relationships, to discover and realise their skills and talents, and have high aspirations for their futures.





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Child exploitation resource engages hundreds of schools

There have been more than 1,200 downloads of Catch On - an education resource about child exploitation aimed at years 7 and 8 (ages 11-14). The resource contains a suite of options for a single lesson or a series of lessons exploring the topic of grooming and exploitation. There is also a separate handbook for parents and professionals.

“It was very engaging and really enabled discussion. To be honest, we were a bit shocked at how much some of the kids knew about all this, although some were much less aware. It was definitely stories they could relate to and that encouraged them to reflect on their own experiences.”


Teacher

Recognising our people



Catch22 continued to celebrate and recognise its people with a 4% cost of living increase and continued alignment with the real living wage this year. Our ongoing commitment to our pay and benefits offer has enabled our average salary to be aligned with ONS benchmarks.

Becoming a sustainable business



Catch22's commitment to sustainability was bolstered this year with a new Sustainability Coordinator and Sustainability Champions working group.

We launched a pilot of Waste & Recycling services at two of our main offices, and have improved signage and bin areas as well as educating staff to waste less and recycle more. As part of this, we have access to live data about our performance, which we will use for environmental reports and behaviour change campaigns.

Colleagues can also make use of our Cycle to Work and low emissions Car Salary Sacrifice schemes.




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Data transformation programme set to revolutionise use of data and analytics across Catch22



Our data transformation programme will revolutionise the use of data and analytics across Catch22. Within the next two years we will have reimagined, redesigned, and rebuilt our data infrastructure allowing our teams to have access to the latest insights and intelligence to continuously improve our frontline service delivery.

The team is onboarding globally recognised specialist talent to help build a robust, future-proofed data ecosystem, enabling Catch22 to be a truly innovative social enterprise. Already this year, we've seen powerful dashboards created for our hubs and corporate services.

Catch22Minutes podcast

This year, we rounded up Series Three of our podcast (focusing on our young people, families and communities work) and launched our policy series. We've covered topics including county lines, inequity in safeguarding, short-term prison sentences, AI, and much more!

The podcast is proving a popular listen for those in the sector and we've welcomed some fantastic guests from organisations including the British Transport Police, the New Economics Foundation, Crest Advisory and Listen Up.

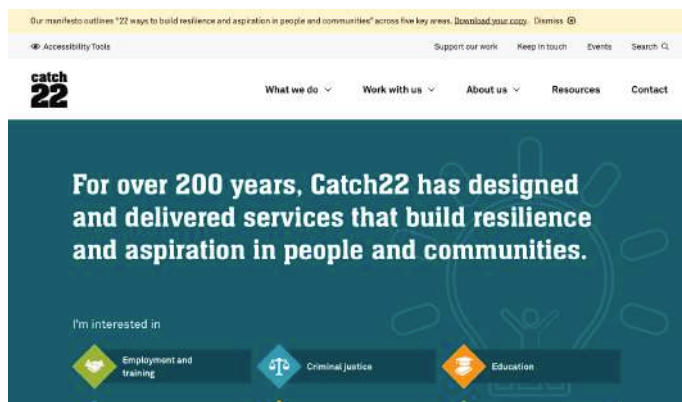


Revamped Catch22 website launches

Our website is our window to the world and, this year, we launched a new website that we believe represents what Catch22 is all about; delivering high-quality services and meaningful impact, and driving systemic change.

The new site includes:

- **better search functionality** including a service locator to allow you to not only see what services Catch22 delivers, but how far away those services are,
- **an events hub**, enabling you to sign up for any upcoming Catch22 events – both virtual and in-person – with ease, and
- a new **accessibility toolbar**, with functionality including translation, colour and size changes, audio readings and much more.



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Norfolk Include school celebrates ‘Good’ Ofsted rating

The Ofsted visit to Include Norfolk in May resulted in the school receiving a “Good” rating.

The Ofsted inspection report recognised the remarkable progress made by Include Norfolk in recent years, acknowledging the school’s unwavering pursuit of excellence and its positive impact on the educational journey of its students. The “Good” rating affirms the collective dedication of the school’s talented staff, diligent students, supportive parents, and committed provider Catch22.

“Pupils are supported well to value their potential and meet the high expectations of them. Pupils are determined to be successful in adult life and are well-prepared for their next steps in education or training.”

Ofsted report, May 2023



InspirEd 2023 and staff awards

Colleagues from across the country came together to attend in-person workshops across the country, learning about the rich variety of services and programmes delivered across the organisation. We also held sessions online, covering a range of topics including data and insights, management, wellbeing, and health and safety.

The week formed part of the national Learning at Work Week campaign, and we were “Commended” as part of the Learning at Work Week awards.

- Over 50 different members of staff presented and facilitated workshops.
- 370 colleagues attended an in-person event.
- There were 1,253 online session attendances.

The staff awards were a fantastic celebration of the achievements of colleagues across the organisation, with the worthy winners recognised in a ceremony held at Clifford Chance, Canary Wharf.





“I thought this year’s smorgasbord-style events worked really well. I absolutely loved seeing the richness and variety of knowledge and experience, and just the sheer talent we have within the organisation. Most importantly, though, I value the warm, supportive, inclusive and ‘can-do’ culture it showcases.”

Catch22 colleague

Colleagues receive the royal treatment at the King’s Garden Party

To mark the King’s Coronation, Catch22, as a charity with a royal patron, received two tickets to the garden party. Paul Kiggell and Emma Norman attended, alongside a wide range of charity representatives.



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Justice sector convenes at Catch22 conference

We brought together voluntary sector organisations, Ministry of Justice representatives, probation service colleagues, and practitioners from across Catch22 in our inaugural 'The role of the third sector in the criminal justice system' conference.

The conference provided a platform to celebrate the sector's many successes and address its challenges, fostering dialogue, collaboration, and knowledge sharing. Keynote addresses from Anne Fox (CEO of Clinks) and Nina Champion (CEO of the Criminal Justice Alliance), were accompanied by lively panel discussions and insights from expert practitioners and those with lived experience.



The future of pre-employment support for young people

With the Government announcement that traineeships would no longer be a stand-alone programme, we brought together key players from the employability sector to discuss and debate what makes successful pre-employment support for young people. Featuring speakers from the Learning and Work Institute, West Midlands Combined Authority, and the Department for Education, key asks included:

- **a Youth Guarantee** to ensure all young people are able to access a job, apprenticeship, or other education or training programme,
- **streamlined access** to training, and
- **adequate financial support** for young people embarking on pre-employment training.



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Care experienced young people take to the stage

Members of our Young People's Benchmarking Forum hosted the "In Their Own Words" event, where they highlighted how key issues have been affecting them and what policy changes they wanted see. They talked passionately about areas including:

- the cost of living crisis,
- care leaver hubs,
- unaccompanied asylum seeking children,
- transport, and
- care experience as a protected characteristic.

The hybrid event was attended by 287 people, representing 87 local authorities and partner organisations.



The Social Switch Project continues to partner with Mayor of London's VRU

Following three years of successful delivery and impact, Catch22 was chosen to continue to deliver The Social Switch Project for a further three years. Supported by our partners Redthread, the programme will support 1,000 young people and train more than 2,000 frontline practitioners by:

- upskilling frontline professionals on the opportunities and risks the online world presents to young people, and
- providing a pre-employability programme for young people that includes training modules on how to stay safe online.

This new iteration of the programme also includes a particular focus on violence against women and girls.

“The VRU is committed to working in partnership with Catch22 and Redthread to unlock the vast array of opportunities the digital world presents for children and young people to help them develop and thrive.”

Lib Peck, Director of London's Violence Reduction Unit

Catch22 recognised for county lines expertise

Strategic Director of Young People, Families, and Communities, Kate Wareham, chaired Westminster Insight's "County Lines Digital Conference". It was an opportunity to talk about the impact of our national County Lines Support and Rescue service, and learn about best practice examples of multi-agency working – as well as hearing directly from young people who have experienced county lines.

Our county lines expertise was also featured in a special report on BBC1's The One Show this year.



AUGUST

A collage of clothing items including a white t-shirt, a green jacket, and a blue shirt, with the word 'AUGUST' overlaid in large, bold, white letters.

Thousands of victims in Greater Manchester to benefit from Catch22 support

Following a competitive tender process, Catch22 was awarded the contract to deliver the Greater Manchester Victims' Service: providing comprehensive and tailored support to individuals affected by crime.

The service becomes part of our portfolio of victim services, which includes services in Hertfordshire and Leicestershire, where we successfully won the recommission this year.

“We are thrilled to have been awarded the contract to deliver Greater Manchester’s Victims’ Services. This opportunity strengthens our dedication to providing comprehensive, compassionate, and empowering support to victims, helping them rebuild their lives in the aftermath of crime, and creating a safer, more united Greater Manchester.”

Andy Canniford, Chief Development Officer, Catch22

Community Links report highlights incredible impact

Our place-based support hub in Newham, Community Links, published its latest report highlighting the incredible impact it has across its core areas of work:

Advice services

- We helped **1,536 clients with legal, debt, and welfare benefits advice.**
- We helped clients **generate an income** through additional welfare benefits and addressing their debts to a tune of just over £2 million during the year.

Young People

- **23 students**, across two cohorts, took exams in Links Media College.
- **100% pass rate** for Music Technology, as well as English Speaking and Listening.
- **113 young people completed our peer mentoring programme** in East London schools.

Community

- The **Community Connectors** programme helped 800 service users suffering from a serious mental illness in Newham.
- Three quarters of the 100 service users who joined the Community Clicks programme **reported feeling confident in using technology** by the end of their provision.
- **Culture Within Newham** is helping residents shape and take ownership of Newham's cultural possibilities through a series of events and engagements.
- We distributed over **8,500 bags of food** to over 3,000 people at our foodbank.

Health

- We reached over **70,000 NHS patients** in relation to our cancer screening projects.

#DoingThingsDifferently in justice

Across 10 days, we showcased where our Justice services deliver innovative models to support people involved in the criminal justice system. We shared how Catch22's approach to topics like service design, lived experience, academic partnerships, and more is helping us make a real impact.



A man with a beard is shown in profile, looking at a computer monitor. The monitor displays a financial data table with columns for 'Date', 'Description', 'Debit', and 'Credit'. The background is a blurred office setting. The entire image has a green color overlay.

FINANCIAL HIGHLIGHTS

Catch22's financial performance in 2022/23 was strong, although Restricted Funds fell during the year, this was expected due to expenditure of a significant grant (£2.8m) received in 2021/22 and the commencement of the winding down of the Catch22 Multi Academies Trust Ltd (MAT). Unrestricted Funds increased slightly and the overall strength in the balance sheet has been maintained.

Whilst grant income fell, due to the grant received in the previous year, our income from charitable activities increased by 4%, this growth has been driven by high retention rates of existing work and expansion of delivery on existing contracts together with new contracts in Justice and Young People, Families and Communities. Employability and Skills income fell due to the ending of the National Citizen Service contracts, and the transfer of our apprenticeship delivery to Simply One Stop Limited. As we highlighted last year, we were not able to grow our apprenticeship delivery to the scale required in order to deliver the impact we wanted and to ensure its financial sustainability, and therefore concluded that the interests of our apprentices and staff would be better served as part of a specialist learning provider.

During the year we closed our event management and hire trading company, Community Links Trading Ltd t/a Links Events Solutions, which was significantly impacted by the Covid-19 pandemic and despite the best efforts of its staff and directors a return to profitability could not be achieved.

Support costs have increased due to planned investment to both grow and further diversify our income streams and to meet the requirements of our operational teams, who are dealing

with increasing complex contracts and service user need. Ensuring our corporate services are both effective and inefficient is a key focus for the next 18 months, as the closure of the MAT is finalised and we plan for the future.

