



CATCH 22 CHARITY LIMITED

Trustees' Report and Financial Statements

FOR THE YEAR ENDED 31 AUGUST 2022



Company number: 06577534

Registered charity number: 1124127

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“Never has there been a time when the services and programmes Catch22 provides are more needed”



2022 saw some seismic events – both in the UK and globally. The war in Ukraine dominated world news, set against the backdrop of domestic political turmoil, the death of the Queen, public sector strikes and a growing cost of living crisis.

Never has there been a time when the services and programmes Catch22 provides are more needed.

We have seen an increasing demand in young people accessing support for drug, and alcohol misuse, mental health services and in those being referred to our child exploitation services. Our employability programmes have helped hundreds of people of all ages secure good, sustainable work - at a time when they've needed it most. And we continue to expertly support victims of crime to get their lives back on track, as well as working with people on probation to prevent reoffending.

At Catch22, we strive for a world where everyone has what we call the '3 Ps' – good people around them, a safe place to live and a purpose in life. It is our mission to ensure everyone we work with has the opportunity to realise those 3Ps, even when the scale of the problems they face seem unsurmountable.

In this Review, you'll find some fantastic examples of what we've done in the last 12

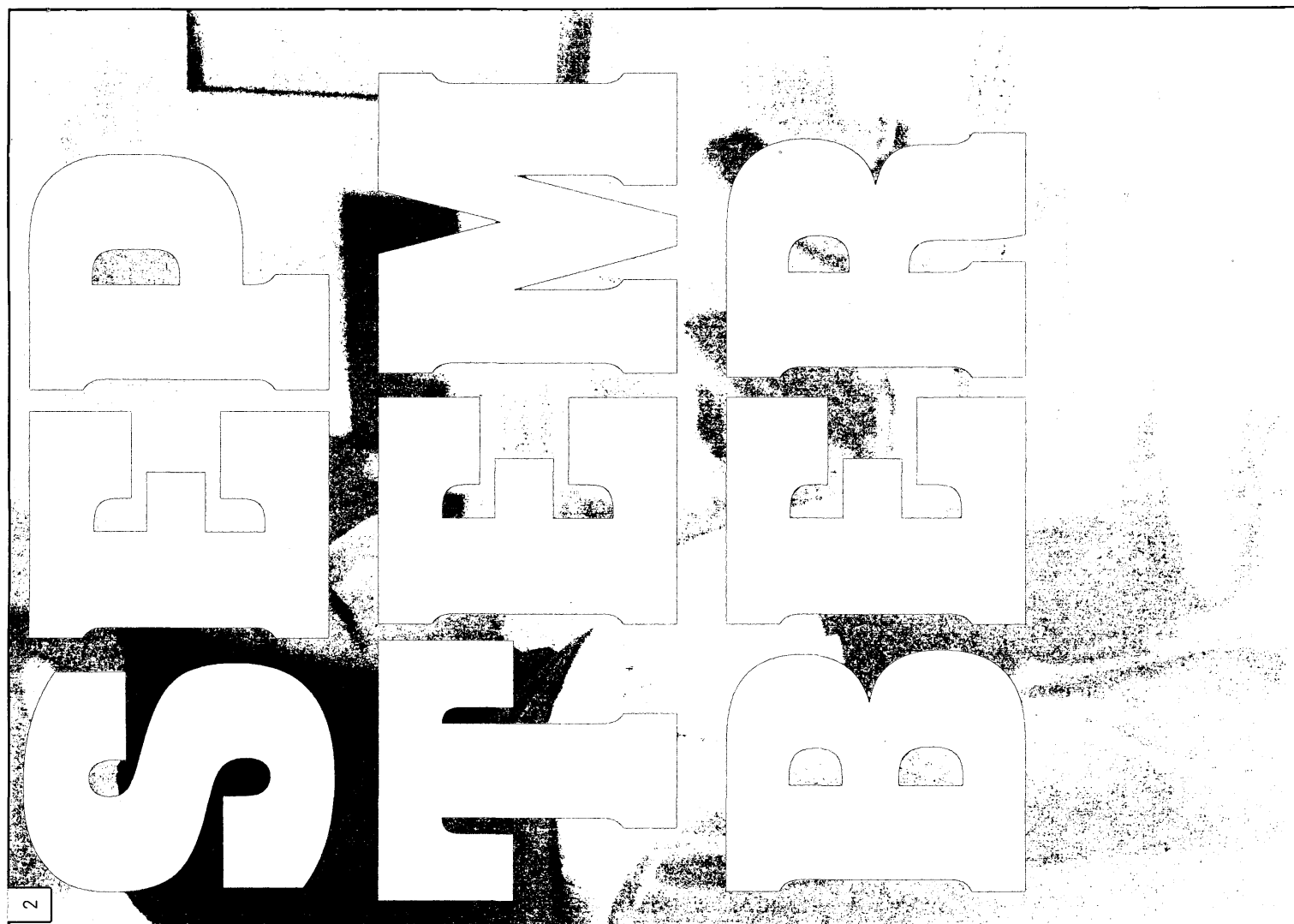
months to progress this vision. You'll find examples of how we've:

- Changed individual mindsets: empowering our service users so they can grasp opportunities and fulfil their potential.
- Delivered continually improving services: evolving our services and programmes to be the best they can.
- Improving how services are commissioned: promoting the idea that public services can be delivered effectively through a combination of the voluntary, public and private sectors.
- Driving policy change: taking the learnings from our service delivery and informing the direction of national policy.
- Championing systemic change: being relentless in our pursuit of more effective public service delivery for those who are most marginalised.

It has also been a year where we've invested in our staff because it's the passion, commitment and expertise of our people that make us who we are.

I want to thank everyone who has worked with us over the last year – our partners, commissioners, coalition colleagues, policy makers – and most importantly our service users. As we embark on our new, ambitious three year Business Strategy, your support and insight will be invaluable in ensuring we're driving change and creating a world where everyone, no matter what their background, is able to thrive.

Naomi Hurston, CEO



Rothschild Foundation partners with Catch22 to support those facing barriers to employment into work

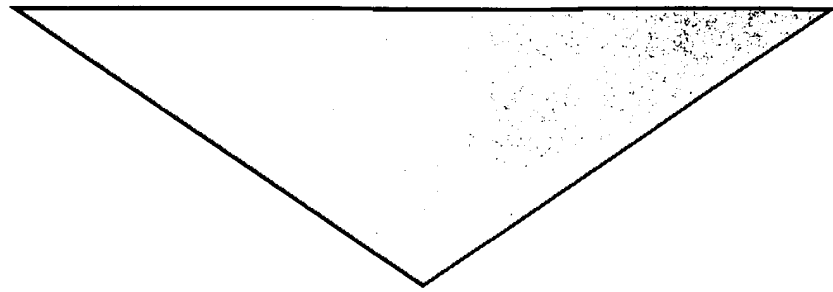
The 2-year partnership will fund Catch22's Horizons employability programme- thought to be one of the first employability programmes to address both unemployment and underemployment; where work is either low paid, unstable or without opportunities to progress.

With the support of Rothschild Foundation, the programme has been able to expand its reach and help more people who are facing challenges – whether that's homelessness, poor mental health, low education attainment or other barriers – into meaningful work.



ROTHSCHILD
FOUNDATION






Coding for prisoners: Code4000 joins Catch22

Code4000 trains people in prison to learn to code – from the basics, right through to becoming full-stack software engineers – and then help place them into jobs.

The impact is impressive: compared to a national reoffending rate of 46%, none of Code4000 graduates has gone on to reoffended.

CODE
4000
TEACHING TECH
CHANGING LIVES

Catch22, The Prince's Trust and Apprentice Nation join forces to secure major contract to help up to 1,500 young people move closer to work



Young people aged 16-25 who are at risk of serious violence are benefitting from an inspiring new employability programme delivered by Catch22, The Prince's Trust and Apprentice Nation.

The Creating Opportunities Programme – funded by the Home Office and HM Treasury – helps up to 1,500 young people develop the skills they need to make a successful transition into work, training and apprenticeships.

The programme supports participants by:

- Reducing risk factors and increasing the protective factors for serious violence
- Demonstrating progress in their distance travelled towards employment
- Improving their overall physical and mental wellbeing

150

30

35

Royal visit to Wolverhampton's Violence Reduction Service

The Princess Royal, Catch22's patron, was welcomed to the Wolverhampton Violence Reduction Service earlier this month, to meet young people supported by the service and the staff intervening with young people at risk of harm by gangs.

Her Royal Highness spoke to staff in both strands of the service – the Community Team and the Resettlement Team.





Austen Academy school opens for children with autism

The Austen Academy officially celebrated its opening on 21st October, with attendance from local MP Maria Miller.

The Basingstoke school is funded by the Department for Education and currently has capacity for 128 students from age 5 – 16, catering for children with an Autism diagnosis.

“It has been a challenging couple of years for everyone, our students included. We are thrilled to welcome them and our community to a school which is the first in the area specifically designed to improve the future opportunities of children with autism. Our students are doing exceptionally well.”

Liz Cooper, Headteacher





Catch22's Fen Rivers Academy achieves UNICEF Silver Award

Just one year after claiming the Bronze 'Rights Committed' accreditation, Fen Rivers Academy, based in King's Lynn, achieved a Silver award in recognition of their 'Rights Awareness'.

The assessor's report said: 'Staff acknowledged that learning that everyone has rights had helped some children become more empathetic and understand the impact of their actions. The headteacher identified that RRSA had had "a massive impact on behaviour."'

"It has been a challenging couple of years for everyone, our students included. We are thrilled to welcome them and our community to a school which is the first in the area specifically designed to improve the future opportunities of children with autism. Our students are doing exceptionally well."

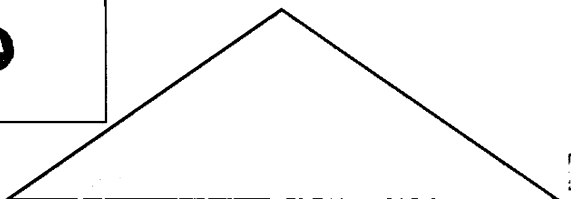
Amanda Fewkes, Headteacher

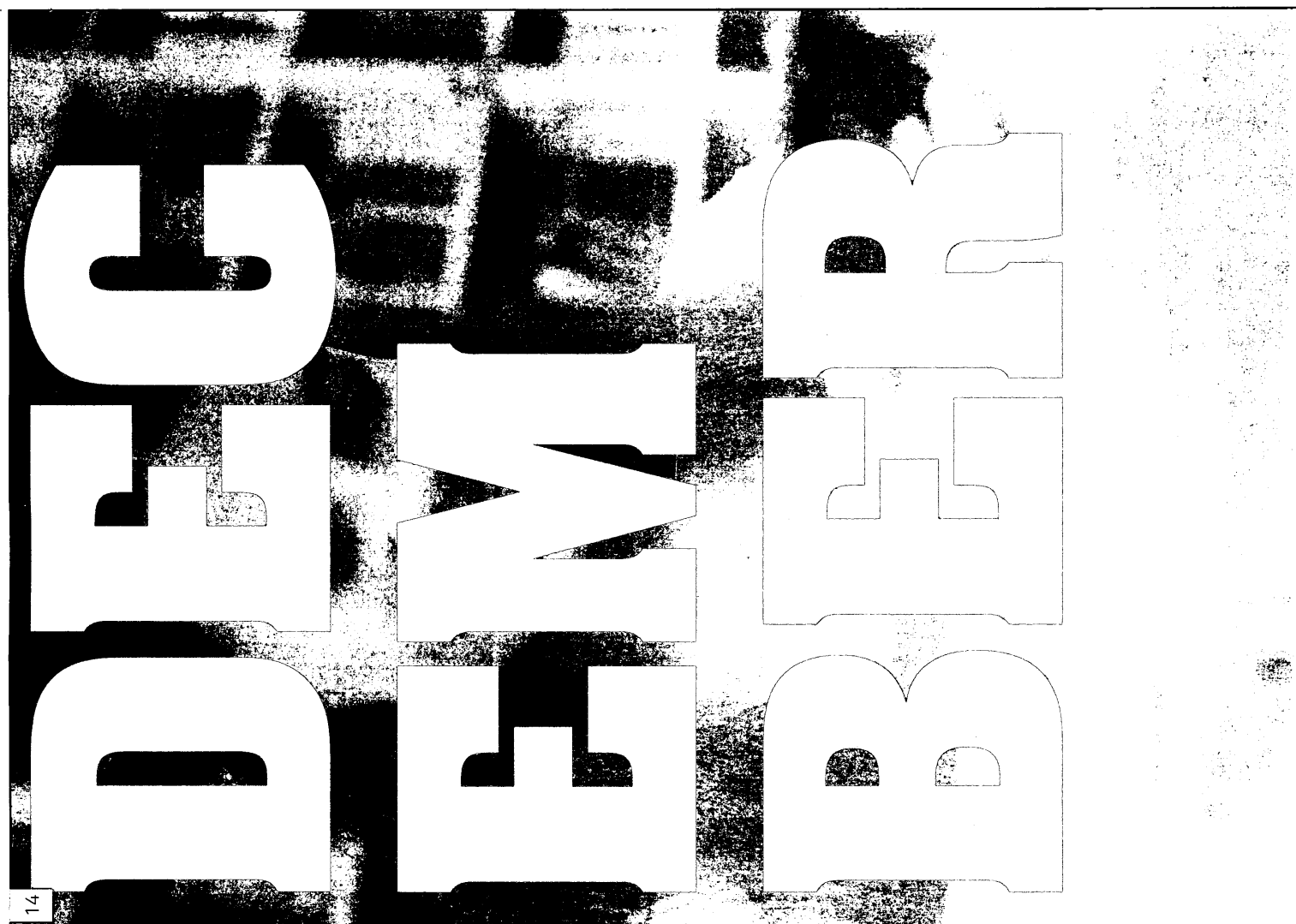


Catch22 scoops national Children and Young People Now and ERSA awards

The dedication of the Catch22 teams, delivering high-quality services to those who need them most, was recognised this month with wins across two national award ceremonies.

Bright Light was been awarded the Children and Young People Now Leaving Care Award for its employability support to care leavers, whilst Arcus FM – a partner employer for Bright Light – won the ERSA Employer of the Year award for showing “exceptional commitment by partnering with providers in their areas, supporting disadvantaged and long-term unemployed jobseekers.” Our Hertfordshire KETS team also won the ERSA Employability Team of the Year – Hidden Heroes, for their work behind the scenes to enable the best employability support service out there.

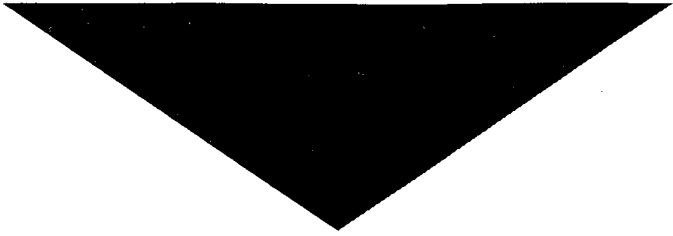




Research reveals significant increase in the proportion of missing incidents caused by children and young people's emotional wellbeing.

