

Catch22 Social Enterprise Limited

Report and Financial Statements

Year Ended

31 August 2017

Company Number 06166785

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Catch22 Social Enterprise Ltd

Report and financial statements

for the year ended 31 August 2017

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Directors

P Williams
C Wright

Registered office

Rectory Lodge
High Street
Brasted
Kent
TN16 1JF

Company number

06166785

Auditors

Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD

Catch22 Social Enterprise Ltd

**Report of the directors
for the year ended 31 August 2017**

The directors present their report together with the audited financial statements for the year ended 31st August 2017.

Results

The profit and loss account is set out on page 6 and shows the loss for the year.

Principal activities

The principal activity of the company during the year was that of automobile maintenance and repairs. The company ceased trading in November 2016. The future plan for the company is that it will be wound up and dissolved.

Charitable and political contributions

The company did not make any charitable or political contributions during the year.

Directors

The directors of the company during the period were as follows:

P Williams

C Wright

Bridges Ventures LLP (resigned 25 May 2017)

No director had any interest in the ordinary or preference shares of the company.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

Catch22 Social Enterprise Ltd

**Report of the directors
for the year ended 31 August 2017**

state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors do not believe the company is a going concern and have prepared the financial statements on a non-going concern basis.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Kingston Smith LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the Board



C Wright
Director

17 May 2018

Catch22 Social Enterprise Ltd

Independent auditor's report to the members of Catch22 Social Enterprise Limited

We have audited the financial statements of Catch22 Social Enterprise Limited for the year ended 31 August 2017 which comprise the Profit and Loss Account, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

1. give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its profit for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
3. have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

As discussed in the going concern statement in note 1 to the financial statements, Catch22 Social Enterprise Limited is not a going concern. The company ceased trading as at 11 November 2016 and the accounts have been prepared on the basis that the company is no longer a going concern.

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 directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent auditor's report to the members of Catch22 Social Enterprise Limited

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of directors' remuneration specified by law are not made;

we have not received all the information and explanations we require for our audit; or

the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of Catch22 Social Enterprise Limited

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.

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's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' 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's or the parent 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 the parent 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.

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.

Neil Finlayson

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

22/5/2018

Devonshire House
60 Goswell Road
London
EC1M 7AD

Catch22 Social Enterprise Ltd

Profit and loss account for the year ended 31 August 2017

	Note	31-Aug-17 £	31-Aug-16 £
Turnover	2	100,056	448,402
Cost of sales		<u>(112,298)</u>	<u>(361,521)</u>
Gross (loss) / profit		(12,242)	86,881
Administrative expenses		(81,851)	(146,321)
Exceptional Items	3	36,033	188,010
(Loss) / Profit on ordinary activities before taxation		<u>(58,060)</u>	<u>128,570</u>
Taxation on profit from ordinary activities		-	-
(Loss) / Profit on ordinary activities after taxation		<u><u>(58,060)</u></u>	<u><u>128,570</u></u>

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

All activities are discontinued.

The notes on pages 10 to 16 form part of these financial statements.

Catch22 Social Enterprise Ltd

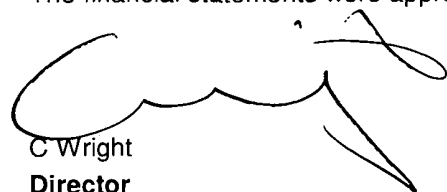
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Balance sheet as at 31 August 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed Assets					
Tangible assets	8		-		-
Current assets					
Debtors	9	-		20,323	
Cash at bank and in hand		5,671		28,532	
		<u>5,671</u>		<u>48,855</u>	
Creditors: amounts falling due within one year	10	(654,563)		(639,687)	
Net (liabilities)			<u>(648,892)</u>		<u>(590,832)</u>
Capital and reserves					
Called up share capital	11		10		10
Share premium	11		49,996		49,996
Profit and loss account			(698,898)		(640,838)
Shareholders' (deficit) funds	12		<u>(648,892)</u>		<u>(590,832)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 17 May 2018


C Wright
Director

Catch22 Social Enterprise Ltd

Notes forming part of the financial statements for the year ended 31 August 2017

1 Accounting policies

Company Information

Catch22 Social Enterprises Limited is a private company limited by shares and is domiciled and incorporated in England and Wales. The registered office is Rectory Lodge, High Street, Brasted, Kent, TN16 1JF.

Accounting Convention

The Financial Statements have been prepared in accordance with Section 1A of FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the requirements of the Companies Act 2006.

The Financial Statements are prepared in Sterling, which is the functional currency of the Company. Monetary amounts are rounded to the nearest pound.

The Financial Statements have been prepared on the historical cost convention. The principal accounting policies are set out below.

The Financial Statements for the year ended 31 August 2017 are the first Financial Statements of Catch22 Social Enterprise Limited prepared in accordance with FRS102. The date of transition to FRS102 was 1 September 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Going Concern

Due to the company's continuing losses, the directors decided to cease trading as at 11 November 2016. The directors do not believe that Catch22 Charity Limited, the parent company, will call in the amounts due to it such that the company will be unable to meet its other liabilities as and when they fall due. They further believe that arrangements will be made with Catch22 to wind down the company's affairs in an orderly fashion such that the company will meet all its other financial obligations as and when they fall due, albeit they have not received guarantees to this effect. The accounts have therefore been prepared on the basis that the company is not a going concern and therefore closure costs including the costs of ending lease early have been provided as a cost in the accounts.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Catch22 Social Enterprise Ltd

Notes forming part of the financial statements for the year ended 31 August 2017

Financial Instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

Stocks

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.