Jobs22, our joint venture with the Angus Knight Group, continues to perform well, and the intention to extend the Restart contracts for a further two years has been announced by the Department for Work and Pensions and commercial negotiations are underway. We are continuing to look for opportunities to expand Jobs22's delivery in the employability and skills market and expect to begin receiving dividend income from 2023/24.

The value of our investment portfolio increased during the year, and we remain confident that the investment strategies adopted by our investment managers will deliver the total returns target of the portfolio over the medium to long term.

FUTURE PLANS

We continue to deliver our 3-year business strategy that was launched in September 2023 including one of three key guardrails; that of ensuring that the organisation is 'financially stable and sustainable; one true to its social value DNA'. Catch22 remains well positioned financially and is meeting the requirements of this guardrail by being cash positive, meeting our Free Reserves policy requirements and generating a re-investable unrestricted surplus.

We continue to work towards to re-brokering all the MAT academies to new trusts and winding-up the company, although the process has been delayed due to continued negotiations between the incoming trusts and the Department for Education and the local authorities. It is now anticipated that the re-brokering process will be complete by late Spring 2024, with the transfer of the remaining three academies.

We continue to be committed to the delivery of Education and will look to achieve this through the growth of our independent school provision, starting with the expansion of our delivery in Wales.

Due to the closure of the MAT we are likely to see a fall in income over the next couple of years, but we continue to seek to grow the organisation as we continue to believe that scale offers financial protection and allows us to continue to offer a platform to incubate social entrepreneurs and smaller organisations to develop their ideas and secure their future impact. We continue to think there are particularly growth opportunities for the organisation in Education, Justice, a new victim support contract has been secured in 2023/24, the expansion of our children's home offer and further

corporate partnerships focussing on supporting corporate organisations to deliver social value.

We also continue to seek mergers and acquisitions with other organisations where they can increase impact and improve financial sustainability.

SUMMARY OF FINANCIAL RESULTS

The group's financial performance for the year to 31 August 2023 is set out in the Statement of Financial Activities.

Movements in the Restricted Pension Funds and Restricted Fixed Asset Funds relate to the operations of the Catch22 Multi Academies Trust (MAT). The underlying financial performance of the group is therefore better represented by the movements on Restricted Funds, decrease of £2.9m (2022: increase of £2.1m) and Unrestricted Funds, increase of £0.2m (2022: increase of £4.0m).

Restricted Funds, mainly relate to grants received from corporate partners to deliver specific projects which by their nature are subject to variation year-on-year, and the day-to-day operations of the MAT. The operations of the MAT resulted in a decrease in Restricted Funds of £0.9m during the year (2022: £0.2m), due to increased funding pressure in the education sector and additional costs incurred on school improvement. The remaining decrease of £2.0m (2022: increase of £2.3m) relates to expenditure on projects where the funding was received in the previous year. For one project in particular, funding of £2.8m was received during the year ended 31 August 2022, of which over £1.2m was spent during this financial year.

The increase in Unrestricted Funds is after net exceptional items expenditure of £0.1m (2022: £nil). The exceptional expenditure related to the disposal of the group's apprenticeship business during the year. The increase in Unrestricted Funds last year included the sale proceeds of the sale of some shares in Jobs22 amounting to £5.2m.

The group's consolidated balance sheet remains strong, with Restricted Reserves of £3.3m (2022: £6.2m) and Unrestricted Reserves of £15.9m (2022: £15.7m). These reserves continue to provide a solid base for the future of the organisation and the trustees have designated some of these reserves for future projects, the amount of Designated Reserves at the year-end was £1.3m (2022: £1.1m). The trustees continue to place importance on a strong balance sheet to protect the group from continued inflationary pressure and ongoing economic uncertainty which will inevitably need to pressure on public finances; whilst driving increased demand for our services.

As a result of actions taken over recent years including the sale of some of the shares in Jobs22, the group's cash position remains strong with cash at bank and in hand of £7.7m £2022: £9.2m). The fall during the year largely reflects the reduction in Restricted Reserves outlined above. The group is not using any of its overdraft or working capital facilities and during the year the mortgage on its London headquarters was fully repaid.

The group continues to take a 'balanced portfolio' approach across its diversified income streams, with some services contributing a greater amount to the cost of support services than others. However, we continually review the financial viability of all our services,

paying particular attention to those that consume a disproportionate amount of resources from our support services or require significant additional support to maintain or improve quality. Where it is not financially viable for the group to continue to deliver services, we are proactive in taking

measures to restructure them to ensure their future viability, or reluctantly close them where necessary.

INCOME

Total income for the year to 31 August 2023 was

£53.4m

compared with

£54.8m

for the previous year.

In the previous year voluntary income included £0.3m of pension liabilities transferred to another academy trust on the re-brokering of the Everitt Academy from the MAT. After adjusting for this 'one-off' income amounts, income for the previous year is £54.5m.

Therefore there was a small decrease in income for year ended 31 August 2023 of

2%



Donations, legacies, and grants were 9% of income excluding 'one-offs' (2022: 15%). The fall is primarily due to a grant of £2.8m received in the previous financial year for a project which will continue to be delivered through to January 2024.

Income from charitable activities rose by 4.6% to £47.8m (2022: £45.7m). The rise is due to new and expanded delivery in our Justice delivery through our Commissioned Rehabilitative Services, and new services in our Young People Families and Communities delivery, primarily related to supporting

victims of county lines and a full year of operation of our first children's home. This is offset by our National Citizen Service contracts coming to end in our Employability and Skills strategic hub and the disposal of our apprenticeship business.

Trading income fell to £351k (2022: £517k) due to the planned closure of Community Links Trading during the year.

Investments income grew to £404k (2022: £209k) largely as a result of rising interest rates.





EXPENDITURE

Total expenditure for the year the year to 31 August 2023 was £56.9m, compared with £56.5m for the previous financial year. Included within the cost of charitable activities is the disposal of or apprenticeship deliver of £0.1m (2022: £nil). Restricted expenditure includes expenditure on grants received in previous years, but otherwise expenditure broadly correlates with changes in income received to deliver services.

SUPPORT COSTS

Support costs increased by 10% during the year to £5.4m (2022: £4.9m), partly due to inflationary pressure but also some continued strengthening of the support teams and IT infrastructure. Support costs are 10% of income excluding the 'one-off' amounts relating to the MAT (2022: 9%).

Our business plan sets out that our corporate functions have an important role to play as an 'integrator' and that they will play a stronger role in delivering our operational activities going forward. During the year ended 31 August 2024 we have carried out a review, with some external professional support secured through our relationship with The Social Business Trust, of the quality, capacity and structure of our corporate services and plan to introduce a new operating model and new technology enabled ways of working. Our aim is to enhance our support functions to ensure that they efficiently enable Catch22's operational hubs to excel.

NET GAINS/LOSS ON INVESTMENT ASSETS

The net gain on investments during the year was £0.3m (2022: net loss £0.7m) and at 31 August 2023, after withdrawals, the portfolio was valued at £10.9m (2022: £10.6m), in addition, income earned from the portfolio was £0.2m (2022: £0.2m).

The trustees are satisfied with this investment performance, given the context of the performance of global markets. During the year, the trustees decided that to mitigate risk and maximise opportunities that half of the portfolio should be managed by another financial institution, this change

was executed during the year ended 31 August 2024. The portfolios are diversified both in terms of asset classes and global markets and is invested with a focus on sustainability.

INVESTMENTS

All investments were acquired within the Trustees' powers. The portfolio is held in general funds and is managed in accordance with an Investment Policy, which sets out the objectives of the fund, considers risk and liquidity requirements and sets out how the fund should be managed including the Board's expectations around ethical and sustainable investment. 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.

RESERVES

The Finance Growth and External Audit 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.

The level of Free Reserves that should be maintained by the organisation is determined by balancing two competing objectives. On the one hand ensuring we have maximum and prompt use of resources to deliver real impact for service users and realise our reform ambitions and, on the other hand, ensuring we have adequate resources to continue to deliver our services through periods of financial challenge and uncertainty, and can be here for our beneficiaries over the medium and long term.

The trustees assess the risks that the charity is exposed to on a regular basis and determine a range for Free Reserves considering these risks. The principal risks include:

- an unexpected change in the level of our income;
- the need to maintain services over the short term if funding streams reduce;
- the likelihood of unexpected expenditure; and
- working capital requirements.

In determining the Free Reserves trustees also consider future plans for Catch22 and the need to protect vulnerable participants staff and volunteers in the unlikely event of unplanned closure of some of its services.

Whilst this process cannot come up with a precise figure for Free Reserves, after taking these factors into consideration the trustees believe that the appropriate level for Free Reserves is between £3.7m and £5.9m for the group.

Free Reserves are those that are freely available at the trustees' discretion to help manage financial variability i.e., Unrestricted Reserves excluding fixed assets and bank borrowing secured against those fixed assets.

At 31 August 2023 the group's total reserves amounted to £52.8m (2022: £55.2m) of which £37.0m was restricted (2022: £39.5m) and £15.9m was unrestricted (2022: £15.7m). Of the unrestricted amount trustees have committed £1.3m (2022: £1.1m) over the next 2/3 years to support the delivery of the organisation's business strategy. These designated reserves will fund projects to support the use of data and analytics to evidence and improve impact; improve the environmental sustainability of the organisation; grow its reach to more participants; develop and capture the social value delivered by the organisation; and ensure the organisation's support services are fit for purpose.

Of the remaining unrestricted reserves £8.9m (2022: £9.0m) is deemed to be Free Reserves. This is above the policy range (£3.7m to £5.9m) set by the trustees, but they continue to consider it prudent, given the current inflationary pressure in the economy, the continuing impact of the cost-of-living crisis on our staff and service users and the impact of current economic uncertainty on future public spending to hold free reserves more than the current maximum amount set out under the reserves policy, whilst they explore further ways to invest the reserves to improve impact, the organisation's infrastructure and financial sustainability.

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 Finance, Growth and External Audit Committee have been appointed by the Board to oversee the performance of our investment managers.

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.

Other risks

The impact of increasing inflation has been considered on the group's future plans and budgeting processes, and the potential impact of this coupled with restrictions on future government spending, will continue to be a risk into the year-ending 31 August 2024 and beyond.

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 considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2). In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set, taking account of the available guidance on public benefit.

The trustees are satisfied that Catch22 has aims and objectives and carries out activities that are for the public benefit in that the support provided to individuals, families and communities directly benefits each of those groups and therefore the wider public.

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. The Rainer Foundation has released its permanent endowment and is now dormant. Crime Concern is also now dormant.

Catch22 holds 100% of the share capital of Catch22 Social Enterprise Limited – dormant.

Catch22 owns 100% of Pupil Parent Partnership Limited, a company limited by guarantee – dormant.

Catch22 also owns 100% of Catch22 Social Enterprise Solutions Limited – does not trade but holds 49.49% of the membership of Public Services Lab LLP, a partnership focussed on delivering public service reform in the Liverpool City region.

Catch22 also owns 100% of Include, a company limited by guarantee – dormant.

Catch22 also owns 100% of Catch22 Multi Academies Trust Limited, a company limited by guarantee – advances education in the United Kingdom. This is achieved through the operation of alternative provision and specialist schools for those young people either excluded or at risk of exclusion from mainstream provision.

Catch22 also owns 100% of Community Links Trust Limited, a company limited by guarantee – charitable objectives include providing such information, advice and assistance, as is charitable, to groups and individuals. Currently delivers regulated advice services on behalf of the group.

Catch22 also owns 100% of Community Links Trading Limited – events management, production services and storage with any profits generated gifted to Catch 22 Charity Limited. Ceased trading in February 2023 and is winding-up its affairs.

Catch22 also owns 100% of Ripplez CIC, a company limited by guarantee – no longer operating, winding-up its affairs.

Please see note 12 for disclosure of activities and performance of each subsidiary.