Reflecting on the findings from our services, we launched our Missing and Emotional Wellbeing Report, which was featured in an article in The Guardian. The report makes a series of recommendations, including:

- There must be timely access to mental health support when children disclose poor mental health during a return home interview (RHI).
- Children or young people having been reported missing or at risk of exploitation should be supported by a fast-track referral into Child and Adolescent Mental Health Services.
- During a missing report to Police, call-handlers should ask explicitly about the child's state of mind at the time of going missing, to support accurate risk assessment and appropriate response and investigation



Surrey's Police and Crime Commissioner teams up with Catch22 to prevent child exploitation

This month we were recommissioned to deliver our hugely successful Music to My Ears Service, which uses the arts as a means of intervention and engagement with young people at risk of, or affected by, criminal exploitation.

The expanded service offers a combination of creative workshops and tailored one-to-one support from a named advisor to help individuals to address the root causes of their vulnerability. Focussing on early intervention that recognises the family, health and social factors that can lead to exploitation, the three-year project will increase the number of young people supported away from exploitation by 2025.





Highly successful Pan-Merseyside Child Exploitation Service extended



Under-18s who are victims of sexual or criminal exploitation, County Lines and trafficking will continue to be supported by our excellent Pan-Merseyside team. The service has been re-commissioned and extended due to our excellent delivery.

With the funding, we will carry out comprehensive screening and assessment to identify young people who are at risk of exploitation and deliver a programme of intervention and long-term support to ensure they are able to fully cope and recover and reduce any further risk.

“This £2.5m funding package demonstrates how committed we are to improving the protection and care we provide for vulnerable young people in Merseyside, ensuring they don’t fall prey to criminals”

Emily Spurrell, Police and Crime Commissioner for Merseyside



Pioneering partnership to drive social impact in justice

Catch22 is running a pilot programme called Achieving Compliance and Engagement (ACE), which aims to reduce the rate of Fixed Term Recalls (FTRs) as a result of non-compliance with licence conditions in London. Prison leavers who are high risk of being recalled are identified, and the programme intervenes early.

We've forged a pioneering partnership between our Achieving Compliance and Engagement (ACE) project and Masters Students at Royal College of Art's to create a number of tools integrating service design principles to enhance the effectiveness of the service. These include:

- I am- an intervention to help people on probation express themselves and

develop stable emotion conditions and build better relationships

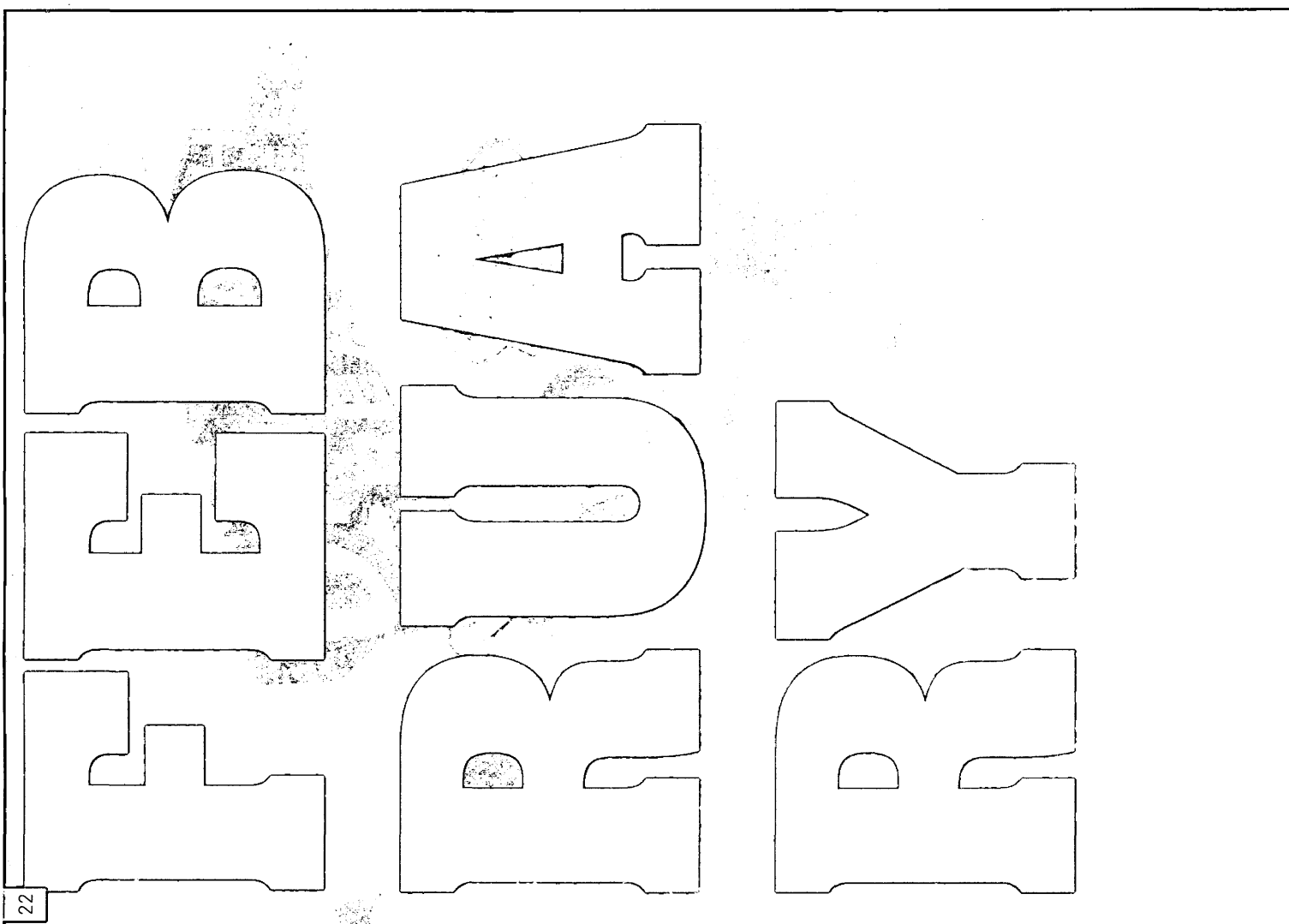
- Conversation as a practice - a framework consisting of two interventions aimed to assist Catch22 staff in building positive perceptions around probation and figures of authority
- Quick Facts - a collection of guides that compile information based on the most common needs and inquiries of people on probation
- 4 GP- aimed at improving communication throughout different stages of the service user journey (in custody, before release, day of release and probation)

Senior Capita Director joins Catch22 Board

Jonathan Thomas, Senior Business Development Director at Capita, was appointed a Catch22 trustee. He has undertaken a variety of senior roles in support of the public sector during his career within Capita, having joined in 2005. He has been instrumental in designing innovative service delivery models, the development of public sector strategy and has secured numerous partnerships across Local Government, Health, Central Government and Education, delivering over £400m of savings to the public sector.

“Throughout my career I have been motivated by a desire to improve public services and I am excited by the opportunity to assist Catch 22 provide critical services that overcome disadvantage, address inequality and create opportunity.”

Jonathan Thomas, Catch22 Trustee



OFSTED ‘good’ for colleges and apprenticeships

Catch22’s seven colleges are designed for learners aged 16 to 19-years-old, with programmes tailored to each learner’s individual needs, education and employment goals. We support a significant number of learners with learning difficulties and disabilities.

Catch22’s colleges and apprenticeship provision were rated ‘Good’ by OFSTED following an inspection this year.

“Learners and apprentices enjoy learning in a positive, respectful and caring environment.”

Ofsted, February 2022



Lighthouse Pedagogy Trust opens first Children's Home

Incubated by Catch22, Lighthouse Pedagogy Trust's first home opened in Sutton, London this month.

The home offers a safe, nurturing and empowering community in which young people aged 12-17 can develop, learn and thrive. Our team understand that as a result of their lived experiences, some of our young people may express themselves in ways that

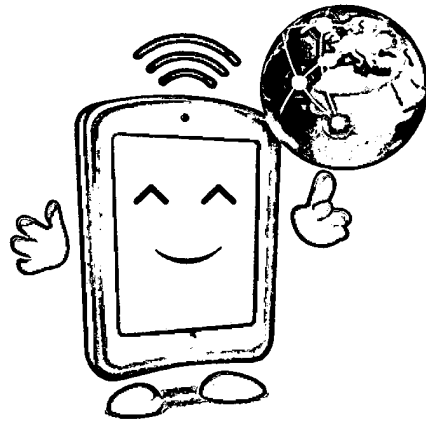
require an extra layer of compassion, patience and understanding and we are set up to help navigate these complex emotional dynamics.

The home supports all young people, whether their aim is to return to live with family, move on to foster care, prepare to live in their own flat or in supported accommodation.

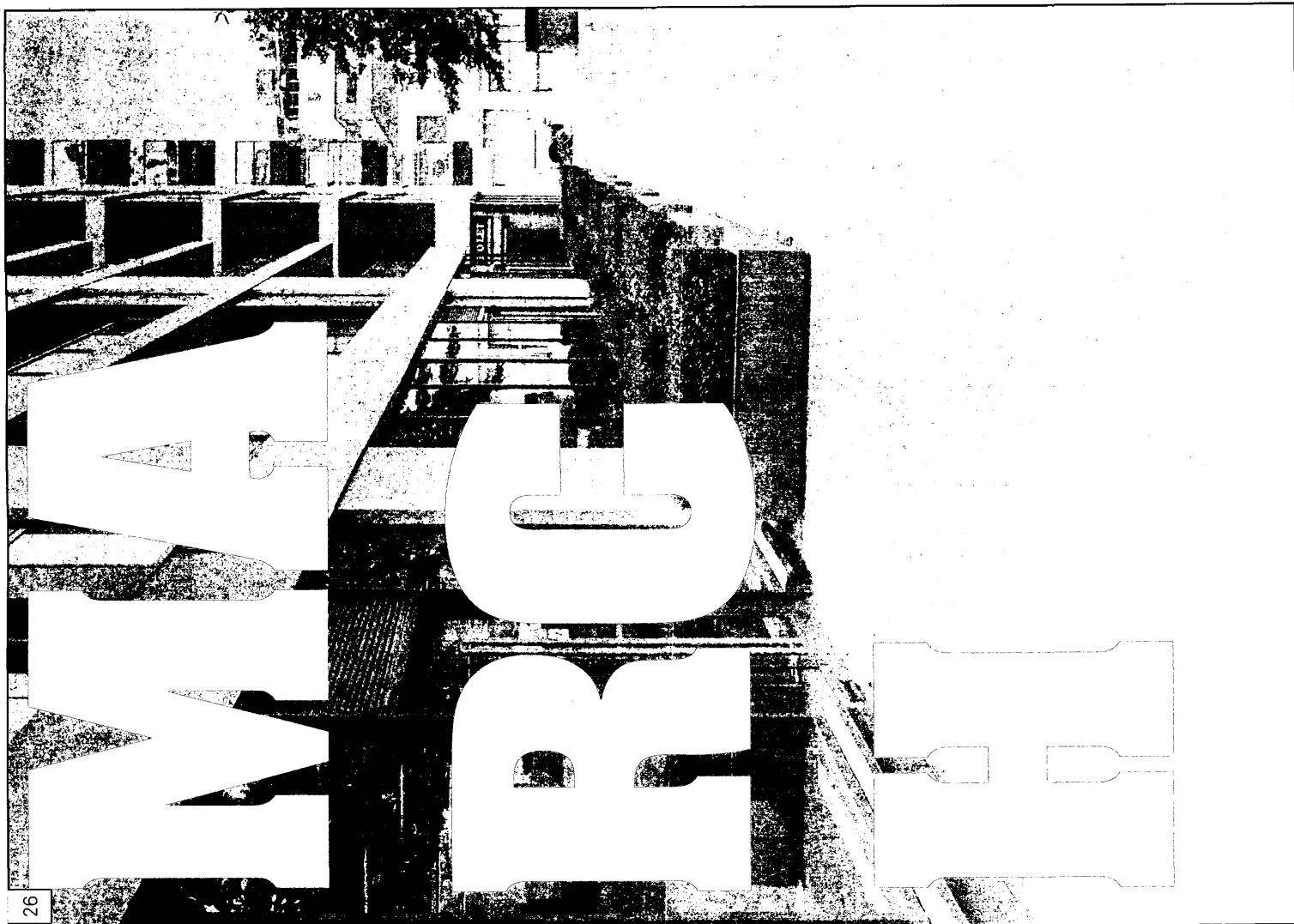


How does gaming equip young people for life?

Ahead of Safer Internet Day 2022, Catch22 hosted a virtual event to explore online gaming – from the opportunities it can present for young people and the skills it can develop, to the challenges of safely encouraging one of the fastest-growing industries. Speakers included representatives from UKIE, Women In Games, Game Academy and Parent Zone.



Safer
Internet
Day 2022



Online Safety Bill influencing

The Online Safety Bill was introduced to Parliament, marking a major step forward for tackling growing harms seen online. Our response was the start of a series of activities to influence the content of the Bill, including giving oral evidence to the Online Safety Bill committee. We want to see:

- **Safety by design**
focus: As new apps and features are developed, particularly as we see things like the 'metaverse' grow, there should be a legal design requirement to demonstrate that if children use these tools, which we know they are, their safety is paramount.
- **Transparency**
from platforms, at
- **Empowerment**
for the individual, enabling them to complain to the regulator or a representative body.
- **Age Assurance** in a manner which protects privacy and data and is accessible for every individual – not just those with passports / ID.
- **Media literacy** for all – with a requirement on these hugely influential platforms to fund training and advocacy programmes.

minimum in the form of annual reports, to enable impactful academic research into the how online harm can be tackled.

Mental health award for staff at Fen Rivers Academy

The InsideOut awards recognise those who have gone above and beyond in supporting and championing the mental health of those around them, particularly in the workplace. Amanda Fewkes, Headteacher at our Fen Rivers Academy, won the InsideOut 'Line Manager' Award, while Judith Henson (who runs Wellbeing Wednesdays at the schools to support health with their mental wellbeing) was shortlisted for the 'Behind the Scenes Champion' Award.



"I am a passionate advocate for positive mental health and wellbeing, firmly believing that my staff team and the pupils we serve will all thrive and achieve great things if we care for their wellbeing and they are able to be their authentic selves; feeling seen, heard and held in mind."

Amanda Fewkes,
Headteacher, Fen Rivers
Academy

Supporting prison leavers to reintegrate

Catch22 delivers nine Personal Wellbeing Support services for prison leavers on licence, leavers requiring post-sentence supervision, and those serving community or suspended sentences. The services focus on four key areas:

- Family and Significant Others,
- Lifestyle and Associates,
- Emotional Wellbeing, and
- Social Inclusion

As part of our weekly blog series, which covers a range of perspectives and insights from across Catch22, one of our Personal Wellbeing practitioners shared his experience of helping a prison leaver reintegrate into society.