Leased Assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

Catch22 Social Enterprise Ltd

Notes forming part of the financial statements for the year ended 31 August 2017

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom and is analysed as follows:

	31 August 2017	31 August 2016
	£	£
Income from sales	94,164	437,891
Grant and other income	5,892	10,511
	<u>100,056</u>	<u>448,402</u>

3 Closure costs

Exceptional Items comprise closure costs, either actual or estimated, as below:

	31 August 2017	31 August 2016
	£	£
Impairment of tangible fixed assets	-	113,404
Write down of stock and prepayments	-	3,230
Discharge of minority shareholder loan repayment obligation	-	(377,344)
Provision for onerous lease		21,300
Staff redundancies		16,800
Other closure costs	(36,033)	34,600
Total	<u>(36,033)</u>	<u>(188,010)</u>

4 Directors

No directors' remuneration was paid in the year.

5 Operating profit

31 August 2017	31 August 2016
£	£

This has been arrived at after charging:

Depreciation	-	38,301
Impairment of tangible fixed assets	-	113,404
Operating lease rentals – leasehold premises	22,238	39,147
Auditors' remuneration	3,775	4,115
	<u>3,775</u>	<u>4,115</u>

6 Employees

Staff costs consist (including directors) of:

31 August 2017	31 August 2016
£	£
89,066	221,694
9,157	18,853
423	1,483
<u>98,646</u>	<u>242,030</u>

7 Taxation

No taxation is due in either year due to the availability of losses.

Catch22 Social Enterprise Ltd

Notes forming part of the financial statements for the year ended 31 August 2017

8	Tangible assets	Furniture and Office Machinery	Plant and Machinery	Vehicles	Leasehold Buildings	Total
		£	£	£	£	£
	<i>Cost</i>					
	At 31 August 2016	73,232	73,431	4,585	112,322	263,570
	Disposals	(73,232)	(73,431)	(4,585)	(112,322)	(263,570)
	At 31 August 2017	-	-	-	-	-
	<i>Depreciation</i>					
	At 31 August 2016	73,232	73,431	4,585	112,322	263,570
	Disposals	(73,232)	(73,431)	(4,585)	(112,322)	(263,570)
	At 31 August 2017	-	-	-	-	-
	<i>Net book value</i>					
	At 31 August 2016	-	-	-	-	-
	At 31 August 2017	-	-	-	-	-

Catch22 Social Enterprise Ltd
Notes forming part of the financial statements for the year ended 31 August 2017

9 Debtors

	31 August 2017	31 August 2016
	£	£
Trade Debtors	-	15,214
Prepayments	-	5,109
	<u>-</u>	<u>20,323</u>

10 Creditors: amounts falling due within one year

	31 August 2017	31 August 2016
	£	£
Amounts owed to parent company	614,550	538,908
Trade creditors	2,160	13,340
Accruals and deferred income	37,853	83,117
Taxation	-	4,322
	<u>654,563</u>	<u>639,687</u>

Catch22 Social Enterprise Ltd

Notes forming part of the financial statements for the year ended 31 August 2017

11 Share capital

Allotted, called up and fully paid

	31 August 2017	31 August 2016	31 August 2017	31 August 2016
	Number	Number	£	£
At 31 August 2017				
Ordinary shares of 1p each	<u>1,000</u>	<u>1,000</u>	<u>10</u>	<u>10</u>

Share premium

	31 August 2017	31 August 2016
	£	£
Share premium	<u>49,996</u>	<u>49,996</u>

12 Shareholders' Funds

	Share capital	Share Premium	Profit & Loss
	£	£	£
<i>Cost</i>			
At 31 August 2016	10	49,996	(640,838)
Loss in the year	<u>0</u>	<u>0</u>	<u>(58,060)</u>
At 31 August 2017	<u>10</u>	<u>49,996</u>	<u>(698,898)</u>

13 Reconciliation of movements in shareholders' funds

	31 August 2017	31 August 2016
	£	£
Profit/(loss) for the financial year	<u>(58,060)</u>	<u>128,570</u>
Net change in shareholders' funds	(58,060)	128,570
Opening shareholders' funds	<u>(590,832)</u>	<u>(719,402)</u>
Closing shareholders' funds	<u><u>(648,892)</u></u>	<u><u>(590,832)</u></u>

Catch22 Social Enterprise Ltd
Notes forming part of the financial statements for the year ended 31 August 2017

15 Related party transactions

Catch22 Charity Limited (the Ultimate Parent Company) made payments on behalf of Catch22 Social Enterprise Limited during the year totalling £22k (2016: £56k) and Catch22 Social Enterprise Limited made payments of £30k (2016:£36k) on Catch22's behalf, which have been reimbursed. In addition Catch22 made loans to Catch22 Social Enterprise Limited. The amount that was due to Catch22 from Catch22 Social Enterprise Limited at 31 August 2017 was £615k (2016: £539k)

16 Ultimate parent company

At 31 August 2017, the company's ultimate parent company was Catch22 Charity Ltd, which is the parent of both the smallest and largest groups of which the company is a member.

Copies of the consolidated financial statements of Catch22 Charity Ltd are available from Companies House.