GOVERNANCE

Safeguarding

Catch22 is a diverse and dispersed organisation supporting some very vulnerable service users and we recognise that safeguarding is the responsibility of everyone. We are committed to ensuring that all staff are appropriately trained, including all operational staff receiving NOCN endorsed training, to ensure they are aware of the signs to look for. Catch22 has a dedicated Safeguarding team, responsible for ensuring policies and procedures are in place and offering safeguarding advice and training to services. The Assistant Director of Safeguarding reports into the Chief Officers Group and regularly reports to the Board of Trustees. The role is focussed on continuous improvement of our safeguarding practice.

In January 2024 the trustees appoint an Independent Safeguarding Trustee to be a member of the Governance, Risk and Internal Audit Committee, who will provide additional support and advice to trustees regarding safeguarding matters. This role, along with the Assistant Director of Safeguarding and other operational leaders, is a member of our Safeguarding Forum who meet regularly to discuss emerging trends, the effectiveness of our safeguarding practice and to share learning.

Each Catch22 service has a DSL (Designated Safeguarding Lead) and a Deputy DSL. These positions have received additional training and, where appropriate, training from their LCSP (Local Children's Safeguarding Partnership) in order to fulfil these roles.

Over this financial year, there were various safeguarding incidents, as we

would expect given the nature of our work, primarily made up of disclosures made by the vulnerable young people and adults that we work with. Where appropriate these were escalated to the relevant safeguarding authority.

We have an IT platform for safeguarding incident reporting and management to improve communication and reduce the bureaucratic burden, both at the point of reporting and in the administration of monitoring, following-up actions, and trend analysis so that more resources can be focussed on keeping our service users safe.

Modern Slavery

Catch22 has a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to endeavour to ensure that modern slavery is not taking place anywhere in our own business or in any of our supply chains.

We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children. We also expect that our suppliers will hold their own suppliers to the same high standards.

TRUSTEE BOARD AND COMMITTEES

The board of trustees are aware of its duty under Section 172 of the Companies Act 2006 to act in a way they consider, in good faith, would be most likely, as an organisation that exists to deliver public benefit, to promote the success of the charitable group to achieve its charitable purposes, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the company's employees,
- c) the need to foster the company's business relationships with suppliers, customers and others,
- d) the impact of the company's operations on the community and the environment,
- e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly between members of the company.

On joining the board of trustees, a new trustee will be briefed on their duties, which are partly fulfilled through the governance structure set out below, including the delegation of day-to-day decision making to the Chief Officer Group. Trustees are also provided with the guidance issued by the Charity Commission 'The essential trustee: what you need to know, what you need to do' and The Charity Governance Code.

All trustees embrace our vision to build a strong society, where everyone has good people around them, a purpose, and a good place to live and promote our organisational values to ensure:

we are compassionate – we care about people, supporting them to move forward

we empower others – we give people the knowledge, skills and opportunities to thrive

we are collaborative – we do things with people, not to them

we are curious – we explore, innovate and challenge to improve what we do.

The trustees consider that they have fulfilled their obligations under Section 172, as evidenced throughout this report.

An external governance review took place during the year and whilst the review evidenced strong governance practice is in place, the recommendations for further improvement are currently being implemented and progress is overseen by the Governance, Risk and Internal Audit Committee.

GOVERNANCE STRUCTURE

The Trustee board meets six times a year and has established three committees to which certain functions are delegated. These are: the Finance, Growth and External Audit Committee; the Governance, Risk and Internal Audit Committee; and the People and Performance Committee.

Each committee meets at least four times a year and reports back to the Trustee Board.

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.

There is a scheme of delegation in place which sets out what matters are reserved for the trustee board and what is delegated to the chief executive and senior management.

Matters reserved for the board include (among others):

- Setting the charity's strategy;
- Approval of the organisational business plan and annual budget;
- Approval of any changes to the group structure;
- Appointment of the chief executive

Matters delegated to the chief executive include (among others):

- Establishing joint working arrangements;
- Development of new services;
- Tenders for new contracts (with a value of up to £10m);
- Appointment of the executive management team

VALUING OUR TRUSTEES – RECRUITMENT, INDUCTION AND ONGOING TRAINING

The People and Performance 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 agencies and personal contacts. 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 three years and may be reappointed for a further three years subject to agreement of the Board. A further three-year period is available if it is considered to be in the best interest of Board stability. The chair is also appointed for 3 years.

New Trustees are provided with induction meetings with 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 expects all those involved in its governance to make a reasonable commitment to ongoing development and training. This may involve away days, service 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

SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Setting Pay and Remuneration of key management personnel is the responsibility of the People and Performance Committee. In setting pay and remuneration, they consider performance management information and relevant benchmarks within the sector.

ENGAGEMENT WITH OUR PEOPLE

We recognise that our people, both staff and volunteers, are key to the success of the organisation and to delivering the impact we seek for our beneficiaries. We engage with our people through a variety of channels to keep them informed, seek their views, encourage their involvement and develop common awareness. These channels include, amongst others:

- regular service visits by the Chief Officer Group and trustees,
- a monthly question & answer session with the Chief Office Group,
- an annual staff conference which trustees attend,
- a monthly newsletter, supported with information on our intranet,
- weekly email communication from the Chief Executive,
- an annual staff survey and regular pulse surveys

Information gathered by the senior leadership team is fed back to trustees via reports submitted to and discussions held at the People and Performance Committee.

BUSINESS RELATIONSHIPS

We recognise that relationships with business stakeholders are key to our success and long-term sustainability. Strong, collaborative relationships with our commissioners and funders enabled us to work with them during the pandemic to find new ways of supporting our beneficiaries and to respond to their changing needs. These relationships are also key to securing ongoing funding.

We also seek to engage with the wider sector through professional bodies and

interest groups to both seek and share best practice and collaborate on finding solutions to shared challenges.

We value all our suppliers and look to identify our key suppliers and put multi-year contracts in place and adopt a partnership approach to the relationship where any concerns are worked through together to find mutually beneficial solutions. We also have several small subcontractor organisations who deliver services on our behalf, and we adopt a supportive approach to contract management and help them to build their capacity.

We have also used our platform to incubate several fledgling social enterprises focussed on delivering better social outcome and reforming public services.

ENVIRONMENT

We recognise the importance of minimising our impact on the environment and that environmental issues are a significant concern for both our people and those we support.

In April 2023, we recruited a Sustainability Coordinator as a dedicated resource to develop our environmental strategy. Since then, we have been working with suppliers and internal teams to develop initiatives that can help us minimise our environmental footprint and improve environmental reporting. Some of the initiatives include:

- Introducing new processes to improve data quality and quantity to feed into our Carbon Reduction Plan. This will allow us to measure our carbon footprint more accurately and establish a more holistic approach to reducing carbon emissions,

- Working with suppliers to improve environmental reporting and align processes towards becoming Net Zero,
- Working with Business Development to identify premises improvement funding opportunities, with a focus on sustainability,
- Identified and shortlisted software providers to analyse our carbon emissions, for better quality reporting,
- Encouraging environmentally friendly behaviours and Sustainable Travel by offering our employees the Cycle to work and Low Emissions Car salary sacrifice schemes.
- Establishing a Sustainability Champions network to allow collaboration and raise awareness across different areas of our organisation,
- Engaging contractors with high standard environmental credentials to roll out new waste and recycling services at sites where we have control of waste collection. This also includes raising awareness and educating our staff to waste less and recycle more through active engagement.

Our consumption and emissions for 2022/23 were as follows:

ENERGY TYPE	CONSUMPTION	EMISSIONS
Gas	2,208,621 KWh	404 tCO2e
Electricity	748,002 KWh	155 tCO2e
Transport *	836,701 miles	224 tCO2e
Total Emissions		783 tCO2e

Intensity ratio per £m/turnover **

14.6 tCO2e

*Transport includes employee mileage claims, car hires, long-term vehicles leases and owned vehicles

** Turnover excludes MAT land & buildings transferred (2021/22 intensity ratio 11.9 tCO2e)

Our intensity ratio has increased due to increased use of buildings and more business travel following the transition in ways of working following the Covid-19 pandemic, but we are confident that the measures we are putting in place will reduce both our total emissions and the intensity ratio in the future.

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.

RISK MANAGEMENT

The Trustees have in place a robust risk management process, which includes their overall risk appetite and their risk appetite specific to different risk categories. 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 Governance, Risk and Internal Audit Committee who meet quarterly and review the risk register. The Chief Officer Group are responsible for managing risk across the organisation and receive regular updates from the Head of Governance and Risk at their monthly meetings on key risks, and they ensure that appropriate mitigating action is taken.

The internal audit programme is agreed annually with the Governance, Risk and Internal Audit Committee and focuses on the key areas of risk within the organisation. Audit findings and progress on implementing actions is reported quarterly to the committee.

The key risks identified by Catch22 at the end of 2023/24, which are largely unchanged from the previous year, together with the actions taken or intended to be taken in response to these risks are as follows:

RISK	MITIGATING ACTIONS
Failure to keep our service users safe.	<p>Established policies and procedures with clear training and staff competency expectations embedded throughout the organisation, monitored through regular supervisions and internal audit, overseen by Assistant Director of Safeguarding. Designated safeguarding leads appointed in all our services. Safeguarding incident management systems in place across the organisation Risk Forum established to quickly identify concerns and trends and implement mitigating action and Safeguarding Forum in place to share best practice.</p>
Loss of income due to public sector spending cuts because of the macro-economic climate, in addition to rising costs due to inflationary pressure and the need to support staff through the continuing cost-of-living crisis.	<p>Continued focus of resources in our business development and partnerships teams, maintaining our diversified income streams, keeping our quality high to secure repeat business and our costs competitive to ensure that our cost basis is sustainable over the longer-term. We also continue to be focussed on building and maintaining strong commissioner and funder relationships, securing an increased proportion of voluntary grant income and developing income streams from trading activity along with ensuring our support teams are appropriately structured and deliver value for money. Financial performance, future forecasts and our income pipeline is regularly monitored by the Finance, Growth and External Audit Committee.</p>

RISK	MITIGATING ACTIONS
Loss of control of personal or sensitive data	<p>Mitigated by robust data protection and information security policies, in line with the General Data Protection Regulation (GDPR), supported by staff briefings and compulsory training. We review the risk of a breach of our IT platforms on an ongoing basis and take appropriate mitigating action to keep them secure. We hold Cyber Essentials Plus certification and ISO27001: Information Security Management certification for our core central processes and infrastructure, along with our Justice probation contracts. The whole organisation works to the principles of the same Information Security Management System and over time we intend to expand the scope of our ISO27001 certification.</p>
Failure to ensure the wellbeing and safety of staff, particularly those working with vulnerable beneficiaries.	<p>Our People team continuing to develop our wellbeing offer and our policy on staff supervision meetings includes the requirement to discuss staff welfare. Increased focus on mental health support within the organisation. We have a professional health and safety team in post with embedded health and safety policies and procedures, underpinned by compulsory training for managers and regular health and safety inspections with follow-up of actions. Incident management system in place across the organisation to enable us to react more quickly to incidents, learn lessons and identify trends, which is reviewed by the Risk Forum. An enhanced Employee Assistance Offer has also been rolled out to support any members of staff who have been affected by serious incidents.</p>
Serious incident results in adverse publicity leading to reputational damage.	<p>Appropriate policies and procedure are in place to mitigate the risk of a serious incident occurring. Critical Incident policy in place and crisis management training provided to key staff. Reactive communication strategy prepared.</p>
Lack of organisational capacity due to challenges in recruiting and retaining staff.	<p>Catch22's employee value proposition, future of work approach, and new pay and grading structure all in place. Developing progression pathways and succession planning. Staff engagement plan in place and being monitored by pulse surveys. New continuous performance management approach on place based on quality conversations. Focus on reducing staff turnover by a working group of senior leaders.</p>

RISK	MITIGATING ACTIONS
Loss of commercially sensitive information through the misuse of Artificial Intelligence (AI) technology.	Catch22 have created an AI working group, have updated existing policies and handbooks to advise of correct use of information, including issuing guidance around advocated systems to use – Copilot.
Increased likelihood of Local Authorities (LAs) going into section 114 measures (where forecast income is insufficient to meet forecast expenditure) resulting in LA's looking to exit existing delivery contracts.	Assessment of at-risk Local Authorities within our delivery portfolio to understand and quantify organisational risk. Proactive conversations being had with LA leads on all existing contracts with particular focus on those contracts due to be retendered in the short-term and LAs where section 114 measures are already in place.