“When I went to visit Mr F in his new area, we went for a walk to the retail park and he couldn’t stop smiling. I could see that the tension and pressures that he had been under for the last 6 months whilst housed in an unsafe area were lifting and he had something to look forward to again.”

Tobias Benson, Catch22 Navigator Mentor



Care leavers and the cost of living crisis

Our National Leaving Care Benchmarking forum led an open letter to the UK government calling on them to take action to minimise the impact of the cost of living crisis on care leavers. Alongside other charity leaders, we warned that the current cost of living increases the risk of tipping care-experienced young people into poverty. The letter called for the government to help support care leavers through changes to Universal Credit and ringfencing Household Support Funds.

“Just to make it clear, I am working 2 jobs and still worried about not being able to cover costs from the living rise, so I can just imagine how anxious others are feeling.”

Care-experienced young person

Unlocking creative job opportunities through partnership with TikTok

An exciting new multi-million pound partnership between Catch22 and TikTok was announced this month. The TikTok Creative Academy is a programme providing creative and digital jobs training to level up and support communities right across the UK.

In just 6 months, more than 60 young people have been through the programme, with many securing jobs with the likes of the Museum of Liverpool, Turner Contemporary, Art Gallery in Margate and Delfont Mackintosh Theatre.

“We are thrilled to be partnering with Catch22 to bridge the gap between young people and the creative industries – to truly enable creativity for all.”

Rich Waterworth, General Manager for TikTok UK & Europe



Justice Minister visits Hertfordshire Beacon victims service

Minister of State for Justice and Deputy Prime Minister Dominic Raab visited our Hertfordshire Beacon service for victims of crime. He announced new funding for domestic abuse and sexual violence victims and was given a demonstration of the new Beacon app – Herts Beacon Assist.

“There is an excellent organisation called Catch22, which runs the PCC’s victim fraud services in Hertfordshire and spends a great deal of time not only looking after the victims’ needs but trying to get the money back for them.”

Dame Vera Baird, Victims Commissioner, speaking at the Digital Fraud Committee



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Welcome to our new CEO, Naomi Hulston!

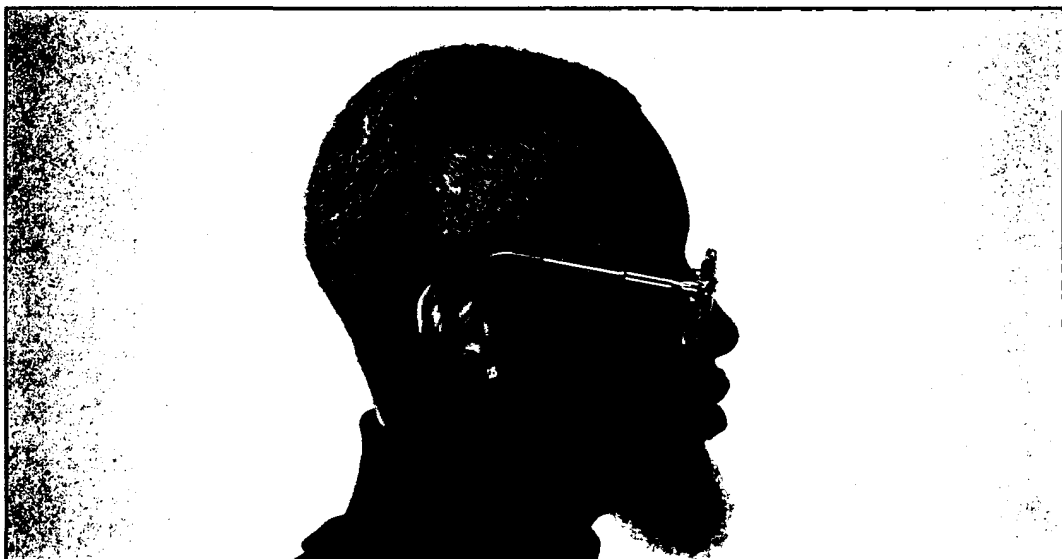
Following a rigorous recruitment process, our Chief Operating Officer, Naomi Hulston, was promoted to Chief Executive Officer this month. Naomi has been with Catch22 for a total of 21 years, and during that time has held a total of 14 different positions, progressing from a volunteer to Chief Operating Officer in 2017. She brings with her a wealth of experience in successfully overseeing the organisation's operational delivery, as well as huge passion for Catch22 and the work we do.



Links Media College launches

Community Links launched Links Media College - a free, part-time fully accredited college in Music Tech, English and Maths for 16–19-year-olds.

The College specialises in offering learning and training opportunities for students who, for whatever reason, don't want to stay in a traditional academic environment. We provide our students with a different option – the opportunity to carry on their learning in a smaller, highly supportive environment where the focus is on providing learning and training options to help students gain the skills, qualifications and experiences they need to achieve their goals in life. As well as helping students build skills in English and maths, they can gain a Level 2 certificate in Music Technology.



Helping young people facing disadvantage to thrive online

With funding from the Avast Foundation, we commissioned an extensive piece of research exploring how young people who are often marginalised – in particular those outside mainstream education – can be supported to thrive in the online world. We produced a guide for practitioners to put the research into practice, with advice on how to:

- Ensure young people feel safe and comfortable
- Ensure accessibility and clarity of understanding for all
- Ensure young people feel completely in control
- Establish and maintain trust
- Build confidence and feelings of belonging

“Too often, young people are pushed towards programmes on ‘online safety’ and ‘digital skills’, which invariably have good content, but often struggle with poor engagement. We need to speak the language of young people. That means talking about what they care about, not what we think they should care about.”

Kat Dixon, Director of Partnerships, Catch22



END

Mental health support through Community Connectors

Community Links' Community Connectors programme launched this month, helping people of all ages suffering from mental illness. The 5 year £3.9m programme aims to work with GPs and in the community to help more than 6,000 people.

Community Links receives a makeover!

We were able to reinvest £80,000 into improved facilities for service users, volunteers and staff at the Community Links building at 105 Barking Road.





High praise for Catch22's Wolverhampton Community Service

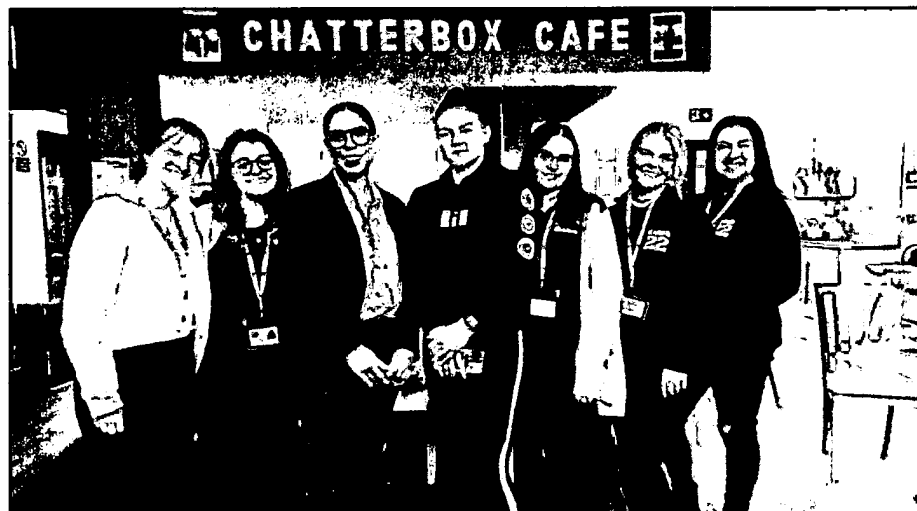
Our Wolverhampton Community service provides early intervention and prevention to young people who are at risk of harm from gang activities. It also supports at-risk and fully gang entrenched young people to identify viable alternatives to the gang lifestyle, violent activities, and antisocial behaviour. In the service's final evaluation report, the evaluator states that: 'the support workers are passionate about the service and frequently go above and beyond to assist the people they support.'

"The WVRS Community Service is highly respected for their expertise and ability to reach young people that no other statutory or professional service can...the Community Service makes a real impact in the lives of people and communities it supports"

Evaluation report

Youth Café launches for victims of child exploitation

Catch22's Derby and Derbyshire C.A.R.E.S service has launched a local youth café called Creative Catch, a monthly session providing a safe and vibrant environment for young people to speak to our practitioners. The café was opened by Derby resident and professional boxer Sandy Ryan, who dedicates some of her free time to the young people supported by the service. Later in the year, the café moved location and received a visit from special guests Rap duo Flintz and T4ylor, famed for their success on Britain's Got Talent.



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Teaching coding in prisons

Code4000 secured £75,000 of funding from the PA Foundation to extend its programmes to more prisons. Code4000 teaches computer programming in prisons and supports students into employment in the technology industry upon release.



40%

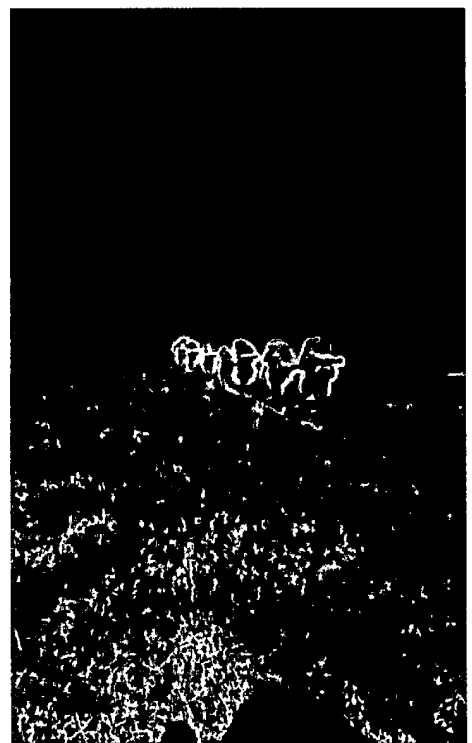
**of Code4000 graduates
found employment
upon release, and none
of our graduates have
reoffended or been
returned to custody.**

Exploring in Iceland

33 young people attended and completed a Dangoor project to Iceland with the British Exploring Society

“My expedition was a life changing experience. It was challenging at times, especially when something unexpected would occur, such as the planned camping area having no water due to the river drying up and continuing walking when I was exhausted and still had a long walk ahead. However, all of the challenges were worth it...my top moment of the expedition was doing the macarena on top of a volcanic crater at dusk, which was a breath-taking moment that made me really realise how lucky I was to be on expedition.”

Eleanor, 18, participant



SEND Green Paper response

Catch22 provides alternative and special full-time and part-time education for young people aged 4-18 years old displaying a wide range of complex barriers to education, including those who are excluded or at risk of exclusion and those with social, emotional and mental health (SEMH) needs or special educational needs and disabilities (SEND).

In our response to the SEND green paper, we called on Government to:

- Stabilise funding and resourcing thresholds so that schools can plan for SEND support with a more secure, certain and long-term approach.
- Demand that careers support is prioritised in specialist and alternative provision schools with dedicated careers advisors and a focus on working with post-16 destinations to ensure they are flexible enough to accommodate reasonable adjustments required for the individual to perform.
- Strengthen the requirement for Education and Health Care Plans (EHCPs) to be completed with a target based approach, in which interventions are articulated by need.



Finance, Benefit and Debt service goes live

Our new Finance, Benefit and Debt Community Rehabilitative Service went live this month. The service works with people on probation from across the 32 London boroughs, providing advice, support, guidance, information, signposting, and advocacy to reduce re-offending. The service is funded by the Ministry of Justice and delivered with partners including Barclays, RIFT and Community Links, also part of Catch22.

“This new contract complements the work we’re delivering as part of our personal wellbeing contracts – and aims to address some of the root causes of reoffending. Too often those who have been in the criminal justice system find it difficult to get their finances in order and don’t know where to go for help with claiming the benefits they’re entitled to. This inevitably leads to an increased likelihood of reoffending.”

Lisa Smitherman, Strategic Director of Justice and Education, Catch22



New Dependency and Recovery Service in London

Catch22, supporting The Forward Trust, is now delivering the Dependency and Recovery Service in London. The service will help thousands of people on probation (prison leavers and those on community orders). It's part of a suite of add-on services that probation teams can commission to provide tailored wrap-around support to their clients and has been designed to bridge the gap between probation and substance misuse services in the community. Catch22 will be specifically working with 18-25 year olds, building on our experience of running successful substance misuse services.

5,000 young people excel on National Citizen Service programme

Nearly 5,000 young people completed the National Citizen Service (NCS) programme with Catch22 this year, taking part in a range of activities including raising thousands of pounds for local charities as part of their social action projects. This month, Angela Rayner MP, Deputy Leader of the Labour Party, joined a group of Tameside teenagers taking part in our NCS Summer programme.



FINANCIAL HIGHLIGHTS

2021/22 was another progressive year for Catch22's financial performance and we are grateful for the continued flexibility and commitment of our staff in ensuring we have continued to deliver quality services to even more participants.

Our underlying income has grown through a combination of increased activity following the pandemic, new contracts and new partnerships along with a very high retention rate of our existing contracts, which is testament to the quality of our delivery and our ability to meet the needs of both our beneficiaries and our commissioners and funders. Operating costs have remained well controlled, and we have benefitted from the mergers of Community Links Trust and Ripplez into Catch22 last year, which have enabled us to generate further economies of scale and reduce certain support costs.

Support costs have increased but this has been in response to the growth of Catch22 and planned investment by the trustees in resources to grow our partnership income, improve our technology infrastructure and ensure the safety of our participants and staff.

During the year we sold 60% of our shareholding in Jobs22 to our joint venture partner, the Angus Knight Group, reducing our shareholding from 50% to 20%. Angus Knight intend to grow Jobs22's presence in the UK's employability and skills market and Catch22 will also benefit from a potential future dividend income stream.

Although the value of our investment portfolio fell during the year, the investment strategy followed by our investment managers protected the portfolio from the volatility and falls seen in global markets and we remain confident that the total returns target of the portfolio will be met over the medium to long term.

Our income from public service delivery grew, primarily through a combination of a full year of NCS activity following the pandemic and a full year of our Justice

probation contracts that were secured last year. During the year we secured further probation contracts and contracts to support victims of county lines exploitation.

The focus on growing our work with corporate partners continued and we invested in further resources in this area as we believe that it is an important way to facilitate our ability to innovate and deliver on our reform agenda focus of youth employment. Our current partnerships have a particular focus on digital skills and green jobs. As well as retaining existing partners, during the year we secured new partnerships with the Rothschild Foundation and TikTok.

FUTURE PLANS

Our new 3-year business strategy was launched in September 2023 and a key guardrail was to ensure that the organisation is 'financially stable and sustainable; one true to its social value DNA'. Catch22 is well positioned financially for the future, despite the wider economic and geopolitical uncertainty, with strong reserves some of which the trustees have agreed to invest in other elements of the business strategy including the use of data and analytics to evidence and improve impact; ensuring that the organisation is environmentally compassionate and growing our reach to more service users.

The trustees have taken the strategic decision, working collaboratively with the Regional Schools Commissioners, to re-broker all the academies to new trusts and wind-up the MAT.

FINANCIAL HIGHLIGHTS (CONTINUED)

It is anticipated that the re-brokering process will be complete by 31 August 2023. Whilst this

will lead to a fall in income for the group and a realignment of support costs will be required, it will enable the charity to focus on its delivery of Education through its independent school provision, an area which we remain committed too and will look to grow.

On 1 February 2023 our apprenticeship delivery, a part of our Vocational Training delivery, was transferred to Simply One Stop Limited t/a Learn plus Us. We are really proud of our delivery of apprenticeships and the “Good” grade 2 Ofsted report achieved, but we were not able to grow our delivery to the scale required 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.

Our event management and hire trading company, Community Links Trading Ltd t/a Links Events Solutions was significantly impacted by the Covid-19 pandemic and despite the best efforts of its staff and directors a return to profitability has not been achieved, and therefore in order to protect Catch22 from incurring further losses the directors decided in February 2023 to cease trading and wind-up the company in an orderly way.

SUMMARY OF FINANCIAL RESULTS

The group's financial performance for the year to 31 August 2022 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) and in particular the establishment of new academies. The underlying financial performance of the group is therefore better represented by the movements on Restricted Funds, increase of £2.1m (2021: decrease of £0.4m) and Unrestricted Funds, increase of £4.0m (2021: £2.4m).

The increase in Unrestricted Funds is after net exceptional items expenditure of £nil (2021: £0.6m). The 2021 expenditure related to the clawback of funds due to non-delivery by a subcontractor, the costs of organisational restructures, the impairment of tangible fixed assets, and the loss on disposal of Only Connect UK from the group. The increase in Unrestricted Funds includes the sale proceeds of the shares in Jobs22 amounting to £5.2m (2021: £nil).

Overall, the group's consolidated balance sheet has strengthened further during the year, with Restricted Reserves of £6.2m (2021: £4.0m) and Unrestricted Reserves of £15.7m (2021: £11.7m). These reserves provide a solid base for the future of the organisation and the trustees have chosen to invest some of the Unrestricted Reserves as outlined above. The strong balance sheet will also help to shelter the group from the impact of the current inflationary pressure being experienced within the economy and help support our staff through the cost-of-living crisis.

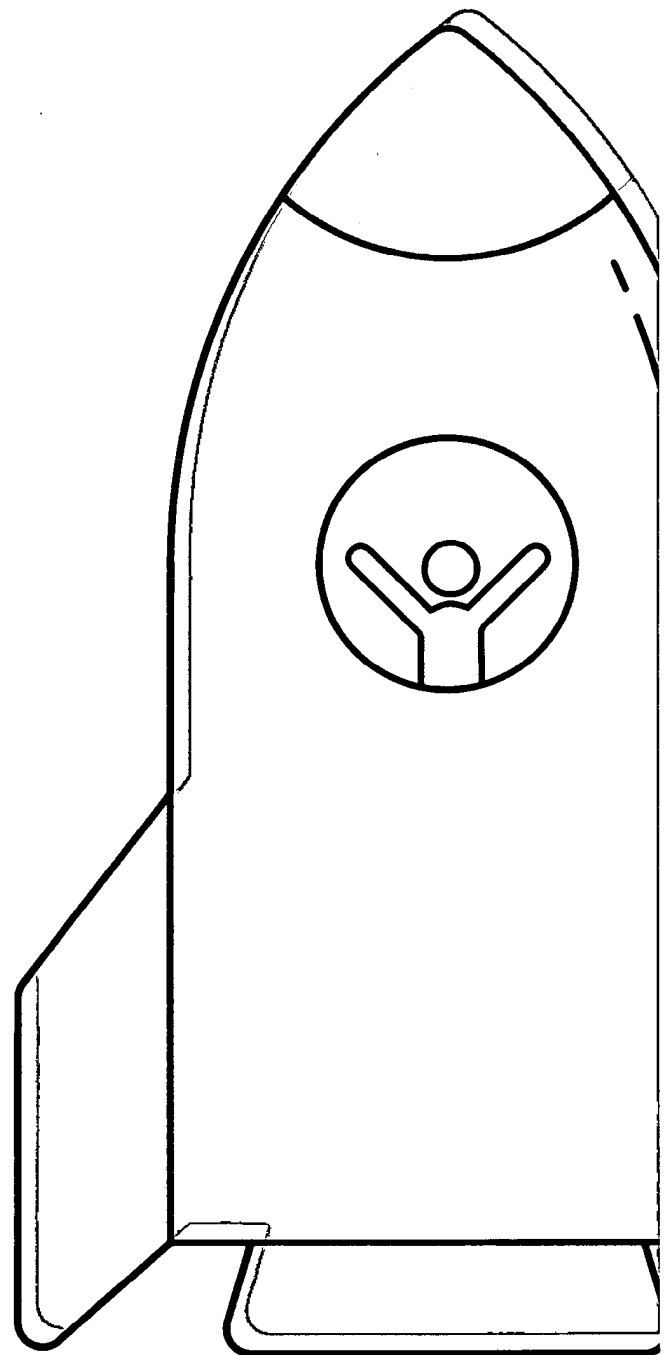
As a result of the group's strong financial performance, its focus on partnership income, which tends to be paid in advance of delivery, and the sale of the shares in Jobs22 the cash position has improved significantly with the bank overdraft at 31 August 2022 reduced to £nil (2021: £2.0m) and cash at bank of £9.2m (2021: £5.4m).

The diverse nature of the group's income streams allows it to take a 'balanced portfolio' approach, 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 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, as we have set out above.

Whilst in the short-term, due to the closure of the MAT, income will fall in 2023/24, we intend to continue to look to grow the organisation as we believe that scale offers financial protection and allows us to continue to offer a platform to social entrepreneurs and smaller organisations to develop their ideas and secure their future impact. We continue to think there are particular growth opportunities for the organisation in its Justice work, the expansion of its children's home offer (first home opened in early 2022), and corporate partnerships.

Despite the closure of the MAT and the transfer of apprenticeship, we will still seek to maintain the rest of the diversity of the group's income streams

as this also offers financial protection to the organisation and helps secure its long-term sustainability to continue to deliver impact for its service users and the reform of public services. We will also seek mergers and acquisitions with other organisations where they can increase impact and improve financial sustainability.



INCOME

Total income for the year to 31 August 2022 was

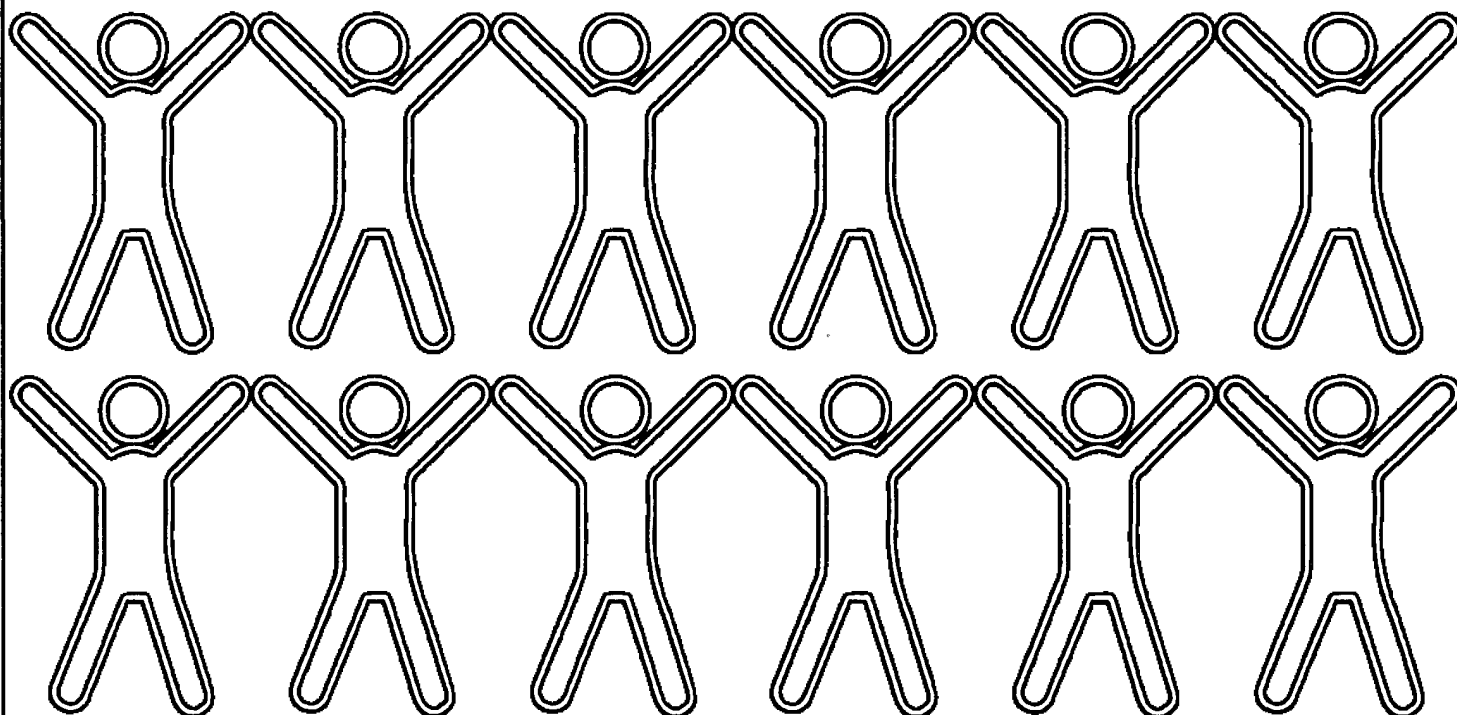
£54.8m

compared with

£65.2m

for the previous year.

Voluntary income in the period included £0.3m (2021: £nil) of pension liabilities transferred to another academy trust on the re-brokering of the Everitt Academy from the MAT. In the previous year only, Voluntary income included long leasehold land and buildings transferred from local authorities used by new academies in the MAT of £17.9m.



After adjusting for these 'one-off' income amounts, income for the year is

£54.5m

compared to

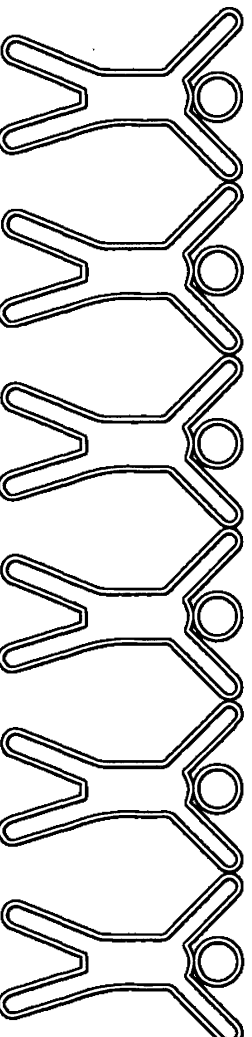
£47.3m

in the previous year, an increase of

15%

Donations, legacies, and grants were 15% of income excluding 'one-offs' (2021: 12%). This demonstrates the continues success of our strategy to increase voluntary income from corporate funders and in particular the new partnership secured with TikTok to develop the TikTok Creative Academy, designed to support people aged 16-24 into a job in the creative industries.

Income from charitable activities rose to £45.7m (2021: £40.9m), due to the expansion of some of the MAT academies, a full year of NCS activity and the new Justice probation contracts.





EXPENDITURE

Total expenditure for the year the year to 31 August 2022 was £56.5m, compared with £54.7m for the previous financial year. Included within the cost of charitable activities is the disposal of long leasehold land and buildings £1.2m (2021: £nil) relating to the re-brokering of the Everitt academy from the MAT. Charitable activities expenditure in the previous year included the impairment of Long Leasehold Land and Buildings held by the MAT £7.4m.

SUPPORT COSTS

Support costs increased by 11% during the year to £4.9m (2021: £4.4m), but that reflects some planned strengthening of the support teams and infrastructure and the growth in income. Support costs are 9% of income excluding the 'one-off' amounts relating to the MAT (2021: 9%).

We have set out in our business plan that our corporate functions have an important role to play as an 'integrator' and that they will play a stronger role in brigading our operational activities going forward. Over the 3-year cycle of the business plan we will review the quality and capacity of our corporate centre on an ongoing basis to build a best-in-class social business infrastructure. We will enhance our support functions to ensure that they efficiently enable Catch22's operational hubs to excel.

NET GAINS/LOSS ON INVESTMENT ASSETS

The net loss on investments during the year was £0.7m (2021: gains £1.3m) and at 31 August 2022, after withdrawals, the portfolio was valued at £10.6m (31 August 2021: £11.5m), in addition, income earned from the portfolio was £0.2m (2021: £0.3m).

Although there is a loss for the year, this was to be expected given the volatility and falls in global markets. During the year, the trustees chose to take a more balanced approach to the investments, moving the portfolio to one with an increased global emphasis and a particular focus on sustainability.

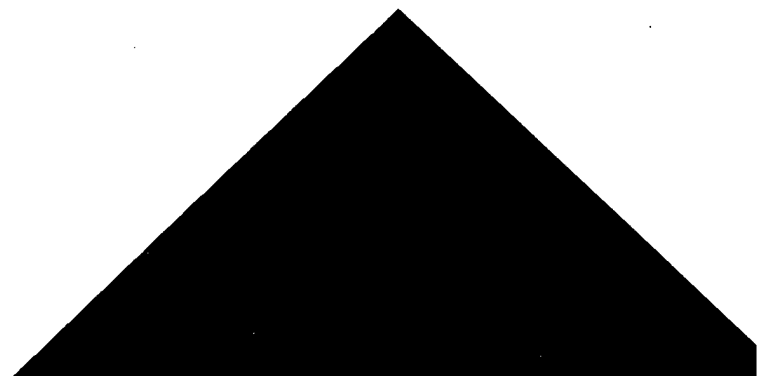
HSBC Private Bank, the investment managers, offer a working capital facility (currently with an agreed limit of £5.0m) secured against the portfolio at a very

competitive interest rate. The trustees regularly consider the cost of borrowing to finance working capital against expected investment returns in order to decide whether investments should be sold to fund any working capital requirements. At 31 August 2022 £nil of this facility has been drawn (2021: £2.0m).

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 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 a firm 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 2022 the group's total reserves amounted to £55.2m (2021: £48.7m) of which £39.5m was restricted (2021: £37.0m) and £15.7m was unrestricted (2021: £11.7m). Of the unrestricted amount trustees have committed £1.05m over the next 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 and grow its reach to more participants.

Of the remaining Unrestricted Reserves £8.99m (2021: £5.95m) is deemed to be free reserves. This is above the policy range (£3.7m to £5.9m) set by the trustees, but they consider it prudent, given the current inflationary pressure in the economy, and the continuing impact of the cost-of-living crisis on our staff and service users 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 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 commissionaires in relation to its delivery of services. The vast majority of these commissionaires 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 August 2023 year end 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

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

Catch22 also owns 100% of Catch22 Social Enterprise Solutions Limited.