Further information about Catch2, including our Annual Review can be found at:

www.catch-22.org.uk

Signed on behalf of the Board of Trustees on 28 May 2024.



Terry Duddy

Chair, Catch22 Charity Ltd

AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Catch 22 Charity Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise as the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2023 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AUDITOR'S REPORT (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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 and sufficient 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 70 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AUDITOR'S REPORT (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

AUDITOR'S REPORT (continued)

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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.

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP
Statutory Auditor
29 May 2024

29 May 2024

9 Appold Street
London
EC2A 2AP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT for the year ended 31 August 2023

	Note	Restricted Pension Funds (MAT) £'000	Restricted Fixed Assets Funds (MAT) £'000	Restricted Funds £'000	Unrestricted Funds £'000	Year to 31 August 2023 £'000	Year to 31 August 2022 £'000
Income from							
Donations and legacies	2	-	-	170	321	491	523
Grants	2	-	550	2,379	1,540	4,469	7,536
Donations – academy transfers (MAT)	3	-	-	-	-	-	262
Income from charitable activities	6	-	-	18,696	29,078	47,774	45,744
Income from trading activities		-	-	-	351	351	517
Income from investments		-	-	-	404	404	209
Total income		-	550	21,245	31,684	53,489	54,791
Expenditure on							
Raising funds		-	-	-	361	361	296
Charitable activities							
Ordinary activities	6	137	1,144	23,088	31,727	56,096	55,724
Exceptional	6	-	-	-	110	110	-
Trading activities		-	-	-	366	366	516
Total expenditure		137	1,144	23,088	32,564	56,933	56,536
Net gain on disposal of associate	11	-	-	-	-	-	5,200
Net gains/(losses) on investments	11	-	-	-	309	309	(724)
Share of results of associated undertaking	11	-	-	-	146	146	-
Net (expenditure)/income for the period		(137)	(594)	(1,843)	(415)	(2,989)	2,731
Transfers between funds	17, 18	-	369	(1,017)	648	-	-
Net (expenditure)/income before other recognised gains/(losses)		(137)	(225)	(2,860)	233	(2,989)	2,731
Other recognised gains/(losses)							
Actuarial gain/(loss) on defined benefit pension scheme	21	663	-	-	-	663	3,830
Net movement in funds		526	(225)	(2,860)	233	(2,326)	6,561
Reconciliation of funds							
Total funds brought forward		(526)	33,897	6,169	15,682	55,222	48,661
Total funds carried forward		-	33,672	3,309	15,915	52,896	55,222

The Group had no recognised gains or losses other than those dealt with in the Statement of Financial Activities.

All income and expenditure derive from continuing activities.

The statement provides the consolidated information for the charitable company and its subsidiary undertakings. Total income for the charitable company alone was £39,802k (2022: £41,986k) and net expenditure was (£1,786k) (2022: net income £6,302k).

The notes on pages 82 to 108 form part of these financial statements.

CONSOLIDATED BALANCE SHEET - 31 August 2023
Company number: 06577534

	Note	31 August 2023 £'000	31 August 2022 £'000
Fixed assets			
Intangible assets	8	202	237
Tangible fixed assets	10	39,168	39,479
Investments	11	<u>11,119</u>	<u>10,895</u>
		50,489	50,411
Current assets			
Stock		53	26
Debtors	13	6,041	7,253
Cash at bank and in hand		<u>7,675</u>	<u>9,243</u>
		13,769	16,522
Current liabilities			
Creditors: amounts due within one year	14	<u>(10,811)</u>	<u>(10,407)</u>
Net current assets		2,958	6,115
		53,447	56,526
Creditors: amounts falling due after more than one year	15	(551)	(778)
Provisions	16	-	(526)
Net assets	19	<u>52,896</u>	<u>55,222</u>
Funds			
Restricted pension funds	17	-	(526)
Restricted fixed asset funds	17	33,672	33,897
Restricted funds	17	3,309	6,169
General fund	18	<u>15,915</u>	<u>15,682</u>
		52,896	55,222

The financial statements were approved by the Board of Trustees on 3 April 2024 and authorised for issue on 28 May 2024.

Terry Duddy.

Terry Duddy
Chair

The notes on pages 82 to 108 form part of these financial statements.

CHARITY BALANCE SHEET - 31 August 2023
Company number: 06577534

	Note	31 August 2023		31 August 2022	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9		202		237
Tangible fixed assets	10		5,496		5,565
Investments	11		<u>10,868</u>		<u>10,590</u>
			16,566		16,392
Current assets					
Stock		53		26	
Debtors	13	5,621		6,642	
Cash at bank and in hand		<u>6,221</u>		<u>7,049</u>	
		11,895		13,717	
Current liabilities					
Creditors: amounts due within one year	14	<u>(9,394)</u>		<u>(9,029)</u>	
Net current assets			2,501		4,688
			<u>19,067</u>		<u>21,080</u>
Creditors: amounts falling due after more than one year	15		(551)		(778)
Net assets			18,516		20,302
Funds					
Restricted funds	17		2,893		4,878
General fund	18		<u>15,623</u>		<u>15,424</u>
			18,516		20,302

As permitted by s408 of the Companies Act 2006, the company has not presented its own statement of financial activities and income and expenditure account. The company's net expenditure in 2023 was (£1,786k) (2022: net income £6,302k)

The financial statements were approved by the Board of Trustees on 3 April 2024 and authorised for issue on 28 May 2024.

Terry Duddy

Terry Duddy
Chair

Company Registration No. 06577534

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 August 2023

	Note	Year to 31 August 2023 £'000		Year to 31 August 2022 £'000	
Net (expenditure)/income for the reporting period			(2,989)		2,731
Adjusted for:					
Proceeds from sale of shares in associated company	11	-		(5,200)	
Net (gains)/losses on investments	11	(309)		724	
Share of profits of associate	11	(146)		-	
Loss on disposals of tangible fixed assets on academy transfer	3,10	-		1,958	
Loss on disposal of tangible fixed assets	10	-		190	
Loss on disposal of intangible fixed assets	9	-		25	
Depreciation charges	10	375		422	
Amortisation charges	9	93		86	
Defined benefit pension scheme deficit transferred out on academy transfer		-		(262)	
Defined benefit pension scheme cost less contributions payable	21	115		802	
Defined benefit pension scheme finance cost	21	22		58	
Interest receivable		(156)		(2)	
Investment income receivable		(248)		(209)	
Interest payable		16		18	
Capital grants received		(550)		(60)	
(Increase)/Decrease in stock		(27)		(18)	
Decrease/(Increase) in debtors		1,212		(1,402)	
Increase/(Decrease) in liabilities		267		743	
Net cash (used in)/provided by operating activities			(2,325)		614
Investing activities					
Cash inflow from sales of shares in associated company	11	-		5,200	
Purchase of intangible fixed assets	9	(58)		(110)	
Purchase of tangible fixed assets	10	(64)		(265)	
Capital grants received		550		60	
Proceeds from sale of investments		55		61	
Interest received		156		2	
Investment income received		224		302	
Net cash generated from investing activities			863		5,250
Financing Activities					
New borrowing		-		125	
Repayment of borrowings		(90)		(122)	
Interest paid		(16)		(18)	
Net cash used in financing activities			(106)		(15)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(1,568)		5,849
Cash and cash equivalents at beginning of year			9,243		3,394
Cash and cash equivalents at end of year			7,675		9,243
Relating to:					
Bank balances and short-term deposits			7,675		9,243
Cash and cash equivalents			7,675		9,243

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 August 2023

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently except where noted), judgements and key sources of estimation uncertainty, is set out below.

Catch22 Charity Limited is a charitable company (no. 06677534), limited by guarantee, incorporated in England and Wales and registered with the Charity Commission (no. 1124127). The registered office is 27 Pear Tree Street, London EC1V 3AG.

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (the FRS 102 Charities SORP) and the Companies Act 2006.

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charitable company's forecast and projections and have considered the potential impact of the wider economic environment on the viability of the charitable group. The trustees have taken action in previous years to rationalise the charitable group to save cost and strengthen its financial position. Moving forward the trustees will continue to review the viability of services that are not core to its objectives and are not financially sustainable. In addition, they are open to further mergers into the charitable group that will deliver further impact whilst improving financial strength. Annual budgets and forecasts have been revised taking this into account with prudent figures for both income and expenditure. The charity has an investment portfolio held in relatively liquid funds valued at £10.87m as at 31 August 2023 with a current available working capital facility secured against this of up to £2.72m (£nil drawn as at 31 August 2023 and at the date of signing these accounts). This facility is currently being renewed, but the trustees expect that it will be renewed on similar terms. In addition, there is a £0.5m unsecured overdraft facility available with Barclays Bank plc (£nil utilised at 31 August 2023 and at the date of signing these accounts). With the cash held (£6.22m at 31 August 2023). This amounts to £9.4m of readily available cash, without liquidating the investment portfolio, should it be required. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts are rounded to the nearest thousand pounds.

The charity has taken advantage of the exemption in the Companies Act 2006 not to present its own statement of financial activities. The results of the charity for the year ended 31 August 2023 are set out here: total income of £39,802k (2022: £41,986k) total expenditure of £41,897k (2022: £40,160k), net gain on investments £305k (2021: (£724k) net loss), net gain on disposal of associates £nil (2022: £5,200k) resulting in net decrease in funds of (£1,796k) (2022: £6,302k).

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below:

Basis of consolidation

The consolidated financial statements incorporate those of Catch22 Charity Limited and all its subsidiaries together with the group's share of the results of associates.

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. All intra-group transactions and balances between group companies are eliminated on consolidation.

The results of associates are accounted for using the equity method of accounting. Where the group has no obligation to fund losses of the associate, the share of accumulated losses are not recognised in the accounts, and the investment is shown as zero.

Income

All income is recognised when there is entitlement to the funds, the receipt is probable, and the amount can be measured reliably. 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 or outcomes delivered). Any amounts received in excess of what has been earned by the year end are included within deferred income in current liabilities. Other grant income is recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability.

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 raising funds.

Investment income

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

Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligations can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The following accounting policies are applied to expenditure:

Allocation of overhead and support costs

Overhead, support and governance costs are allocated between the cost of raising funds and charitable activities. Overhead, support and governance costs relating to charitable activities have been apportioned between activities.

Governance costs

Governance costs are included within support costs and consist of trustees' expenses and annual audit and non-audit fees.

Costs of raising funds

The costs of generating funds consist of investment management fees and the costs of raising funds, including an apportionment of overhead, support and governance costs.

Charitable activities

Costs of charitable activities include grants payable and other costs directly associated with providing the services and support provided by the charity and an apportionment of overhead, support and governance costs.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 August 2023

1. Accounting policies (continued)

Expenditure (continued)

Trading activities

Costs of trading activities include costs directly associated with providing the services provided through trading and an apportionment of overhead, support and governance costs.

Intangible Assets

Development costs for future IT projects are capitalised at cost, provided it is likely to bring future economic benefit to the group. If the criteria for recognition as assets are not met, the expense is recognised in the statement of financial activities in the period in which it is incurred. Capitalised IT costs include all direct and indirect costs that are directly attributable to the development process. The costs are amortised using the straight-line method over 3 to 5 years being their estimated useful lives.

Capitalisation of assets

Assets with a value of greater than £10,000 (and some lower value vehicles and IT equipment with an estimated useful life of at least 4 or 3 years respectively) are capitalised and depreciated to write off the cost of the assets over their estimated useful lives.