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

Catch22 also owns 100% of Catch22 Multi Academies Trust Limited, a company limited by guarantee.

Catch22 also owns 100% of Community Links Trust Limited, a company limited by guarantee.

Catch22 also owns 100% of Community Links Trading Limited.

Catch22 also owns 100% of Launch22 Limited, a company limited by guarantee.

Catch22 also owns 100% of Ripplez CIC, a company limited by guarantee

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. We have a dedicated team within the organisation to ensure that we appropriately manage risk and drive improvements in our practice across our various delivery arms particularly education and social care. This post of Safeguarding Manager has been in place since January 2018, now elevated to Assistant Director of Safeguarding, and is focussed on continuous improvement to our safeguarding practice.

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 Local Authority Designated Officer (LADO).

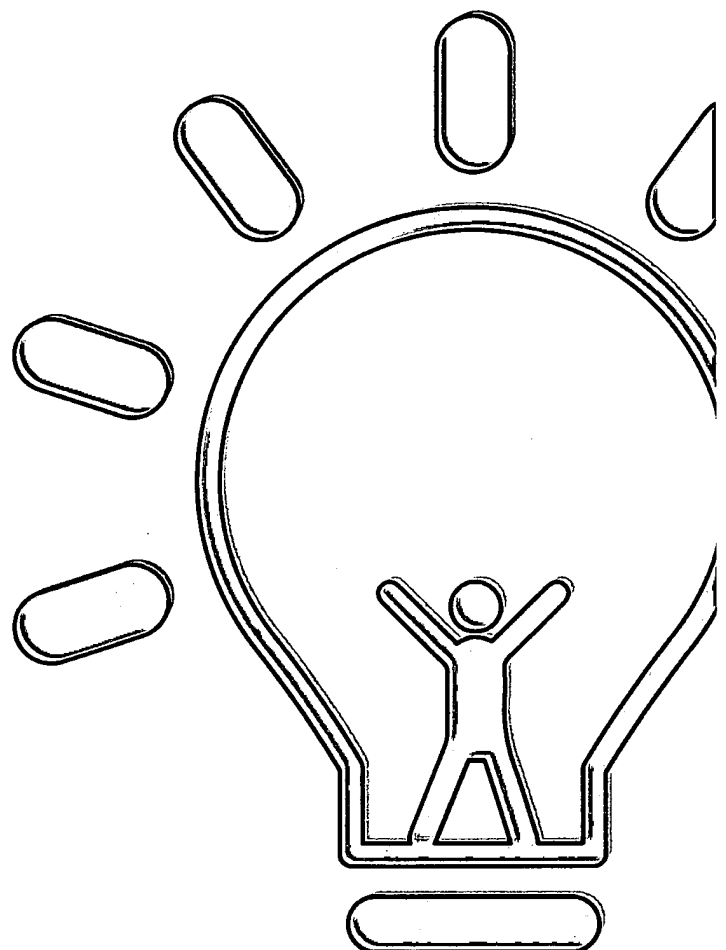
We have an IT platform for safeguarding incident reporting and management in our schools and colleges to improve communication and reduce the bureaucratic burden, both at the point of reporting and in the administration of the monitoring and follow up actions so that more resources can be focussed on 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 trustees 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.

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.

The trustees have commissioned an external governance review which will take place in 2022/23 in order to further strengthen the group's governance.

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 partnerships and joint working arrangements;
- Development of new services;
- Tenders for new contracts (with a value of up to £2m);
- Appointment of the executive management team

Board stability. The chair is appointed for 4 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 looks to all those involved in its governance to make a reasonable commitment to ongoing development and training. This may involve away days, visits, presentations and other internal functions as well as opportunities to attend relevant external events such as seminars, courses and conferences.

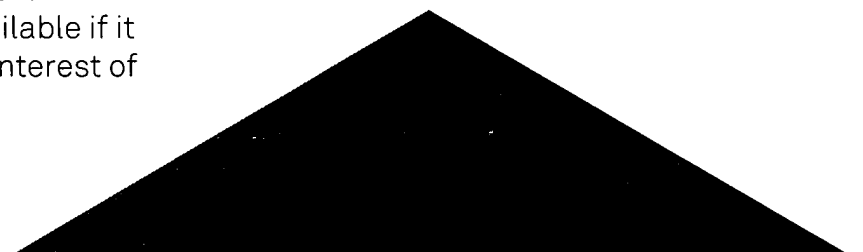
Catch22 also circulates publications of general interest and provides access to magazines, articles, newsletters, policy briefings and other documents of more specialist interest.

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

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. For example, we have used our own internal cyber and information security expertise to assist some of these organisations to harden their security environments and achieved certification where necessary.

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. We use our school and college curriculums to promote environmental sustainability and in 2023 we have recruited to a new post to lead on this agenda. We actively encourage our staff to use transport options that result in less CO2 emissions.

We have created a carbon reduction plan with the aim of achieving Net Zero by 2050. We have established an Environment cross-cutting initiative task force in our business plan with Chief Officer sponsorship. Future measures we hope to implement are:

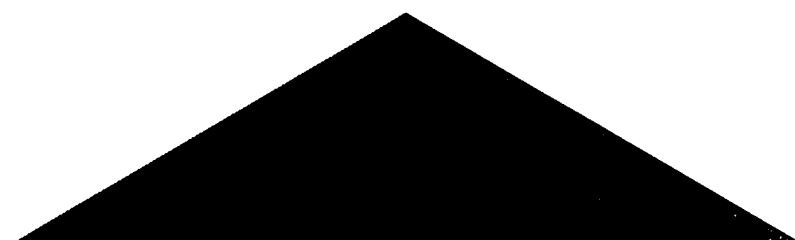
- sourcing energy from 100% renewable sources,
- replacing gas boilers in the properties we control with decarbonised energy systems,
- working with landlords of our short leasehold premises to drive sustainability measures,
- reducing our employees use of petrol and diesel vehicles,
- obtaining Net Zero commitments from our supply chain partners:

Our consumption and emissions for 2021/22 were as follows:

ENERGY TYPE	CONSUMPTION	EMISSIONS
Gas	1,697,105 KWh	309.79 tCO2e
Electricity	655,370 KWh	126.74 tCO2e
Vehicles *		213.31 tCO2e
Total Emissions		649.84 tCO2e
<i>Intensity ratio per £m/turnover **</i>		11.92 tCO2e

*Vehicles includes petrol and diesel purchased plus employee mileage claims

** Turnover excludes MAT land & buildings transferred (2020/21 intensity ratio 12.74 tCO2e)



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:

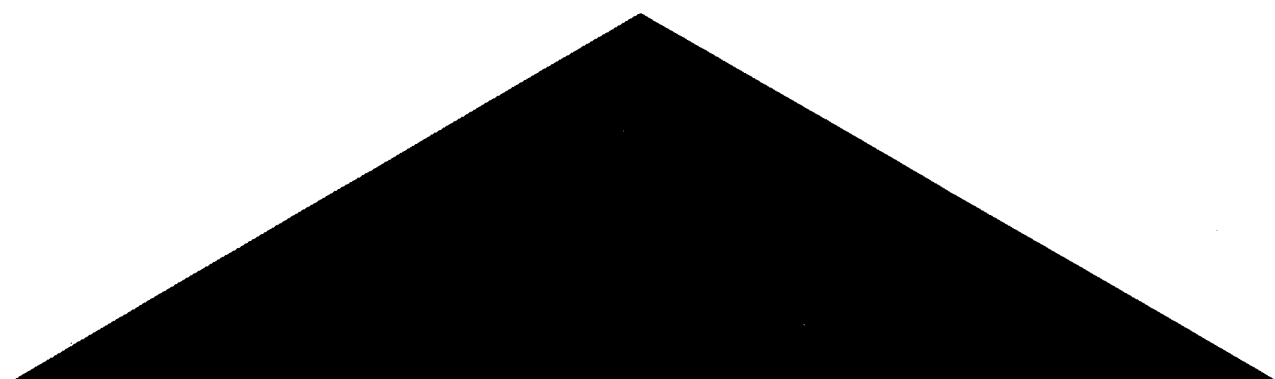
- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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. 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. 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 fortnightly meetings on key risks, and they ensure that collaborative 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 2022/23, 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:

- 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 cost-of-living crisis. Catch22's response is to continue to focus resources in our business development and partnerships teams, maintain our diversified income streams, keep our quality high in order 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.

- Loss of control of personal or sensitive data. 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 also hold 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.
- Failure to keep our service users safe. 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. Our schools and colleges use a specific safeguarding monitoring system, and a similar system will be rolled out to our other services in 2023. Critical incident/ risk group established to quickly identify concerns and trends and take mitigating action.

- Failure to ensure the wellbeing and safety of staff, particularly those working with vulnerable beneficiaries. 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. Emphasis on learning from incidents and near misses and we are in the process of introducing a new incident management system to enable us to react more quickly to incidents, learn lessons and identify trends
- Serious incident results in adverse publicity leading to reputational damage. Appropriate policies and procedure are in place to mitigate the risk of a serious incident occurring. Crisis Management policy in place and crisis management training provided to key staff. Reactive communication strategy prepared. New critical incident process introduced.
- Lack of organisational capacity to bid for new work and deliver existing work due to changing work patterns, increased labour market opportunities and cost of living crisis. We have identified mission critical roles across the organisation and developed a new talent strategy and employee value proposition underway along with a new pay strategy that has seen pay raise by c.6% across the organisation from September 2022 and introduced a new minimum organisational salary. Delivery capacity and quality continually monitored through management arrangements and the internal audit and impact board. Development capacity boosted, when necessary, through the use of the freelance resources.
- The re-brokering of the MAT academies may have a reputational impact on wider Catch22 delivery. We are mitigating the risk by having a reactive media strategy in place, ensuring the ongoing quality of delivery by making sure that the right operational and support resources are in place and engaging with other commissioners to explain the re-brokering process and future plans for Catch22.
- Impact of inflation on the price of resources and utility costs and salary inflation pressure. Catch22 are responding by attempting to secure fixed price deals where possible, and forward planning requirements. We are also discussing the impact with commissioners and seeking additional funding or increased delivery flexibility in order to maintain service quality.

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 23 May 2023.

A handwritten signature in black ink that reads "Terry Duddy." The signature is written in a cursive, flowing style with a large 'T' and a long, sweeping underline.

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 2022 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 2022 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 [x], 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.

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.
- 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.

Auditor's report (continued)

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

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP
Statutory Auditor
23 May 2023

24 May 2023

9 Appold Street
London
EC2A 2AP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT 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	Year to 31 August 2021
Income from							
Donations and legacies	2	-	-	5	518	523	881
Grants	2	-	60	6,129	1,347	7,536	4,872
Donations – academy transfers (MAT)	3	262	-	-	-	262	17,879
Income from charitable activities	6	-	-	16,477	29,267	45,744	40,942
Income from trading activities		-	-	-	517	517	338
Income from investments		-	-	-	209	209	254
Total income		262	60	22,611	31,858	54,791	65,166
Expenditure on							
Raising funds		-	-	-	296	296	223
Charitable activities							
Ordinary activities	6	1,239	2,834	19,847	31,804	55,724	53,526
Exceptional	6	-	-	-	-	-	593
Trading activities		-	-	-	516	516	389
Total expenditure		1,239	2,834	19,847	32,616	56,536	54,731
Net gain on disposal of associate	11	-	-	-	5,200	5,200	-
Net gains/(losses) on investments	11	-	-	-	(724)	(724)	1,327
Net income/(expenditure) for the period		(977)	(2,774)	2,764	3,718	2,731	11,762
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	11,762
Other recognised gains/(losses)							
Actuarial gain/(loss) on defined benefit pension scheme	21	3,830	-	-	-	3,830	(453)
Net movement in funds		3,232	(2,774)	2,143	3,960	6,561	11,309
Reconciliation of funds							
Total funds brought forward		(3,758)	36,671	4,026	11,722	48,661	37,352
Total funds carried forward		(526)	33,897	6,169	15,682	55,222	48,661

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 £41,986k (2021: £37,558k) and net income was £6,302k (2020: net income £5,007k).

The notes on pages 80 - 106 form part of these financial statements.

CONSOLIDATED BALANCE SHEET - 31 August 2022
Company number: 06577534

	Note	31 August 2022	31 August 2021 £'000 £'000
Fixed assets			
Intangible assets	9	237	248
Tangible fixed assets	10	39,479	41,784
Investments	11	<u>10,695</u>	<u>11,573</u>
		50,411	53,605
Current assets			
Stock		26	8
Debtors	13	7,253	5,851
Cash at bank and in hand		<u>9,243</u>	<u>5,394</u>
		16,522	11,253
Current liabilities			
Creditors: amounts due within one year	14	<u>(10,407)</u>	<u>(11,263)</u>
Net current assets/(liabilities)		6,115	(10)
		56,526	53,595
Creditors: amounts falling due after more than one year	15	(778)	(73)
Provisions	16	(526)	(4,861)
Net assets	19	<u>55,222</u>	<u>48,661</u>
Funds			
Restricted pension funds	17	(526)	(3,758)
Restricted fixed asset funds	17	33,897	36,671
Restricted funds	17	6,169	4,026
General fund	18	<u>15,682</u>	<u>11,722</u>
		<u>55,222</u>	<u>48,661</u>

The financial statements were approved by the board on 29 March 2023 and authorised for issue on 23 May 2023.

Terry Duddy

Terry Duddy
Chair

The notes on pages 80 - 106 form part of these financial statements.

CHARITY BALANCE SHEET - 31 August 2022
Company number: 06577534

	Note	31 August 2022		31 August 2021	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9		237		248
Tangible fixed assets	10		5,565		5,672
Investment in subsidiary	11		-		-
Investments	11		10,590		11,468
			16,392		17,388
Current assets					
Stock		26		8	
Debtors	13	6,642		4,640	
Cash at bank and in hand		7,049		3,162	
		13,717		7,810	
Current liabilities					
Creditors: amounts due within one year	14	(9,029)		(10,022)	
Net current assets/(liabilities)			4,688		(2,212)
			21,080		15,176
Creditors: amounts falling due after more than one year	15		(778)		(73)
Provisions	16		-		(1,103)
Net assets			20,302		14,000
Funds					
Restricted funds	17		4,878		2,523
General fund	18		15,424		11,477
			20,302		14,000

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 income in 2022 was £6,302k (2021: £5,007k)

The financial statements were approved by the board on 29 March 2023 and authorised for issue on 23 May 2023.