Tangible fixed assets

Land and buildings and equipment are stated in the balance sheet at cost or, in the case of certain freehold and long leasehold land and buildings, valuation 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
- Long leasehold property – over term of lease
- Short leasehold property – over term of lease
- 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 three or 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.

Investment in associates is held at cost less accumulated impairment losses

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 Instruments

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors or creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension costs – Defined Contribution Schemes

The Group 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.

Pension benefits – Defined Benefit Pension Schemes

Retirement benefits to employees of the Catch22 Multi Academies Trust (MAT) are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the MAT.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the MAT in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS' are funded schemes, and the assets are held separately from those of the MAT in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements, and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Leased assets

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 August 2023

1. Accounting policies (continued)

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 £100k (2022: £100k). This figure does not include a value for the volunteer work which is indispensable to the work that the Group undertakes.

Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, it is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

Fund Accounting

The group maintains various types of funds as follows:

Restricted Pension funds

Restricted pension reserves are resources or liabilities relating to the group's obligations to the Local Government Pension Scheme, of which some of its employees are members.

Restricted fixed asset funds

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted funds

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

Unrestricted funds

Revaluation reserves relate to the measurement of the fair value of certain freehold property. Designated funds are funds that the trustees have designated to be used for specific purposes. General unrestricted funds represent funds which are expendable at the discretion of the trustees in the furtherance of the objects of the Charity.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

a) Local Government Pension Scheme liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions.

The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Local Government Pension Scheme liability (continued)

The ultimate responsibility for setting the assumptions is that of the academy trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The academy trust has, in practice with most employers, adopted the recommended actuarial assumptions.

One of the key assumptions is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate of 5.3% is higher than the rate of 4.25% used in the prior year as the bond yield at 31 August 2023 is higher at all terms than at 31 August 2022. Since a higher discount rate means the present value of liabilities is lower, this results in lower overall net liabilities.

Demographic assumptions have been adopted in line with those used in the most recent actuarial valuation as at 31 March 2022, with the exception of an update of the CMI 'Continuous Mortality Investigation' projection model, which has been based on the more recently published updated standard mortality projections model 'CMI 2022', which has been used as the basis for mortality assumptions. Updating the future improvements model to the CMI 2022 model has reduced assumed life expectancies which results in an improve to the balance sheet position.

b) Useful Economic Lives of Intangible Assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advances, future investments and economic utilisation. Goodwill and computer software impairment reviews are performed annually. These reviews require an estimation of the value in use of the cash generating units to which goodwill and software has been allocated and the public benefit derived from the services provided to beneficiaries in fulfilment of the company and group's charitable objectives.

c) Impairment of Investments in Subsidiaries

Impairment reviews of investment in subsidiaries are carried out annually. These reviews require an estimation of both the expected future cash generation of the charitable subsidiaries to which the investments relate, and consideration of the public benefit derived from the services provided to beneficiaries in fulfilment of the company and group's charitable objectives.

d) Land and buildings transferred on conversion

Long leasehold title of land and buildings has been transferred to the Catch22 Multi Academies Trust (MAT) at full consideration. The premises have been recognised in the MAT's accounts at the best estimate of their fair value as at the date of transfer. This was estimated at the most recent valuation figures provided by the transferring local authority, as a best approximation of fair value.

e) Impairment of Long Leasehold Land & Buildings

Impairment reviews of long leasehold land and buildings are carried out annually. These reviews require an estimation of their market value of the land and buildings and the public benefit derived from the charitable group's services provided to beneficiaries in fulfilment of the company and group's charitable objectives. The valuations were reviewed during the year and the trustees consider that this is the best estimate of the fair value at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

Comparative Consolidated Statement of Financial Activities for the year ended 31 August 2022

	Note	Restricted Pension Funds (MAT) £'000	Restricted Fixed Assets Funds (MAT) £'000	Restricted Funds £'000	Unrestricted Funds £'000	Year to 31 August 2022
Income from						
Donations and legacies	2	-	-	5	518	523
Grants	2	-	60	6,129	1,347	7,536
Donations – academy transfers (MAT)	3	262	-	-	-	262
Income from charitable activities	6	-	-	16,477	29,267	45,744
Income from trading activities		-	-	-	517	517
Income from investments		-	-	-	209	209
Total income		262	60	22,611	31,858	54,791
Expenditure on						
Raising funds		-	-	-	296	296
Charitable activities						
Ordinary activities	6	1,239	2,834	19,847	31,804	55,724
Exceptional	6	-	-	-	-	-
Trading activities		-	-	-	516	516
Total expenditure		1,239	2,834	19,847	32,616	56,536
Net gain on disposal of associate	11	-	-	-	5,200	5,200
Net gains/(losses) on investments	11	-	-	-	(724)	(724)
Net income/(expenditure) for the period		(977)	(2,774)	2,764	3,718	2,731
Transfers between funds	17,18	379	-	(621)	242	-
Net income/(expenditure) before other recognised gains/(losses)		(598)	(2,774)	2,143	3,960	2,731
Other recognised gains/(losses)						
Actuarial gain/(loss) on defined benefit pension scheme	21	3,830	-	-	-	3,830
Net movement in funds		3,232	(2,774)	2,143	3,960	6,561
Reconciliation of funds						
Total funds brought forward		(3,758)	36,671	4,026	11,722	48,661
Total funds carried forward		(526)	33,897	6,169	15,682	55,222

The Group had no recognised gains or losses other than those dealt with in the Statement of Financial Activities

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

2. Donations, legacies and grants

	Year to 31 August 2023				Year to 31 August 2022			
	Fixed Asset Restricted £'000	Restricted £'000	Unrestricted £'000	Total funds £'000	Fixed Asset Restricted £'000	Restricted £'000	Unrestricted £'000	Total funds £'000
Employability and skills	-	1,445	1,349	2,794	-	4,784	995	5,779
Education	550	-	50	600	60	-	-	60
Justice	-	1	79	80	-	-	22	22
Young people, families & communities	-	855	206	1,061	-	1,175	856	1,831
Other	-	248	177	425	-	175	192	367
	550	2,549	1,861	4,960	60	6,134	1,865	8,059

The group has benefited from the support of several private donors, trusts, foundations and corporate entities including The Social Business Trust, 3i, Barclays Bank plc, The Clothworkers' Foundation, The Hadley Trust, Salesforce, Microsoft, The Rothschild Foundation, National Grid, City & Guilds, Tate & Lyle and Ufi VocTech Trust among others. The group has also received grant funding from national and local government.

3. Donations – academy transfers (MAT)

	Year to 31 August 2023 Restricted Pension Funds £'000	Year to 31 August 2022 Restricted Fixed Assets Fund £'000
Transfer of existing academies out of the academy trust (note a)	-	262
	-	262

a) Transfer out of academy

During the previous year the Everitt Academy transferred out of the Catch22 Multi Academies Trust. The below assets and liabilities transferred with Everitt Academy. There were no transfers out of academies in the current year.

	Restricted Pension Fund £000	Restricted Fixed Asset £000	Restricted £000	Total Funds £000
Tangible fixed assets	-	(1,958)	-	(1,958)
Long leasehold land and buildings (included with expenditure on ordinary activities)	-	(1,958)	-	(1,958)
Pension scheme assets	(262)	-	-	(262)
Pension scheme liabilities	524	-	-	524
Net assets/(liabilities) transferred	262	(1,958)	-	(1,696)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

4. Investment Income

	Restricted funds £'000	Unrestricted funds £'000	Year to 31 August 2023 £'000	Year to 31 August 2022 £'000
Income from investments receivable	-	248	248	209
Interest receivable	-	156	156	-
	-	404	404	209

All prior year investment income was also unrestricted

5. Net Income for the year

	Year to 31 August 2023 £'000	Year to 31 August 2022 £'000
This is stated after charging:		
Depreciation of tangible fixed assets	375	422
Loss on disposal of tangible fixed assets	-	190
Loss on disposal of tangible fixed assets – academy transfer out	-	1,958
Amortisation of goodwill and intangible fixed assets	93	96
Loss on disposal of intangible fixed assets	-	25
Property rental	1,031	1,061
Auditor's remuneration		
Audit fees for Charity's annual accounts	45	39
Audit fees for other services:		
- the audit of the Charity's subsidiaries, pursuant to legislation	30	22
- other fees and taxation advice	12	20

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

6. Charitable activities

Analysis of income from charitable activities for the year ended 31 August 2023

	Restricted Funds	Unrestricted Funds	Year to 31 August 2023
	£'000	£'000	£'000
Employability and skills	1,261	3,661	4,922
Education	13,267	4,824	18,091
Justice	131	13,105	13,236
Young people, families and communities	4,037	7,467	11,504
Other	-	21	21
Total	18,696	29,078	47,774

Analysis of income from charitable activities for the year ended 31 August 2022

	Restricted Funds	Unrestricted Funds	Year to 31 August 2022
	£'000	£'000	£'000
Employability and skills	1,274	8,163	9,437
Education	12,645	6,004	18,649
Justice	255	9,799	10,054
Young people, families and communities	2,303	5,213	7,516
Other	-	68	68
Total	16,477	29,267	45,744

Analysis of expenditure on charitable activities for the year ended 31 August 2023

	Restricted Pension Funds	Restricted Fixed Assets Funds	Restricted Funds	Unrestricted Funds	Year to 31 August 2023
	£'000	£'000	£'000	£'000	£'000
Employability and skills	-	-	4,443	5,035	9,478
Education	137	1,144	13,444	7,514	22,239
Justice	-	-	132	11,348	11,480
Young people, families and communities	-	-	4,790	7,777	12,567
Other	-	-	279	53	332
Exceptional items (see below)	-	-	-	110	110
Total	137	1,144	23,088	31,837	56,206

Analysis of expenditure on charitable activities for the year ended 31 August 2022

	Restricted Pension Funds	Restricted Fixed Assets Funds	Restricted Funds	Unrestricted Funds	Year to 31 August 2022
	£'000	£'000	£'000	£'000	£'000
Employability and skills	-	-	3,981	8,815	12,796
Education	1,239	2,834	12,236	7,581	23,890
Justice	-	-	255	9,442	9,697
Young people, families and communities	-	-	3,293	5,908	9,201
Other	-	-	82	58	140
Total	1,239	2,834	19,847	31,804	55,724

Included within unrestricted income and expenditure in Justice charitable activities is income of £351k (2022: 356k) from the Local Leadership and Integration Fund with related expenditure of £351k (2022: £356k). The project started during the year ended 31 August 2021.

Also included within unrestricted income and expenditure in Employability and skills charitable activities is income of £216k (2022: £nil) from the NCS Trust in respect of the Open-to-All programme with related expenditure of £218k (2022: £nil). The project started during the year ended 31 August 2023.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

6. Charitable activities (continued)

Support Costs

The group operates a shared services approach with the majority of support services being provided by Catch22 Charity Limited to the other companies within the group. Support costs incurred directly by other companies within the group, mainly relating to management and administration, are included within the direct costs of the activity carried out by that company. An analysis of the cost of support services (which are included in the charitable expenditure above) provided by Catch22 Charity Limited to the group is set out below. Costs have been allocated to charitable activities as a proportion of the direct expenditure incurred on that activity.

Year Ended 31 August 2023	Business development, marketing and communications £'000	Facilities & IT £'000	Finance and commercial £'000	Human resources £'000	Management and strategy £'000	Compliance and risk management £'000	Total £'000
Raising Funds	6	6	5	9	3	5	34
Charitable activities:							
Employability and skills	160	185	138	231	82	117	893
Education	377	387	325	541	193	272	2,095
Justice	194	199	168	280	99	141	1,081
Young people, families and communities	213	218	183	306	109	155	1,184
Other	5	6	5	8	3	4	31
	949	975	819	1,366	486	689	5,284
Trading activities	6	6	5	9	3	4	33
	961	987	829	1,385	492	698	5,351

Governance costs included in the above support costs amount to £75k (2022: £81k)

Year Ended 31 August 2022	Business development, marketing and communication s £'000	Facilities & IT £'000	Finance and commercial £'000	Human resources £'000	Management and strategy £'000	Compliance and risk management £'000	Total £'000
Raising Funds	4	6	4	6	3	3	26
Charitable activities:							
Employability and skills	193	251	159	276	123	113	1,115
Education	358	468	298	514	231	212	2,081
Justice	146	190	121	209	93	86	845
Young people, families and communities	138	180	114	199	89	81	801
Other	2	3	2	3	1	1	12
	837	1,092	694	1,201	537	493	4,854
Trading activities	8	10	6	11	5	5	45
	849	1,108	704	1,218	545	501	4,925

Exceptional Items

Included within Cost of Charitable Activities are the following exceptional items

	Year to 31 August 2023 Restricted £'000	Year to 31 August 2023 Unrestricted £'000	Year to 31 August 2023 Total £'000	Year to 31 August 2022 Total £'000
Disposal of apprenticeship delivery	-	110	110	-
Total	-	110	110	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

7. Staff costs

	Year to 31 August 2023 £'000	Year to 31 August 2022 £'000
Salaries	31,117	29,661
Redundancies	177	129
National Insurance contributions	3,173	2,910
Pension contributions	2,182	2,698
	36,549	35,418
The average number of employees during the period split as follows:		
Charitable Activities	1,027	958
Trading	4	5
Support	89	79
Total	1,120	1,042

During the period payments to agencies for temporary staff amounted to £3,090k (2022: £2,492k). Agency staff are used to cover temporary vacancies and to meet short-term needs.

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

	Year to 31 August 2023 £'000	Year to 31 August 2022 £'000
£60,001 - £70,000	10	13
£70,001 - £80,000	7	7
£80,001 - £90,000	7	2
£90,001 - £100,000	-	3
£100,001-£110,000	1	-
£110,001-£120,000	1	1
£130,001-£140,000	1	-
£160,001-£170,000	-	1

Employer's pension contributions of £170,675 (2022: £230,462) were paid on behalf of the above staff.

No trustees received any remuneration during the period (2022: none). Trustees were reimbursed expenses during the year of £nil (2022: £nil).

Key Management Personnel

The total employee benefits of the Key Management Personnel were £793,209 (2022: £1,065,565).

Volunteers

The average number of volunteers for the year to 31 August 2023 totalled 76 (2022: 90). 9 volunteers worked in Justice, 65 worked in Young people, families and communities and 2 worked in our other delivery hubs.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 August 2023

8. Intangible fixed assets – Consolidated

	Computer Software £'000	Goodwill £'000	Total £'000
Cost			
1 September 2022	425	345	770
Additions	58	-	58
31 August 2023	483	345	828
Amortisation			
1 September 2022	188	345	533
Charge for the year	93	-	93
31 August 2023	281	345	626
Net book value			
At 31 August 2023	202	-	202
At 31 August 2022	237	-	237

9. Intangible fixed assets – Charity only

	Computer Software £'000	Total £'000
Costs		
1 September 2022	425	425
Additions	58	58
31 August 2023	483	483
Amortisation		
1 September 2022	188	188
Charge for the year	93	93
31 August 2023	281	281
Net book value		
At 31 August 2023	202	202
At 31 August 2022	237	237

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

10. Tangible fixed assets – Consolidated

	Long leasehold land and buildings £'000	Short leasehold properties £'000	Freehold land & buildings £'000	Furniture & equipment £'000	Total £'000
Cost or Revaluation					
1 September 2022	45,477	-	725	451	46,653
Additions	-	64	-	-	64
Transfers	(161)	161	-	-	-
Disposals	-	-	-	(83)	(83)
31 August 2023	45,316	225	725	368	46,634
Depreciation					
1 September 2022	8,861	-	113	200	7,174
Transfers	(9)	9	-	-	-
Disposals	-	-	-	(83)	(83)
Charge for the year	276	21	13	65	375
31 August 2023	7,128	30	126	182	7,466
Net book value					
At 31 August 2023	38,188	195	599	186	39,168
At 31 August 2022	36,616	-	612	251	39,479

10. Tangible fixed assets – Charity only

	Long leasehold land and buildings £'000	Short leasehold properties £'000	Freehold land & buildings £'000	Furniture & equipment £'000	Total £'000
Cost or Revaluation					
1 September 2022	4,808	-	725	368	5,901
Additions	-	64	-	-	64
Transfers	(161)	161	-	-	-
31 August 2023	4,647	225	725	368	5,965
Depreciation					
1 September 2022	87	-	113	136	336
Transfers	(9)	9	-	-	-
Charge for the year	53	21	13	46	133
31 August 2023	131	30	126	182	469
Net book value					
At 31 August 2023	4,516	195	599	186	5,496
At 31 August 2022	4,721	-	612	232	5,565

The leasehold property at 27 Pear Street, London of £3.4m has been arrived at on a basis of valuation carried out as at 31 August 2019 by JM Commercial, Chartered Surveyors who are not connected with the company. The valuation was reviewed in the year and the Trustees consider that this is the best estimate of the fair value at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

11. Investment in subsidiaries and associates - Consolidated

	Investment in Associates £'000	Investment in Subsidiary £'000	Total £'000
Cost			
31 August 2022	105	475	475
Share of profit	146	-	146
31 August 2023	251	475	726
Impairment			
1 September 2022	-	475	475
Charge for the year	-	-	-
31 August 2023	-	475	475
Net book value			
At 31 August 2023	251	-	251
At 31 August 2022	105	-	105

11. Investment in subsidiaries and associates – Charity only

	Investment in Associates £'000	Investment in Subsidiary £'000	Total £'000
Cost			
31 August 2022	-	475	475
Share of profit	-	-	-
31 August 2023	-	475	475
Impairment			
1 September 2022	-	475	475
Charge for the year	-	-	-
31 August 2023	-	475	475
Net book value			
At 31 August 2023	-	-	105
At 31 August 2022	-	-	105

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

11. Investments – Consolidated

	31 August 2023 £'000	31 August 2022 £'000
Investment in associate – Jobs 22 Limited	146	-
Investment in associated LLP	105	105
Other investments at market value	10,868	10,590
Investments at market value	11,119	10,695
Quoted investments	10,434	10,043
Cash held by investment managers	429	542
Unlisted investments	256	110
	11,119	10,695
1 September 2022	10,695	11,573
Acquisitions at cost	5,190	16,591
Disposal proceeds	(5,219)	(16,637)
Increase/(decrease) in cash in the portfolio	(2)	(108)
Share of associate profit	146	-
Change in market value	309	(724)
Market value at 31 August 2023	11,119	10,695
Historic cost at 31 August 2023	10,912	11,081

	31 August 2023			31 August 2022		
	Market value		Original cost	Market value		Original cost
	£'000	%	£'000	£'000	%	£'000
HSBC – equity	7,187	65	6,960	6,708	63	6,936
HSBC – fixed income	3,243	29	3,408	3,331	31	3,489
HSBC – cash	429	4	429	542	5	542
Other – listed	4	-	4	4	-	4
Other – unlisted	256	2	110	110	1	110
	11,119	100	10,912	10,695	100	11,081

Associates

	Associated LLP £000	Jobs22 £'000	Total £'000
Carrying value			
1 September 2022	105	-	105
Share of net profit	-	146	146
31 August 2023	105	146	251

The charity owns 18% of the equity share capital of Jobs 22 Limited (2022 18%) In the previous year, the charity sold 27% interest in the ordinary share capital of Jobs 22 Limited. The net sale proceeds were £5.2m and the share of the associates loss was £nil. The address of the registered office of Jobs 22 Limited is 269 Silbury Boulevard, Milton Keynes, MK9 1NA.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

11. Investments – Charity only

	31 August 2023 £'000	31 August 2022 £'000
Investment in associate – Jobs 22 Limited	-	-
Other investments at market value	10,868	10,590
	10,868	10,590
Quoted investments	10,434	10,043
Unquoted investments	5	5
Cash held by investment managers	429	542
	10,868	10,590
1 September 2022	10,590	11,468
Acquisitions at cost	5,190	16,591
Disposal proceeds	(5,219)	(16,637)
Increase/(decrease) in cash in the portfolio	(2)	(108)
Change in market value	309	(724)
	10,868	10,590
Market value at 31 August 2023	10,868	10,590
Historic cost at 31 August 2023	10,807	10,976

	31 August 2023			31 August 2022		
	Market value		Original cost	Market value		Original cost
	£'000	%	£'000	£'000	%	£'000
HSBC – equities	7,187	66	6,950	6,708	63	6,936
HSBC – fixed income	3,243	30	3,409	3,331	32	3,489
HSBC – cash	429	4	429	542	5	542
Other – listed	4	-	4	4	-	4
Other – unlisted	5	-	5	5	-	5
	10,868	100	10,807	10,590	100	10,976

12. Subsidiaries

The charity is the parent of the following subsidiaries:

Name of subsidiary	Country of incorporation	Registered Office	Activity	Level of control	Aggregate amount of assets, liabilities and funds £'000	Turnover incl. investment income £'000	Costs £'000	Surplus/ (deficit) for the year £'000
The Royal Philanthropic Society incorporating the Rainer Foundation Charity Number 229132	England and Wales	N/A	Dormant	100%	-	-	-	-
Crime Concern Trust Limited Company Number: 02259016 Charity Number 800735	England and Wales	(1)	Dormant	100%	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

12. Subsidiaries (continued)

Name of subsidiary	Country of incorporation	Registered Office	Activity	Level of control	Aggregate amount of assets, liabilities and funds £'000	Turnover incl. invest income £'000	Costs £'000	Surplus/ (deficit) for the year £'000
Catch22 Social Enterprise Limited <i>Company Number: 06166785</i>	England and Wales	(1)	Domant	100%	(845)	-	-	-
Catch22 Social Enterprise Solutions Limited <i>Company Number: 07971360</i>	England and Wales	(1)	Providing training and employment opportunities for the unemployed	100%	(5)	-	-	-
Pupil Parent Partnership Limited <i>Company Number: 04872659</i>	England and Wales	(2)	Domant	100%	-	-	-	-
Include <i>Company Number: 02429781</i> <i>Charity Number 0803333</i>	England and Wales	(2)	Domant	100%	-	-	-	-
Catch22 Multi Academies Trust Limited <i>Company Number: 08299181</i>	England and Wales	(2)	Advancing for the public benefit, education in the UK through the operation of alternative provision schools	100%	34,218	13,899	14,473	(574)
Community Links Trust Limited <i>Company Number: 02661182</i> <i>Charity Number 1018517</i>	England and Wales	(3)	Community delivery and early support and action	100%	3	123	120	3
Community Links Trading Limited <i>Company Number: 05737749</i>	England and Wales	(3)	Events management, production services and storage	100%	(457)	159	314	(155)
Ripplez Community Interest Company <i>Company Number: 07484690</i>	England and Wales	(2)	Support vulnerable women and families	100%	(85)	-	1	(1)

The list of Registered Offices is set out below:

- (1) Rectory Lodge, High Street, Brasted, Kent, TN16 1JF
- (2) 27 Pear Tree Street, London, EC1V 3AG
- (3) 105 Barking Road, London, E16 4HQ

The following changes took place during the financial year.