Terry Duddy

Terry Duddy
Chair

Company Registration No. 06577534

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 August 2022

	Note	Year to 31 August 2022	Year to 31 August 2021 £'000	£'000
Net income/(expenditure) for the reporting period		2,731	11,762	
Adjusted for:				
Proceeds from sale of shares in associated company	11	(5,200)	-	
Fair value of assets acquired on acquisition of subsidiary	12	-	(208)	
Fair value of assets disposed on disposal of subsidiary	12	-	59	
Net (gains)/losses on investments	11	724	(1,327)	
Tangible fixed assets brought in on academy transfer	10	-	(12,721)	
Revaluation of academy tangible fixed assets	10	-	(5,158)	
Impairment of tangible fixed assets	10	-	7,652	
Loss on disposals of tangible fixed assets on academy transfer	3,10	1,958	-	
Loss on disposal of tangible fixed assets	10	190	8	
Loss on disposal of intangible fixed assets	9	25	-	
Depreciation charges	10	422	395	
Amortisation charges	9	96	110	
Defined benefit pension scheme deficit transferred out on academy transfer		(262)	-	
Defined benefit pension scheme cost less contributions payable	21	802	578	
Defined benefit pension scheme finance cost	21	58	45	
Interest receivable		(2)	-	
Investment income receivable		(209)	(254)	
Interest payable		18	73	
Capital grants received		(60)	(1,003)	
(Increase)/Decrease in stock		(18)	1	
(Increase)/Decrease in debtors		(1,402)	(128)	
Increase/(Decrease) in liabilities		743	353	
Net cash provided by/(used in) operating activities		614	237	
Investing activities				
Cash inflow from sales of shares in associated company	11	5,200	-	
Cash inflow from acquisition of subsidiary	12	-	241	
Cash outflow from acquisition of subsidiary	12	-	(48)	
Purchase of intangible fixed assets	9	(110)	-	
Purchase of tangible fixed assets	10	(265)	(398)	
Capital grants received		60	1,003	
Proceeds from sale of investments		61	50	
Interest received		2	-	
Investment income received		302	600	
Net cash generated from investing activities		5,250	1,448	
Financing Activities				
New borrowing		125	-	
Repayment of borrowings		(122)	(110)	
Interest paid		(18)	(73)	
Net cash used in financing activities		(15)	(183)	
Net increase/(decrease) in cash and cash equivalents in the reporting period		5,849	1,502	
Cash and cash equivalents at beginning of year		3,394	1,892	
Cash and cash equivalents at end of year		9,243	3,394	
Relating to:				
Bank balances and short-term deposits		9,243	5,394	
Bank overdrafts		-	(2,000)	
Cash and cash equivalents		9,243	3,394	

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 August 2022

1. Accounting policies

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

Catch22 Charity Limited is a charitable company (no. 06577534), 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 by merging subsidiary charities fully into Catch22 and relinquishing membership of organisations that are not core to the charitable groups' objectives. Moving forward the trustees will continue to consider closure 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 £10.59m as at 31 August 2022 with an available working capital facility secured against this of up to £5.0m (£nil drawn as at 31 August 2022). This facility is due for renewal in March 2023, but the trustees expect that it will be renewed on similar terms. This amounts to £10.6m of available cash should it be required and in addition there is a £0.5m unsecured overdraft facility available with Barclays Bank plc (£nil utilised at 31 August 2022). 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 2022 are set out here: total income of £41,986k (2021: £37,558k) total expenditure of £40,160k (2021: £33,878k), net loss on investments £724k (2021: £1,327k net gain), resulting in net movement in funds of £6,302k (2021: £5,007k).

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 apart from Launch22 Limited together with the group's share of the results of associates. The company has taken advantage of the exemptions provided by section 405 of the Companies Act 2006 not to include Launch22 as it is not material to the group.

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 2022

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
- 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 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 Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust 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 Trust 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 2022

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 (2020: £50k). 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 Schemes 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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. 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.

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 at £nil consideration. The premises have been recognised in the Trust's accounts at their fair value as at the date of transfer. This has been 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 trustees recognise the significant uncertainty in the valuation of commercial property caused by the Covid-19 pandemic but do not think there is sufficient evidence to indicate that the value of the company's long leasehold land and buildings has been materially impaired.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2022

Comparative Consolidated Statement of Financial Activities for the year ended 31 August 2021

	Note	Restricted Pension Funds (MAT) £'000	Restricted Fixed Assets Funds (MAT) £'000	Restricted Funds £'000	Unrestricted Funds £'000	Year to 31 August 2021 £'000	Year to 31 August 2020 £'000
Income from							
Donations and legacies	2	-	-	38	843	881	964
Grants	2	-	1,003	3,555	314	4,872	2,589
Donations – academy transfers (MAT)	3	-	17,879	-	-	17,879	6,533
Income from charitable activities	6	-	-	13,442	27,500	40,942	42,528
Income from trading activities		-	-	-	338	338	301
Income from investments	4	-	-	-	254	254	289
Total income		-	18,882	17,035	29,249	65,166	53,204
Expenditure on							
Raising funds		-	-	-	223	223	261
Charitable activities							
Ordinary activities	6	1,000	8,480	16,251	27,795	53,526	46,930
Exceptional	6	-	-	206	387	593	(886)
Trading activities		-	-	-	389	389	417
Total expenditure		1,000	8,480	16,457	28,794	54,731	46,722
Net gains/(losses) on investments	11	-	-	-	1,327	1,327	(517)
Net income/(expenditure) for the period		(1,000)	10,402	578	1,782	11,762	5,965
Transfers between funds	17,18	377	(58)	(930)	611	-	-
Net income/(expenditure) before other recognised gains/(losses)		(623)	10,344	(352)	2,393	11,762	5,965
Other recognised gains/(losses)							
Actuarial gain/(loss) on defined benefit pension scheme	21	(453)	-	-	-	(453)	(469)
Net movement in funds		(1,076)	10,344	(352)	2,393	11,309	5,496
Reconciliation of funds							
Total funds brought forward		(2,682)	26,327	4,378	9,329	37,352	31,856
Total funds carried forward		(3,758)	36,671	4,026	11,722	48,661	37,352

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 2022

2. Donations, legacies and grants

	Year to 31 August 2022				Year to 31 August 2021			
	Fixed Asset Restricted £'000	Restricted £'000	Unrestricted £'000	Total funds £'000	Fixed Asset Restricted £'000	Restricted £'000	Unrestricted £'000	Total funds £'000
NCS & employability	-	4,784	995	5,779	-	2,451	-	2,451
Education	60	-	-	60	1,003	-	-	1,003
Justice	-	-	22	22	-	-	-	-
Young people & families	-	471	157	628	-	219	215	434
Place based delivery and early action	-	704	499	1,203	-	366	286	652
Other	-	175	192	367	-	557	448	1,005
Transfer from Ripplez CIC	-	-	-	-	-	-	208	208
	60	6,134	1,865	8,059	1,003	3,593	1,157	5,753

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, Garfield Weston, Salesforce, J.P. Morgan, The National Lottery Community Fund, The Postcode Lottery, Microsoft, The Rothschild Foundation, National Grid and Tik Tok. The group has also received grant funding from national and local government.

3. Donations – academy transfers (MAT)

	Year to 31 August 2022 Restricted Pension Funds £'000	Year to 31 August 2021 Restricted Fixed Assets Fund £'000
Transferred from Department for Education (note a)	-	5,158
Transfer of new academies (note b)	-	12,460
Transfer from local authority (note c)	-	261
Transfer of existing academies out of the academy trust (note d)	262	-
	262	17,879

a) Transfer on conversion (transferred from Department for Education)

On 11 March 2020 the land and building of the Spires Academy were transferred to Catch22 Multi Academies Trust from Northamptonshire County Council for Enil consideration.

The transfer was accounted for in the comparative period as a combination that is in substance a gift. The land and buildings transferred were valued at the best estimate of their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as 'Donations – academy transfers (MAT)'.

During 2021 the land and buildings at this academy were revalued following receipt of the land and buildings valuation as at 31 August 2021 performed by Eddisons. The increase in valuation of land and buildings is as follows:

	Year to 31 August 2022 Transfer in recognised	Year to 31 August 2021 Transfer in recognised £'000
Tangible fixed assets		
Long leasehold land and buildings in respect of prior periods	-	5,158

b) Transfer of new academies

On 1 April 2021 the Austen Academy was opened by Catch22 Multi Academies Trust. During the period the land and buildings transferred were valued as at 31 August 2021 by Hampshire County Council Property Services. The value of the land and buildings transferred is as follows:

	Year to 31 August 2022 Transfer in recognised	Year to 31 August 2021 Transfer in recognised £'000
Tangible fixed assets		
Long leasehold land and buildings	-	12,460

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 August 2022

3. Donations – academy transfers (MAT) (continued)

c) Transfer from local authority

During the previous year Torbay Council transferred long leasehold land and buildings to the Catch22 Multi Academies Trust valued as £261k

d) Transfer out of academy

During the 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 prior year.

	Restricted Pension Fund £000	Restricted Fixed Asset £000	Restricted £000	Total Funds £000
Tangible fixed assets				
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)

4. Investment income

	Restricted funds £'000	Unrestricted funds £'000	Year to 31 August 2022 £'000	Year to 31 August 2021 £'000
Investment income	-	209	209	254
	-	209	209	254

All prior year investment income was also unrestricted

5. Net income for the year

	Year to 31 August 2022 £'000	Year to 31 August 2021 £'000
This is stated after charging:		
Depreciation of tangible fixed assets	422	395
Loss on disposal of tangible fixed assets	190	10
Loss on disposal of tangible fixed assets – academy transfer out	1,958	-
Amortisation of goodwill and intangible fixed assets	96	110
Loss on disposal of intangible fixed assets	25	-
Property rental	1,061	828
Auditor's remuneration		
Audit fees for Charity's annual accounts	39	35
Audit fees for other services:		
- the audit of the Charity's subsidiaries, pursuant to legislation	22	40
- other fees and taxation advice	20	6

6. Charitable activities

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

	Restricted Funds £'000	Unrestricted Funds £'000	Year to 31 August 2022 £'000
NCS & Employability	1,274	5,744	7,018
Education	12,645	6,004	18,649
Justice	255	9,799	10,054
Young people & families	2,248	4,222	6,470
Vocational training	-	2,419	2,419
Place based delivery and early action	55	991	1,046
Other	-	88	88
Total	16,477	29,267	45,744

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 August 2021

6. Charitable activities (continued)

Analysis of income from charitable activities for the year ended 31 August 2021

	Restricted Funds	Unrestricted Funds	Year to 31 August 2021
	£'000	£'000	£'000
NCS & Employability	63	4,276	4,339
Education	11,295	6,033	17,328
Justice	271	8,012	8,283
Young people & families	1,448	5,259	6,707
Vocational training	-	2,755	2,755
Place based delivery and early action	361	947	1,308
Other	4	218	222
Total	13,442	27,500	40,942

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
NCS & employability	-	-	3,981	5,981	9,962
Education	1,239	2,834	12,236	7,581	23,890
Justice	-	-	255	9,442	9,697
Young people & families	-	-	2,420	4,597	7,017
Vocational training	-	-	-	2,834	2,834
Place based delivery and early action	-	-	873	1,311	2,184
Other	-	-	82	58	140
Exceptional items (see below)	-	-	-	-	-
Total	1,239	2,834	19,847	31,804	55,724

Analysis of expenditure on charitable activities for the year ended 31 August 2021

	Restricted Pension Funds	Restricted Fixed Assets Funds	Restricted Funds	Unrestricted Funds	Year to 31 August 2021
	£'000	£'000	£'000	£'000	£'000
NCS & employability	-	-	1,848	3,234	5,082
Education	1,000	8,480	10,502	7,254	27,236
Justice	-	-	866	7,179	8,045
Young people & families	-	-	1,615	5,648	7,263
Vocational training	-	-	-	3,111	3,111
Place based delivery and early action	-	-	827	1,214	2,041
Other	-	-	593	155	748
Exceptional items (see below)	-	-	206	387	593
Total	1,000	8,480	16,457	28,182	54,119

Included within unrestricted income and expenditure on Justice charitable activities is income of £359k (2021: £21k) from the Local Leadership and Integration Fund with related expenditure of £359k (2021: £21k). The project started in July 2021.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2022

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 2022	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	4	6	4	6	3	3	26
Charitable activities:							
NCS & employability	150	195	124	215	96	88	868
Education	358	468	298	514	231	212	2,081
Justice	146	190	121	209	93	86	845
Young people & families	105	137	87	152	68	62	611
Vocational training	43	56	35	61	27	25	247
Place based delivery and early action	33	43	27	47	21	19	190
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

On 1 September 2021 responsibility for the charitable group's payroll function transferred from Finance and Commercial to Human Resources
Governance costs included in the above support costs amount to £61k (2021: £75k)

Year Ended 31 August 2021	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	3	3	5	4	2	2	19
Charitable activities:							
NCS & employability	63	79	109	86	39	37	413
Education	338	425	584	456	205	197	2,208
Justice	100	126	173	136	61	58	654
Young people & families	90	113	156	123	55	52	589
Vocational training	39	49	67	52	24	22	253
Place based delivery and early action	25	32	44	35	16	15	167
Other	9	12	16	13	6	5	61
	664	836	1,149	904	406	386	4,345
Trading activities	5	6	8	7	3	3	32
	672	845	1,162	915	411	391	4,396

Exceptional Items

Included within Cost of Charitable Activities are the following exceptional items:

	Year to 31 August 2022 Restricted £'000	Year to 31 August 2022 Unrestricted £'000	Year to 31 August 2022 Total £'000	Year to 31 August 2021 Total £'000
Organisational restructuring and service and site closures	-	-	-	180
Clawback / (Expected Recovery from third party) of funding relating to non-delivery by subcontractors	-	-	-	131
Impairment of tangible fixed assets	-	-	-	223
Loss on disposal of Only Connect UK from the charitable group (note 12)	-	-	-	59
Total	-	-	-	593

In the prior year £206k of the Exceptional Items were Restricted - Impairment of tangible fixed assets (£196k) and Loss on disposal of Only Connect UK (£10k).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2022

7. Staff costs

	Year to 31 August 2022 £'000	Year to 31 August 2021 £'000
Salaries	29,681	26,370
Redundancies	129	101
National Insurance contributions	2,910	2,488
Pension contributions	2,698	2,403
	35,418	31,362
The average number of employees during the period split as follows:		
Charitable Activities	958	871
Trading	5	4
Support	79	78
Total	1,042	953

During the period payments to agencies for temporary staff amounted to £2,429k (2021: £1,156k). 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 2022 £'000	Year to 31 August 2021 £'000
£60,001 - £70,000	13	15
£70,001 - £80,000	7	4
£80,001 - £90,000	2	-
£90,001 - £100,000	3	3
£110,001-£120,000	1	-
£140,001-£150,000	-	1
£160,001-£170,000	1	-

Employer's pension contributions of £230,462 (2021: £208,634) were paid on behalf of the above staff. No trustees received any remuneration during the period (2021: none). No trustees were reimbursed expenses during the year (2021: £nil).

Key Management Personnel

The total employee benefits of the Key Management Personnel were £1,085,565 (2021: 990,719).