- A) Community Links Trading Limited
A decision was made for the company to cease operating in February 2023 and the company is no longer trading.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

13. Debtors: amounts due within one year

	31 August 2023 £'000	31 August 2022 £'000
Consolidated		
Grant and trade debtors	2,657	3,014
Other debtors	786	1,079
Prepayments and accrued income	2,598	3,160
	6,041	7,253

Included within other debtors is £250k due in more than one year (2022: £500k)

Charity only

Grant and trade debtors	2,540	2,836
Other debtors	583	909
Prepayments and accrued income	2,389	2,375
Amounts owed by other group companies	109	522
	5,621	6,642

Included within other debtors is £250k due in more than one year (2022: £500k)

14. Creditors: amounts falling due within one year

	31 August 2023 £'000	31 August 2022 £'000
Consolidated		
Bank loan	-	73
Trade creditors	1,111	1,190
Accrued expenditure and income in advance	7,007	7,332
Other taxes and social security	1,366	1,250
Other creditors	1,337	562
	10,811	10,407

Included in other creditors are outstanding pension contributions amounting to £261k (2022: £225k).

The charitable group has an overdraft facility of £5m secured by a fixed charge over the investments of the charity. It is provided by HSBC Private Bank and is repayable on demand and interest is charged at 1.25% above the base rate, amount drawn £nil (2022: £nil). In addition, the charitable group has a £500k unsecured overdraft available from Barclays Bank with interest charged at 3% above the base rate, amount drawn £nil (2022: £nil).

Charity only

Bank loan	-	73
Trade creditors	641	851
Accrued expenditure and income in advance	6,220	6,539
Other taxes and social security	1,216	1,123
Other creditors	1,191	443
Amounts owed by other group companies	126	-
	9,394	9,029

Included in other creditors are outstanding pension contributions amounting to £115k (2022: £104k).

Also included within other creditors is a loan from an associated company of £720k (2022: £nil). It is repayable on demand and no interest is charged.

The charity has an overdraft facility of £5m secured by a fixed charge over the investments of the charity. It is provided by HSBC Private Bank and is repayable on demand and interest is charged at 1.25% above the base rate, amount drawn £nil (2022: £nil). In addition, the charity has a £500k unsecured overdraft available from Barclays Bank with interest charged at 3% above the base rate, amount drawn £nil (2022: £nil).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

14. Creditors: amounts falling due within one year

Consolidated — deferred income movement	£'000
Balance at 1 September 2022	5,290
Amount released in the period	(5,290)
Amount deferred in the period	5,232
Balance at 31 August 2023 – all due within one year	5,232

Charity only – deferred income movement	£'000
Balance at 1 September 2022	5,025
Amount released in the period	(5,025)
Amount deferred in the period	4,947
Balance at 31 August 2023 – all due within one year	4,947

15. Creditors: amounts falling after more than one year

	31 August 2023 £'000	31 August 2022 £'000
Consolidated		
Other loan	79	96
Other creditors	472	682
	551	778
Charity only		
Other loan	79	96
Other creditors	472	682
	551	778

Included within other loans is a loan of £125k received in October 2021 and is repayable over 84 months. The amount outstanding at the 31 August 2023 is £96k (2022: £113k) – shown as £79k (2022: £96k) due in more than one year and £17k (2022: £17k) due in less than one year. The loan is secured by a floating charge over the charity's assets. Interest is charged at 3%.

Included in other creditors is the clawback of funding relating to non-delivery by subcontractors. The repayment terms have been agreed over 4 to 5 years.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

16. Provisions

	31 August 2023 £'000	31 August 2022 £'000
Consolidated		
Pension fund deficit (note 18)	-	526
	-	526

17. Restricted funds

	Restricted pension funds £'000	Restricted fixed asset funds £'000	Restricted funds £'000	Total Restricted funds £'000
Consolidated				
Balance at 1 September 2022	(526)	33,897	6,169	39,540
Income	-	550	21,245	21,795
Expenditure	(137)	(1,144)	(23,088)	(24,369)
Transfers between funds	-	369	(1,017)	(648)
Actuarial gain/(loss) on defined benefit pension scheme	663	-	-	663
Balance at 31 August 2023	-	33,672	3,309	36,981
Charity only				
Balance at 1 September 2022	-	-	4,878	4,878
Income	-	-	7,883	7,883
Expenditure	-	-	(9,549)	(9,549)
Transfers between funds	-	-	(319)	(319)
Balance at 31 August 2023	-	-	2,893	2,893

The specific purposes for which the funds are to be applied are as follows:

Restricted pension funds

These arise in Catch22 Multi Academies Trust and represent the negative reserve in respect of the liability on the LGPS defined benefit pension scheme. At 31 August 2023 the LGPS pension scheme was in surplus and therefore there is no reserve (see Note 21).

Restricted fixed asset funds

These arise in Catch22 Multi Academies Trust and represent the net book value of the land and buildings of academies transferred from the local authority on conversion.

Restricted funds

These arise from donations, grants and fees to fund activities or services as specified by the donor. Income represents donations, grants and fees from government bodies and corporate and trust donors. Expenditure represents expenditure on specific services linked to these restricted donations, grants and fees. Restricted funds also include the activities of the subsidiary company, Catch 22 Multi Academies Trust Limited.

An analysis of restricted funds by activity is set out below:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

17. Restricted funds (continued)

Transfers between funds

Restricted pension funds: £nil (2022: £379k) – this represents the actual employer contributions in year to the LGPS scheme, transferred from restricted funds in the Catch22 Multi Academies Trust

Restricted fixed asset funds: £369k (2022: £nil) – this represents property maintenance expenditure transferred to restricted funds in the Catch22 Multi Academies Trust

Restricted funds: (£1,017k) (2022: (£621k)). Transfers relating to the Catch22 Multi Academies trust, as described above amount to (£369k) (2022: (£379k)). A further (£329k) (2022: (£242k)) represents net charges for services between the Charity and Catch22 Multi Academies Trust, transferred from/(to) general funds. A further (£319k) (£2022: £nil) relates to funds on a contract that the charity ceased to operate several years ago, which after careful review, the trustees no longer consider to be restricted.

Prior year

	Restricted pension funds £'000	Restricted fixed asset funds £'000	Restricted funds £'000	Total Restricted funds £'000
Consolidated				
Balance at 1 September 2021	(3,758)	36,671	4,026	36,939
Income	262	60	22,611	22,933
Expenditure	(1,239)	(2,834)	(19,847)	(23,920)
Transfers between funds	379	-	(621)	(242)
Actuarial gain/(loss) on defined benefit pension scheme	3,830	-	-	3,830
Balance at 31 August 2022	(526)	33,897	6,169	39,540

Charity only

Balance at 1 September 2021	-	-	2,523	2,523
Income	-	-	9,966	9,966
Expenditure	-	-	(7,611)	(7,611)
Transfers between funds			-	-
Balance at 31 August 2022	-	-	4,878	4,878

The specific purposes for which the funds are to be applied are as follows:

Current year

	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Balance 31 August 2023 £'000
Consolidated by charitable activity					
Employability and skills	3,487	2,706	(4,443)	-	1,730
Education	1,291	13,267	(13,444)	(698)	416
Justice	-	132	(132)	-	-
Young people, families and communities	1,273	4,892	(4,790)	(319)	1,056
Other	138	248	(278)	-	107
Total restricted funds	6,169	21,245	(23,088)	(1,017)	3,309
	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Balance 31 August 2023 £'000
Charity only by charitable activity					
Employability and skills	3,487	2,706	(4,443)	-	1,730
Justice	-	132	(132)	-	-
Young people, families and communities	1,273	4,797	(4,695)	(319)	1,056
Other	138	248	(278)	-	107
Total restricted funds	4,878	7,883	(9,549)	(319)	2,893

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

17. Restricted funds (continued)

Prior year	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Balance 31 August 2022 £'000
Consolidated by charitable activity					
Employability and skills	1,357	6,090	(3,980)	-	3,467
Education	1,503	12,645	(12,236)	(621)	1,291
Justice	-	255	(255)	-	-
Young people, families and communities	914	3,445	(3,294)	208	1,273
Other	252	176	(82)	(208)	138
Total restricted funds	4,026	22,611	(19,847)	(621)	6,169

Prior year	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Balance 31 August 2022 £'000
Charity only by charitable activity					
Employability and skills	1,357	6,090	(3,980)	-	3,467
Justice	-	255	(255)	-	-
Young people, families and communities	914	3,445	(3,294)	208	1,273
Other	252	176	(82)	(208)	138
Total restricted funds	2,523	9,966	(7,611)	-	4,878

18. Unrestricted funds

	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Net gains/(losses) on investments and share of associate net profit £'000	Balance 31 August 2023 £'000
Consolidated						
Revaluation reserve	2,436	-	(43)	-	-	2,393
Designated fund	1,054	-	(19)	272	-	1,307
General fund	12,192	31,694	(32,502)	376	455	12,215
Total	15,682	31,694	(32,564)	648	455	15,915
Charity						
Revaluation reserve	2,436	-	(43)	-	-	2,393
Designated fund	1,054	-	(19)	272	-	1,307
General fund	11,934	31,919	(32,286)	47	309	11,923
Total	15,424	31,919	(32,348)	319	309	15,623

Revaluation reserve

This represents the difference between the net book value and valuation of revalued property.

Designated fund

This represents funds that the trustees have allocated to specific projects. These projects are:

- Use of data and analytics to improve impact and deliver reform objectives; £604k (2022: £604k) over the next 2 years
- Reducing the organisation's environmental impact; £131k (2022: £150k) over the next 2 years
- Growing the organisation to reach more beneficiaries and deliver greater impact; £422k (2022: £300k) over the next 2 years
- Developing and capturing the social value delivered by the organisation; £75k (2022: £nil) over the next 2 years
- Ensuring the organisation's support services and structures are fit for purpose; £75k (2022: £nil) over the next 1 year

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 the Catch22 group

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

18. Unrestricted funds (continued)

Prior year

	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Net gains/(losses) on investments £'000	Balance 31 August 2022 £'000
Consolidated						
Revaluation reserve	2,479	-	(43)	-	-	2,436
Designated fund	-	-	-	1,054	-	1,054
General fund	9,243	37,058	(32,573)	(812)	(724)	12,192
Total	11,722	37,058	(32,616)	242	(724)	15,682
Charity						
Revaluation reserve	2,479	-	(43)	-	-	2,436
Designated fund	-	-	-	1,054	-	1,054
General fund	8,998	37,220	(32,506)	(1,054)	(724)	11,934
Total	11,477	37,220	(32,549)	-	(724)	15,424

19. Analysis of net assets between funds

	Restricted pension funds £'000	Restricted fixed asset funds £'000	Restricted funds £'000	Unrestricted funds £'000	31 August 2023 Total £'000
Consolidated					
Fund balances at 31 August 2023 are represented by:					
Tangible fixed assets	-	33,672	-	5,496	39,168
Intangible fixed assets	-	-	-	202	202
Investments	-	-	-	11,119	11,119
Current assets/(liabilities)	-	-	3,309	(351)	2,958
Long term liabilities	-	-	-	(551)	(551)
Total net assets	-	33,672	3,309	15,915	52,896

Charity Only

Fund balances at 31 August 2023 are represented by:

Tangible fixed assets	-	-	-	5,496	5,496
Intangible fixed assets	-	-	-	202	202
Investments	-	-	-	10,866	10,866
Current assets/(liabilities)	-	-	2,893	(392)	2,501
Long term liabilities	-	-	-	(551)	(551)
Total net assets	-	-	2,893	15,623	18,516

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

19. Analysis of net assets between funds (continued)

	Restricted pension funds £'000	Restricted fixed asset funds £'000	Restricted funds £'000	Unrestricted funds £'000	31 August 2022 Total £'000
Consolidation					
Fund balances at 31 August 2022 are represented by:					
Tangible fixed assets	-	33,897	-	5,582	39,479
Intangible fixed assets	-	-	-	237	237
Investments	-	-	-	10,695	10,695
Current assets/(liabilities)	-	-	6,169	(54)	6,115
Long term liabilities	-	-	-	(778)	(778)
Provisions	(526)	-	-	-	(526)
Total net assets	(526)	33,897	6,169	15,682	55,222

Charity Only

Fund balances at 31 August 2022 are represented by:

Tangible fixed assets	-	-	-	5,565	5,565
Intangible fixed assets	-	-	-	237	237
Investments	-	-	-	10,590	10,590
Current assets/(liabilities)	-	-	4,878	(190)	4,688
Long term liabilities	-	-	-	(778)	(778)
Total net assets	-	-	4,878	15,424	20,302

20. Commitments under operating leases

Consolidation

At 31 August 2023 the group had future minimum commitments under non-cancellable operating leases as follows:

	31 August 2023 £'000	31 August 2022 £'000
Land and buildings:		
expiring in the first year	904	697
expiring in the second to fifth year	591	704
expiring after five years	-	288
	1,495	1,689

Charity only

At 31 August 2023 the charity had future minimum commitments under non-cancellable operating leases as follows:

	31 August 2023 £'000	31 August 2022 £'000
Land and buildings:		
expiring in the first year	904	697
expiring in the second to fifth year	591	704
expiring after five years	-	288
	1,495	1,689

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

21. Pension and Similar Obligations

Employees of The Catch22 Multi Academies Trust (MAT) belong to five principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and Local Government Pension Scheme (LGPS) for non-teaching staff, consisting of the Hampshire County Council Pension Fund which is managed by Hampshire County Council for Ashwood Academy, The Coppice Springs Academy and The Austen Academy staff, the Northamptonshire Pension Fund which is managed by Northamptonshire County Council for the Spires Academy staff, the Devon County Council Pension Fund which is managed by Devon County Council for the Burton Academy and Brunel Academy staff in Torbay, and the Norfolk County Council Pension Fund which is managed by Norfolk County Council for Fen Rivers Academy staff.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2022.