Volunteers

The average number of volunteers for the year to 31 August 2022 totalled 90 (2021: 130). 39 volunteers worked in Young People & Families on various projects, 10 volunteers worked in Justice, 39 worked in Place Based Delivery & Early Action and 2 worked in our other delivery hubs.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 August 2022

8. Intangible fixed assets – Consolidated

	Computer Software £'000	Goodwill £'000	Total £'000
Cost			
1 September 2021	1,961	345	2,306
Additions	110	-	110
Disposals	(1,646)	-	(1,646)
31 August 2022	425	345	770
Amortisation			
1 September 2021	1,713	345	2,058
Charge for the year	96	-	96
Disposals	(1,621)	-	(1,621)
31 August 2022	188	345	533
Net book value			
At 31 August 2022	237	-	237
At 31 August 2021	248	-	248

9. Intangible fixed assets – Charity only

	Computer Software £'000	Total £'000
Costs		
1 September 2021	1,961	1,961
Additions	110	110
Disposals	(1,646)	(1,646)
31 August 2022	425	425
Amortisation		
1 September 2021	1,713	1,713
Charge for the year	96	96
Disposals	(1,621)	(1,621)
31 August 2022	188	188
Net book value		
At 31 August 2022	237	237
At 31 August 2021	248	248

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED 31 August 2022**

10. Tangible fixed assets – Consolidated

	Long leasehold land and buildings £'000	Freehold land & buildings £'000	Furniture & equipment £'000	Motor Vehicles £'000	Total £'000
Cost or Revaluation					
1 September 2021	49,581	782	795	30	51,188
Transfers relating to prior years	(232)	-	237	(5)	-
Additions	161	-	104	-	265
Transfer out of academy (see note 3)	(3,375)	-	-	-	(3,375)
Disposals	(658)	(57)	(685)	(25)	(1,425)
31 August 2022	45,477	725	451	-	46,653
Depreciation					
1 September 2021	8,714	154	506	30	9,404
Transfers relating to prior year	(70)	4	71	(5)	-
Transfer out of academy (see note 3)	(1,417)	-	-	-	(1,417)
Disposals	(658)	(57)	(495)	(25)	(1,235)
Charge for the year	292	12	118	-	422
31 August 2022	6,861	113	200	-	7,174
Net book value					
At 31 August 2022	38,616	612	251	-	39,479
At 31 August 2021	40,867	628	289	-	41,784

10. Tangible fixed assets – Charity only

	Long leasehold land and buildings £'000	Freehold land & buildings £'000	Furniture & equipment £'000	Total £'000
Cost or Revaluation				
1 September 2021	5,266	782	993	7,041
Transfers relating to prior years	39	-	(39)	-
Additions	161	-	99	260
Disposals	(658)	(57)	(685)	(1,400)
31 August 2022	4,808	725	368	5,901
Depreciation				
1 September 2021	650	154	565	1,369
Transfers relating to prior years	34	4	(38)	-
Disposals	(658)	(57)	(495)	(1,210)
Charge for the year	61	12	104	177
31 August 2022	87	113	136	336
Net book value				
At 31 August 2021	4,721	612	232	5,565
At 31 August 2020	4,616	628	363	5,672

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2022

11. Investment in subsidiary – Charity only

	Investment in Associate	Investment in Subsidiary	Total
	£'000	£'000	£'000
Cost			
31 August 2021	-	475	475
Share of loss	-	-	-
31 August 2022	-	475	475
Impairment			
1 September 2021	-	475	475
Charge for the year	-	-	-
31 August 2022	-	475	475
Net book value			
At 31 August 2022	-	-	-
At 31 August 2021	-	-	-

11. Investments – Consolidated

	31 August 2022 £'000	31 August 2021 £'000
Investment in associate – Jobs 22 Limited	-	-
Investment in associated LLP	105	105
Other investments at market value	10,590	11,468
Investments at market value	10,695	11,573
Quoted investments	10,043	11,214
Cash held by investment managers	542	249
Unlisted investments	110	110
	10,695	11,573
1 September 2021	11,573	10,642
Acquisitions at cost	16,591	6,508
Disposal proceeds	(16,637)	(6,622)
Increase/(decrease) in cash in the portfolio	(108)	(282)
Change in market value	(724)	1,327
Market value at 31 August 2022	10,695	11,573
Historic cost at 31 August 2022	11,081	10,418

	31 August 2022			31 August 2021		
	Market value		Original cost	Market value		Original cost
					%	
HSBC - equity	6,708	63	6,936	7,223	62	6,077
HSBC – fixed income	3,331	31	3,489	2,963	26	2,973
HSBC - others	-	-	-	1,024	9	1,005
HSBC - cash	542	5	542	249	2	249
Other - listed	4	-	4	4	-	4
Other - unlisted	110	1	110	110	1	5
	10,695	100	11,081	11,573	100	10,313

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2022

11. Investments – Consolidated (continued)

Associates

The charity owns 20% of the equity share capital of Jobs 22 Limited (2021:50%) During the year, the charity sold 30% 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 289 Silbury Boulevard, Milton Keynes, MK9 1NA.

11. Investments – Charity only

	31 August 2022 £'000	31 August 2021 £'000
Investment in associate – Jobs 22 Limited	-	-
Other investments at market value	10,590	11,468
	10,590	11,468
Quoted investments	10,043	11,214
Unquoted investments	5	5
Cash held by investment managers	542	249
	10,590	11,468
1 September 2021	11,468	10,528
Acquisitions at cost	16,591	6,517
Disposal proceeds	(16,637)	(6,622)
Increase/(decrease) in cash in the portfolio	(108)	(282)
Change in market value	(724)	1,327
Market value at 31 August 2022	10,590	11,468
Historic cost at 31 August 2022	10,976	10,313

	31 August 2022			31 August 2021		
	Market value	%	Original cost	Market value	%	Original cost
	£'000		£'000	£'000		£'000
HSBC – equities	6,708	63	6,936	7,223	63	6,077
HSBC – fixed income	3,331	32	3,489	2,963	26	2,973
HSBC – others	-	-	-	1,024	9	1,005
HSBC – cash	542	5	542	249	2	249
Other - listed	4	-	4	4	-	4
Other - unlisted	5	-	5	5	-	5
	10,590		10,976	11,468	100	10,313

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. invest 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 2022

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 Company Number: 06166785	England and Wales	(1)	Dormant	100%	(646)	-	-	-
Catch22 Social Enterprise Solutions Limited Company Number: 07971380	England and Wales	(1)	Providing training and employment opportunities for the unemployed	100%	(5)	-	-	-
Pupil Parent Partnership Limited Company Number: 04872659	England and Wales	(2)	Dormant	100%	-	-	-	-
Include Company Number: 02429781 Charity Number 0803333	England and Wales	(2)	Dormant	100%	-	-	-	-
Catch22 Multi Academies Trust Limited Company Number: 08299181	England and Wales	(2)	Advancing for the public benefit, education in the UK through the operation of alternative provision schools	100%	34,792	13,117	(12,871)	246
Community Links Trust Limited Company Number: 02661182 Charity Number 1018517	England and Wales	(3)	Dormant	100%		See 'B' below		
Community Links Trading Limited Company Number: 05737749	England and Wales	(3)	Events management, production services and storage	100%	(283)	358	(471)	(113)
Ripplez Community Interest Company Company Number: 07484690	England and Wales	(2)	Support vulnerable women and families	100%		See 'C' below		
Not consolidated:								
Launch22 Limited Company Number: 08789117 Charity Number 1156715	England and Wales	(2)	Dormant	100%	Ceased operating July 2020			

Launch22 is not included in the consolidated financial statements of Catch22 Charity Limited as the company has taken advantage of the exemption provided by section 479A of the Companies Act 2006 not to include Launch22, as it is immaterial to the group.

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 August 2022

12. Subsidiaries (continued)

The following changes to the group took place during the financial year ended 31 August 2021:

(A) Only Connect UK

On 1 September 2020, Catch 22 Charity Limited ceased to be a member of Only Connect UK and that company left the charitable group. The net assets at the time of transfer were £59k, giving a loss on disposal of £59k in Catch22's consolidated accounts. This was included as an exceptional expenditure (see note 6).

(B) Community Links Trust Limited

On 1 February 2021 the charitable undertaking of Community Links Trust was transferred as a going concern Catch 22 Charity Limited. All the assets and liabilities were transferred to Catch 22 Charity on this date and Community Links Trust ceased to trade as a separate charitable company from 1 February 2021.

A summary of the results are shown below:

	2022 £'000	2021 £'000
Income	-	899
Expenditure	-	(696)
Net assets transferred to Catch22	-	(3,641)
Net movement in funds	-	(3,438)
Fixed assets	-	-
Current assets	-	-
Current liabilities	-	-
Net assets	-	-
Restricted funds	-	-
Unrestricted general funds	-	-
Total funds	-	-

(C) Ripplez Community Interest Company

Catch 22 Charity Limited became the sole member of Ripplez Community Interest Company on 1 January 2021 (a company limited by guarantee, company number 07484690) and accordingly on that date Ripplez became a subsidiary of the group. On that date, Ripplez, transferred all of its trade and net assets to Catch 22 Charity Limited, except for one contract which continued to be delivered by Ripplez CIC.

A summary of the results are shown below:

	2022 £'000	17 months to 31 August 2021 £'000
Income	-	1,549
Expenditure	(1)	(1,668)
Net assets transferred to Catch22	-	(208)
Net movement in funds	(1)	(326)
Fixed assets	-	-
Current assets	19	15
Current liabilities	(103)	(96)
Net assets	(84)	(81)
Unrestricted general funds	(84)	(81)
The net assets transferred at the time of acquisition were:		£'000
Fixed assets		16
Current assets		380
Current liabilities		(188)
		208

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2022

13. Debtors: amounts due within one year

	31 August 2022 £'000	31 August 2021 £'000
Consolidated		
Grant and trade debtors	3,014	1,846
Other debtors	1,079	1,454
Prepayments and accrued income	3,160	2,551
	7,253	5,851

Included within other debtors is £500k due in more than one year (2021: £nil)

Charity only

Grant and trade debtors	2,836	1,728
Other debtors	909	1,098
Prepayments and accrued income	2,375	1,438
Amounts owed by other group companies	522	376
	6,642	4,640

Included within other debtors is £500k due in more than one year (2021: £nil)

14. Creditors: amounts falling due within one year

	31 August 2022 £'000	31 August 2021 £'000
Consolidated		
Bank overdraft	-	2,000
Bank loan	73	110
Trade creditors	1,190	1,433
Accrued expenditure and income in advance	7,332	5,833
Other taxes and social security	1,250	1,562
Other creditors	562	331
	10,407	11,269

Included in other creditors are outstanding pension contributions amounting to £225k (2021: £226k). The bank overdraft of £nil (2021: £2,000k) is 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. The overdraft was repaid in the year, but is still available. In addition, the charitable group has a £500k unsecured overdraft available from Barclays Bank with interest charged at 3% above the base rate.

Charity only

Bank overdraft	-	2,000
Bank loan	73	110
Trade creditors	851	913
Accrued expenditure and income in advance	6,539	5,390
Other taxes and social security	1,123	1,438
Other creditors	443	171
	9,029	10,022

Included in other creditors are outstanding pension contributions amounting to £104k (2021: £87k). The bank overdraft of £nil (2021: £2,000k) is 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. The overdraft was repaid in the year, but is still available. The total facility available is £5,000k. In addition, the charitable group has a £500k unsecured overdraft available from Barclays Bank with interest charged at 3% above the base rate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2022

14. Creditors: amounts falling due within one year

Consolidated – deferred income movement	£'000
Balance at 1 September 2021	4,270
Amount released in the period	(4,270)
Amount deferred in the period	5,290
Balance at 31 August 2022 – all due within one year	5,290
 Charity only – deferred income movement	 £'000
Balance at 1 September 2021	4,205
Amount released in the period	(4,205)
Amount deferred in the period	5,025
Balance at 31 August 2022 – all due within one year	5,025

15. Creditors: amounts falling after more than one year

	31 August 2022 £'000	31 August 2021 £'000
Consolidated		
Bank loan	-	73
Other loan	96	-
Other creditors	682	-
	778	73
 Charity only		
Bank loan	-	73
Other loan	96	-
Other creditors	682	-
	778	73

A bank loan of £1.1m was received in May 2013 and is repayable in 120 monthly instalments of £9,167. The amount outstanding at the 31 August 2022 is £73k – shown as £nil due in more than one year and £73k due in less than one year (2021: £183k). The bank loan is secured by a fixed charge over the charity's leasehold property at Pear Tree Street, London. Interest is charged at 3.28% above base rate.

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 2022 is £113k – shown as £96k due in more than one year and £17k due in less than one year (2021: £nil). 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 (see note 16).

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED 31 August 2022**

16. Provisions

	31 August 2022	31 August 2021
	£'000	£'000
Consolidated		
Pension fund deficit (note 18)	526	3,758
Potential clawback of funding relating to non-delivery by subcontractors	-	1,103
	526	4,861
Charity only		
Potential clawback of funding relating to non-delivery by subcontractors	-	1,103
	-	1,103

The clawback has now been agreed with repayment spread over 4 to 5 years and has therefore been disclosed in other creditors due in less and more than one year.

17. Restricted funds

	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:

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.

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 2022

17. Restricted funds (continued)

Transfers between funds

Restricted pension funds: £379k (2021: £377k) – 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: £nil (2021: (£58k)) – this represents property maintenance expenditure transferred to restricted funds in the Catch22 Multi Academies Trust

Restricted funds: (£621k) (2021: (£930k)). Transfers relating to the Catch22 Multi Academies trust, as described above amount to (£379k) (2021: (£319k)). A further (£242k) (2021: (£126k)) represents net charges for services between the Charity and Catch22 Multi Academies Trust, transferred from/(to) general funds. In the previous year there was also a transfer of (£485k) relating to the acquisition of fixed assets using restricted funds.