Teachers' Pension Scheme

The (MAT) participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £738,900 (2022: £934,347) and at the year-end £122,852 (2022: £121,412) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS affecting contributions during the year was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration levy),
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million
- the SCAPE (Superannuation Contributions Adjusted for Past Experience) rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is based on OBR's forecast for long-term GDP growth. The current SCAPE rate is 1.7% above the rate of CPI.

This valuation result is due to be implemented from 1 April 2024.

A copy of the valuation report and supporting documentation is available on the Teachers' Pensions website

Local Government Pension Schemes (LGPS)

The LGPS are funded defined benefit pension schemes, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £578k (2022: £494k), of which employer's contributions totalled £445k (2022: £376k) and employees' contributions totalled £133k (2022: £115k). The agreed contribution rates for future years is 22.9 per cent for employers and is between 5.5 and 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 August 2023

21. Pension and Similar Obligations (continued)

Local Government Pension Schemes (continued)

Principal Actuarial Assumptions	At 31 August 2023	At 31 August 2023	At 31 August 2023	At 31 August 2023
	Hampshire	Norfolk	Northamptonshire	Torbay
Rate of increase in salaries	4.00%	3.65%	3.50%	3.65%
Rate of increase for pensions in payment/inflation	3.00%	2.95%	3.00%	2.65%
Discount rate for scheme liabilities	5.20%	5.20%	5.20%	5.30%
Inflation assumption (CPI)	3.00%	2.95%	3.00%	2.65%

	At 31 August 2022	At 31 August 2022	At 31 August 2022	At 31 August 2022
	Hampshire	Norfolk	Northamptonshire	Torbay
Rate of increase in salaries	3.70%	3.75%	3.55%	2.90%
Rate of increase for pensions in payment/inflation	2.70%	3.05%	3.05%	2.90%
Discount rate for scheme liabilities	4.10%	4.25%	4.25%	4.20%
Inflation assumption (CPI)	2.70%	3.05%	3.05%	2.90%

Sensitivity Analysis

Approximate monetary increase to the obligation as a result of the following changes in assumptions at 31 August 2022 are set out below:

	At 31 August 2023 £000	At 31 August 2022 £000
<i>Hampshire</i>		
0.1% increase in the salary increase rate	2	4
0.1% increase in the pension increase rate	50	47
0.1% decrease in real discount rate	52	51
<i>Norfolk</i>		
0.1% increase in the salary increase rate	-	-
0.1% increase in the pension increase rate	15	10
0.1% decrease in real discount rate	15	11
<i>Northamptonshire</i>		
0.1% increase in the salary increase rate	-	-
0.1% increase in the pension increase rate	11	9
0.1% decrease in real discount rate	10	9
<i>Torbay</i>		
0.1% increase in the salary increase rate	-	1
0.1% increase in the pension increase rate	30	43
0.1% decrease in real discount rate	29	43

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 August 2023

21. Pension and Similar Obligations (continued)

Local Government Pension Schemes (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2023	At 31 August 2023	At 31 August 2023	At 31 August 2023
	Hampshire	Norfolk	Northamptonshire	Torbay
<i>Retiring today</i>				
Males	22.1 years	21.4 years	21.0 years	21.4 years
Females	24.7 years	20.7 years	24.4 years	22.6 years
<i>Retiring in 20 years</i>				
Males	22.6 years	20.9 years	20.2 years	22.7 years
Females	25.7 years	25.0 years	24.6 years	24.0 years

	At 31 August 2022	At 31 August 2022	At 31 August 2022	At 31 August 2022
	Hampshire	Norfolk	Northamptonshire	Torbay
<i>Retiring today</i>				
Males	22.9 years	21.7 years	21.7 years	21.7 years
Females	25.4 years	24.1 years	24.1 years	22.9 years
<i>Retiring in 20 years</i>				
Males	24.7 years	22.9 years	22.8 years	23.0 years
Females	27.1 years	26.0 years	25.6 years	24.3 years

The charitable group's share of the assets and liabilities in the scheme and the expected rate of return were:

	Fair value at 31 August 2023	Fair value at 31 August 2022
	£000	£000
Equities	2,532	1,985
Government Bonds	1,039	439
Property	359	328
Corporate Bonds	-	-
Cash	103	36
Other	468	725
Total market value of assets	4,501	3,513

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

21. Pension and Similar Obligations (continued)

Local Government Pension Schemes (continued)

Amounts recognised in the statement of financial activities:

	2023	2022
	£000	£000
Current service cost	(560)	(1,181)
Net interest cost	(22)	(58)
Total operating charge	(582)	(1,239)

Changes in the present value of defined benefit obligations were as follows:

	2023	2022
	£000	£000
At 1 September	4,039	7,281
Transfer of existing academy (note 3)	-	(524)
Current service cost	560	1,181
Interest cost	178	116
Employee contributions	133	115
Actuarial (gain)/loss	(405)	(4,058)
Benefits paid	(22)	(72)
At 31 August	4,483	4,039

Changes in the fair value of the charitable group's share of scheme assets:

	2023	2022
	£000	£000
At 1 September	3,513	3,523
Transfer out of existing academy (note 3)	-	(262)
Interest income	156	58
Contributions by members	133	115
Contributions by the employer	445	379
Actuarial (loss)/gain	276	(228)
Benefits paid	(22)	(72)
At 31 August	4,501	3,513

The net assets of £18k has not been recognised in accordance with FRS102 Paragraph 28.22. The asset value is included in the actuarial gain in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2023

22. Related party transactions

- a) During the year Catch22 provided services and recharged costs to The Catch22 Multi Academies Trust Ltd (MAT) amounting to £842k (2022: £741k). The MAT provided services to Catch22 amounting to £194k (2022: £593k). At the balance sheet date Catch22 owed £3k to the MAT (2022: Catch22 was owed £413k from the MAT).
- b) There were no transactions between Catch22 and Catch22 Social Enterprise Solutions Ltd (Solutions) during the year. At the balance sheet date Catch22 was owed £109k (2022: £109k) by Solutions.
- c) There were no transactions between Catch22 and Catch22 Social Enterprise Ltd (Auto22) during the year. The amount that was due to Catch22 from Auto22 at 31 August 2023 amounting to £646k (2022: £646k) was written off as irrecoverable in prior years and therefore the balance due at 31 August 2023 included within the Catch22 financial statements was £nil (2022: £ nil).
- d) During the year Community Links Trust (CLT) delivered services for Catch22 amounting to £123k (2022: £nil) and Catch22 provided services and recharged cost to CLT amounting to £120k (2022: £nil). At the balance sheet date Catch22 owed £123k to CLT (2022: £nil).
- e) During the year Catch22 provided services and recharged costs amounting to £178k (2022: £136k) to Community Links Trading and Community Links Trading provided services amounting £1k (2022: £nil) to Catch22. At the balance sheet date Catch22 was owed £474k (2022: £396k) by Community Links Trading. A provision for £396k had been made in Catch22's financial statements by the year ended 31 August 2022 and a further provision of £78k was made in the year ended 31 August 2023. Therefore, the balance due at 31 August 2023 included within the Catch22 financial statements is £nil (2022: £nil).
- f) During the year Catch22 paid £nil (2022: £5k) on behalf of Ripplez CIC. At the balance sheet date Catch22 was owed £85k (2022: £103k) by Ripplez. A provision for the full amount of this debt has been made in Catch22's financial statements for the year ended 31 August 2023 and 2022 and therefore the balance due at 31 August 2023 included within the Catch22 financial statements is £nil (2022: £nil).
- g) Catch22 Social Enterprise Solutions Limited is a member of Public Services Lab LLP (PSL), which was incorporated on 24 November 2016, and it controls 49.49% of the voting rights in that entity. There were no transactions between PSL and the Catch22 group during the year and there were no balances outstanding between these entities at the balance sheet date (2022: £nil).
- h) Catch22 owns 20% (2022: 20%) of the voting rights in Jobs22 Limited. During the year Catch22 provided services amounting to £95k (2022: £84k) to Jobs22. At the balance sheet date Jobs22 owed £nil (2022: £2k) to Catch22. Also during the year Jobs22 made an interest free loan to Catch22 of £720k, the loan is repayable on demand and is interest free. At the balance sheet date £720k (£nil) was owed to Jobs22 by Catch22.
- i) Harvey Redgrave was appointed a trustee of Catch22 on 27 February 2023, and is also a director and minority shareholder of Crest Advisory (UK) Limited. Prior to his appointment Catch22 agreed a contract with Crest Advisory to provide services to Catch22, the terms are on a commercial, arms-length basis, and were not connected to Mr Redgrave's appointment as a trustee. During the year, and since Mr Redgrave's appointment as a trustee, Crest Advisory have provided services to Catch22 amounting to £74k. There was no balance outstanding between the organisations at the balance sheet date.

23. Events after the reporting date

The Brunel and Burton Academies left the Catch22 Multi Academies Trust Ltd (MAT) on 1 September 2023, the Fen Rivers Academy left on 1 December 2023 and the Spires Academy left on 1 February 2024. The remaining three academies are due to be re-brokered to new trusts before 31 August 2024. Following the completion of the re-brokering the trustees will begin preparations to wind-up the MAT.

CATCH22 PEOPLE

Patron

HRH The Princess Royal

Board of Trustees

Terry Duddy, Chairman

Caroline Artis, Treasurer

Alison Alexander

Natasha Finlayson (appointed 27 February 2023)

Matthew Halstead

Jeff Jacobs

Gita North

Tove Okunniwa (resigned 29 September 2022)

Samantha Olsen (resigned 28 October 2022)

Pria Rai

Harvey Redgrave (appointed 27 February 2023)

Benoit Salama (appointed 1 February 2023)

Ufuoma Irene Sobowale (appointed 1 February 2023)

Claire Starza-Allen

Jonathan Thomas

Sean Williams (resigned 15 December 2022)

Chief Executive

Naomi Hulston

Company Secretary

Nigel Richards

Registered Office

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London

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Bankers

Barclays

Level 27, 1 Churchill Place

London

E14 5HP

Solicitors

Stone King LLP

Boundary House

91 Charterhouse Street

Clerkenwell

London

EC1M 6HR

Investment Managers

HSBC Private Bank (UK) Limited

78 St James's Street

London SW1A 1JB

Auditors

Moore Kingston Smith LLP

9 Appold Street

London

EC2A 2AP



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22**

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Company limited by guarantee. Company no. 06577534