Prior year	Restricted pension funds £'000	Restricted fixed asset funds £'000	Restricted funds £'000	Total Restricted funds £'000	
Consolidated					
Balance at 1 September 2020	(2,682)	26,327	4,378	28,023	
Income	-	18,882	17,035	35,917	
Expenditure	(1,000)	(8,480)	(16,457)	(25,937)	
Transfers between funds	377	(58)	(930)	(611)	
Actuarial gain/(loss) on defined benefit pension scheme	(453)	-	-	(453)	
Balance at 31 August 2021	(3,758)	36,671	4,026	36,939	
Charity only					
Balance at 1 September 2020	-	-	2,156	2,156	
Income	-	-	6,599	6,599	
Expenditure	-	-	(5,747)	(5,747)	
Transfers between funds	-	-	(485)	(485)	
Balance at 31 August 2021	-	-	2,523	2,523	
Current year					
	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Balance 31 August 2021 £'000
Consolidated by charitable activity					
NCS and employability	1,357	6,090	(3,980)	-	3,467
Education	1,503	12,645	(12,236)	(621)	1,291
Justice	-	255	(255)	-	-
Young people and families	528	2,686	(2,422)	208	1,000
Place based delivery and early action	386	759	(872)	-	273
10Other	252	176	(82)	(208)	138
Total restricted funds	4,026	22,611	(19,847)	(621)	6,169
	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Balance 31 August 2022 £'000
Charity only by charitable activity					
NCS and employability	1,357	6,090	(3,980)	-	3,467
Justice	-	255	(255)	-	-
621Young people and families	528	2,686	(2,422)	208	1,000
Place based delivery and early action	386	759	(872)	-	273
Other	252	176	(82)	(208)	138
Total restricted funds	2,523	9,966	(7,611)	-	4,878

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2022

17. Restricted funds (continued)

Prior year

	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Balance 31 August 2021 £'000
Consolidated by charitable activity					
NCS and employability	690	2,515	(1,848)	-	1,357
Education	1,155	11,295	(10,502)	(445)	1,503
Justice	605	271	(876)	-	-
Young people and families	476	1,667	(1,615)	-	528
Place based delivery and early action	832	727	(827)	(346)	386
Place based delivery and early action – fixed assets	335	-	(196)	(139)	-
Other	285	560	(593)	-	252
Total restricted funds	4,378	17,035	(16,457)	(930)	4,026

Prior year

	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Balance 31 August 2021 £'000
Charity only by charitable activity					
NCS and employability	690	2,515	(1,848)	-	1,357
Justice	705	271	(976)	-	-
Young people and families	476	1,667	(1,615)	-	528
Place based delivery and early action	-	1,251	(519)	(346)	386
Place based delivery and early action – fixed assets	-	335	(196)	(139)	-
Other	285	560	(593)	-	252
Total restricted funds	2,156	6,599	(5,747)	(485)	2,523

18. Unrestricted funds

	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

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 over the next 3 years
- Reducing the organisation's environmental impact; £150k over the next 3 years
- Growing the organisation to reach more beneficiaries and deliver greater impact/ £300k over the next 3 years

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 2022

18. Unrestricted funds (continued)

Prior year	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Net gains/(losses) on investments £'000	Balance 31 August 2021 £'000
Consolidated						
Revaluation reserve	2,522	-	(43)	-	-	2,479
Designated fixed assets	51	-	-	(51)	-	-
General fund	6,756	29,249	(28,751)	662	1,327	9,243
Total	9,329	29,249	(28,794)	611	1,327	11,722
Charity						
Revaluation reserve	1,649	869	(39)	-	-	2,479
General fund	5,188	30,090	(28,092)	485	1,327	8,998
Total	6,837	30,959	(28,131)	485	1,327	11,477

Designated fixed assets

This represented the net book value of fixed assets held by Community Links Trust, which were not purchased with restricted funds. Depreciation relating to such fixed assets was charged to this fund.

19. Analysis of net assets between funds

	Restricted pension funds £'000	Restricted fixed asset funds £'000	Restricted funds £'000	Unrestricted funds £'000	31 August 2022 Total £'000
Consolidated					
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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 August 2022

19. Analysis of net assets between funds (continued)

Consolidation	Restricted pension funds £'000	Restricted fixed asset funds £'000	Restricted funds £'000	Unrestricted funds £'000	31 August 2021 Total £'000
Fund balances at 31 August 2021 are represented by:					
Tangible fixed assets	-	36,084	-	5,700	41,784
Intangible fixed assets	-	-	-	248	248
Investments	-	-	-	11,573	11,573
Current assets/(liabilities)	-	587	4,026	(4,623)	(10)
Long term liabilities	-	-	-	(73)	(73)
Provisions	(3,758)	-	-	(1,103)	(4,861)
Total net assets	(3,758)	36,671	4,026	11,722	48,661

Charity only

Fund balances at 31 August 2021 are represented by:

Tangible fixed assets	-	-	-	5,672	5,672
Intangible fixed assets	-	-	-	248	248
Investments	-	-	-	11,468	11,468
Current assets/(liabilities)	-	-	2,523	(4,735)	(2,212)
Long term liabilities	-	-	-	(73)	(73)
Provisions	-	-	-	(1,103)	(1,103)
Total net assets	-	-	2,523	11,477	14,000

20. Commitments under operating leases

Consolidation

At 31 August 2022 the group had future minimum commitments under non-cancellable operating leases as follows:

	31 August 2022 £'000	31 August 2021 £'000
Land and buildings:		
expiring in the first year	697	467
expiring in the second to fifth year	704	567
expiring after five years	288	319
	1,689	1,353

Charity only

At 31 August 2022 the charity had future minimum commitments under non-cancellable operating leases as follows:

	31 August 2022 £'000	31 August 2021 £'000
Land and buildings:		
expiring in the first year	697	467
expiring in the second to fifth year	704	567
expiring after five years	288	319
	1,689	1,353

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 August 2022

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.

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 £934,347 (2021: £915,186) and at the year-end £121,412 (2021: £138,537) 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 employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

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 2021 was £494k (2021: £486k), of which employer's contributions totalled £379k (2021: £377k) and employees' contributions totalled £115k (2021: £109k). 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2022

21. Pension and Similar Obligations (continued)

Local Government Pension Schemes (continued)

Principal Actuarial Assumptions	At 31 August 2022	At 31 August 2022	At 31 August 2022	At 31 August 2022	At 31 August 2022
	Hampshire	Norfolk	Northamptonshire	Suffolk	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%
	At 31 August 2021	At 31 August 2021	At 31 August 2021	At 31 August 2021	At 31 August 2021
	Hampshire	Norfolk	Northamptonshire	Suffolk	Torbay
Rate of increase in salaries	3.60%	3.60%	3.40%	3.60%	3.85%
Rate of increase for pensions in payment/inflation	2.60%	2.90%	2.90%	2.90%	2.85%
Discount rate for scheme liabilities	1.70%	1.65%	1.65%	1.65%	1.70%
Inflation assumption (CPI)	2.60%	2.90%	2.90%	2.90%	2.85%

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 2022 £000	At 31 August 2021 £000
<i>Hampshire</i>		
0.1% increase in the salary increase rate	4	6
0.1% increase in the pension increase rate	47	72
0.1% decrease in real discount rate	51	81
<i>Norfolk</i>		
0.5% increase in the salary increase rate	-	1
0.5% increase in the pension increase rate	10	15
0.5% decrease in real discount rate	11	16
<i>Northamptonshire</i>		
0.5% increase in the salary increase rate	-	-
0.5% increase in the pension increase rate	9	15
0.5% decrease in real discount rate	9	15
<i>Suffolk</i>		
0.5% increase in the salary increase rate	-	-
0.5% increase in the pension increase rate	-	19
0.5% decrease in real discount rate	-	19
<i>Torbay</i>		
0.1% increase in the salary increase rate	1	1
0.1% increase in the pension increase rate	43	85
0.1% decrease in real discount rate	43	87

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 August 2022

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 2022	At 31 August 2022	At 31 August 2022	At 31 August 2022	At 31 August 2022
	Hampshire	Norfolk	Northamptonshire	Suffolk	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	25.8 years	-	24.3 years
	At 31 August 2021	At 31 August 2021	At 31 August 2021	At 31 August 2021	At 31 August 2021
	Hampshire	Norfolk	Northamptonshire	Suffolk	Torbay
<i>Retiring today</i>					
Males	23.1 years	21.9 years	21.7 years	22.1 years	22.7 years
Females	25.5 years	24.3 years	24.1 years	24.5 years	24.0 years
<i>Retiring in 20 years</i>					
Males	24.8 years	23.2 years	22.8 years	23.2 years	24.0 years
Females	27.3 years	26.2 years	25.8 years	26.4 years	25.4 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 2022	Fair value at 31 August 2021
	£000	£000
Equities	1,985	2,098
Government Bonds	439	647
Property	328	262
Cash	36	40
Other	725	476
Total market value of assets	3,513	3,523

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 August 2022

21. Pension and Similar Obligations (continued)

Local Government Pension Schemes (continued)

Amounts recognised in the statement of financial activities:

	2022	2021
	£000	£000
Current service cost	(1,181)	(955)
Net interest cost	(58)	(45)
Total operating charge	(1,239)	(1,000)

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

	2022	2021
	£000	£000
At 1 September	7,281	5,174
Transfer of existing academy	(524)	-
Current service cost	1,181	955
Interest cost	116	91
Employee contributions	115	109
Actuarial (gain)/loss	(4,058)	919
Benefits paid	(72)	33
At 31 August	4,039	7,281

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

	2022	2021
	£000	£000
At 1 September	3,523	2,492
Transfer out of existing academy (note 3)	(262)	-
Interest income	58	46
Contributions by members	115	109
Contributions by the employer	379	377
Actuarial (loss)/gain	(228)	466
Benefits paid	(72)	33
At 31 August	3,513	3,523

The Northamptonshire pension fund moved from a deficit as at 31 August 2021 to a surplus as at 31 August 2022. Therefore, the pension fund surplus has been restricted to £nil as at 31 August 2022.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 August 2022

22. Related party transactions

- a) During the year Catch22 provided services and recharged costs to The Catch22 Multi Academies Trust Ltd (MAT) amounting to £741k (2021: £573k). The MAT provided services to Catch22 amounting to £593k (2021: £316k). At the balance sheet date Catch22 was owed £413k by the MAT (2021: £266k).
- 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 (2021: £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 2022 amounting to £646k (2021: £646k) was written off as irrecoverable in prior years and therefore the balance due at 31 August 2022 included within the Catch22 financial statements was £nil (2021: £ nil).
- d) There were no transactions between Catch22 and Community Links Trust during the year and there were no balances outstanding at 31 August 2022. In the previous year:
 - i. Catch22 made payments on behalf of Community Links Trust (net of amounts repaid) by Community Links Trust of £31k. At the balance sheet date Catch22 was owed £1k by Community Links Trust.
 - ii. On 1 February 2021, The charitable undertaking of Community Links Trust was transferred as a going concern Catch 22 Charity Limited. All the assets and liabilities were transferred to Catch22 on this date and Community Links Trust ceased to trade as a separate charitable company from 1 February 2021 (see note 12).
- e) During the year Catch22 sold services amounting to £109k (2021: £nil) and recharged costs (net of amounts reimbursed) of £27k (2021: £88k) to Community Links Trading. At the balance sheet date Catch22 was owed £396k (2021: £260k) by Community Links Trading. A provision for £260k was made in Catch22's financial statements for the year ended 31 August 2021 and a further provision of £136k was made in the year ended 31 August 2022. Therefore, the balance due at 31 August 2022 included within the Catch22 financial statements is £nil (2021: £nil).
- f) Catch 22 Charity Limited became the sole member of Ripplez Community Interest Company on 1 January 2021. On that date, Ripplez, transferred all of its trade and net assets to Catch 22 Charity Limited, except for one contract which continued to be delivered by Ripplez CIC (see note 12). During the year Catch22 paid £5k (2021: £nil) on behalf of Ripplez. At the balance sheet date Catch22 was owed £103k (2021: £112k) 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 2022 and 2021 and therefore the balance due at 31 August 2022 included within the Catch22 financial statements is £nil (2021: £nil).
- g) Launch22:
 - i. On 31 March 2015 Catch22 made a loan of £125k to another charity, Launch22 Limited (formerly Launchpad Labs Limited), at an interest rate of LIBOR plus 0.75% per annum. The amount remained due to Catch22 at 31 August 2022 (2021: £125k). The loan was due for repayment in four equal annual instalments commencing on the second anniversary of the agreement but remains outstanding and Catch22 made a full provision against this debt in the financial year ended 31 August 2016.
 - ii. Catch22 became the sole member of Launch22 on 23 May 2017 and paid amounts totalling £10k on behalf of Launch22 during the financial year (2021: £2k). £312k was due to Catch22 at the balance sheet date (2021: £302k). At the balance sheet date, a provision against the full amount of the debt has been made, including an additional £10k provision in the financial year (2021: £2k). Launch22 has not been consolidated into the results of the group for the year ended 31 August 2022 as it is not material. Launch22 closed in July 2020 and is in the process of being wound-up.
- h) 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 (2021: £nil).
- i) Catch22 owns 20% (2021: 50%) of the voting rights in Jobs22 Limited, see note 11 for further details of the disposal of investment. During the year Catch22 provided services amounting to £84k (2021: £218k) to Jobs22. At the balance sheet date Jobs22 owed £2k (2021: £209k) to Catch22.

23. Post balance sheet events

- a) **Catch22 Multi Academies Trust (MAT)** – the trustees and members of the MAT have come to the decision, working collaboratively with the Regional Schools Commissioners, to re-broker all the academies to new trusts. This is anticipated to be completed by 31 August 2023, and

CATCH22 PEOPLE

Patron

HRH The Princess Royal

Board of Trustees

Terry Duddy, Chairman
 Caroline Artis, Treasurer
 Mike Adamson (resigned 16 December 2021)
 Alison Alexander (appointed 23 June 2022)
 Kieron Boyle (resigned 5 July 2022)
 Ben Cooper (resigned 10 December 2021)
 Natasha Finlayson (appointed 27 February 2023)
 Matthew Halstead
 Jeff Jacobs
 Gita North
 Tove Okunniwa (resigned 29 September 2022)
 Samantha Olsen (appointed 20 January 2022 and
 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 (appointed 20 January 2022)
 Sean Williams (resigned 15 December 2022)

Chief Executive

Chris Wright (to 20 June 2022)
 Naomi Hulston (from 20 June 2022)

Company Secretary

Nigel Richards

Registered Office

27 Pear Tree Street
 London
 EC1V 3AG

Bankers

Barclays
 Level 27, 1 Churchill Place
 London
 E14 5HP

Solicitors

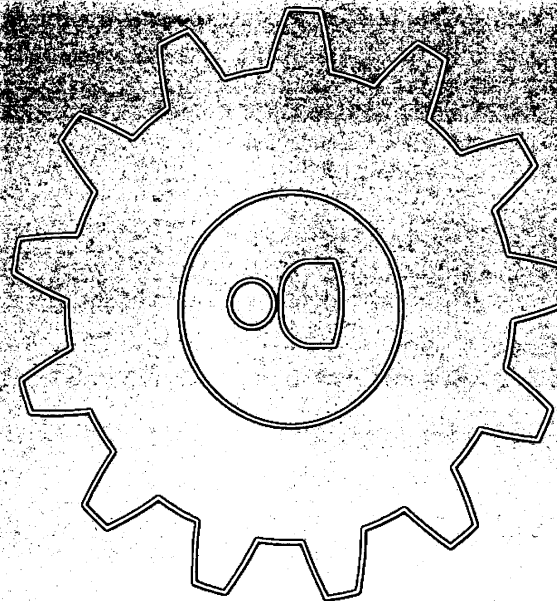
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Investment Managers

HSBC Private Bank (UK) Limited
 78 St James's Street
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Auditors

Moore Kingston Smith LLP
 9 Appold Street
 London
 EC2A 2AP



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catch-22.org.uk

Catch22charity limited. Registered charity no: 11241127.
Company limited by guarantee. Company no: 06577534.