

Company Number: 3476510

**Charity Numbers: 1072425
SC047557**

**The Caxton Trust
(A company limited by guarantee)**



Report and Financial Statements

for the year ended 31st December 2021

The Caxton Trust
Report and Financial Statements
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The Caxton Trust
Report of the Trustees (including Directors' report)
for the year ended 31st December 2021

In this document the Trustees present their report and the audited financial statements of the group for the year ended 31st December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019. The Trustees' report is also a directors' report for the purposes of the Companies Act 2006 and other company legislation.

Chairman's Report

The Caxton Trust operates under the name of Catch Up. Our overall aim is to increase both the take-up of Catch Up training by schools and their long-term engagement with Catch Up, so that many more struggling learners are supported by Catch Up's products.

The educational market has seen the growth of academy chains and free schools, the decline of local education authorities, and increasing public sector budgetary pressures. To address these challenges, Catch Up seeks to offer cost-effective and readily accessible products, to allow the maximum number of struggling learners in schools to be reached. The one-off cost of £450 for a person to be trained in one of our interventions means that the average cost per pupil reduces significantly as more beneficiaries receive the intervention, with the result that the Catch Up interventions offer exceptionally good value for money. As part of the Catch Up Training Support Package, we offer additional tools to help schools embed the interventions and further resources that support them.

The Caxton Trust has charitable status in Scotland and Catch Up is an authorised supplier to several Scottish local authorities. Further relationships in Scotland are being developed in order to expand the reach of Catch Up there.

For many years our main delivery model was face-to-face training using a network of Regional Training Centres (RTCs) supplemented by individual courses for organisations when requested. An online offer was trialled during 2019 and regular online training courses for both literacy and numeracy interventions were offered at the beginning of 2020. As a result of the Covid-19 pandemic all our training ceased in March 2020. Upon resumption of training in the autumn of that year, we experienced strong demand for online training, and we recognised that face-to-face training would not be practicable for the immediate future. The necessity of remote training and the growing acceptance of that form of model meant that we have since offered most of our courses online, with bespoke face-to-face courses being offered to individual organisations where a Covid secure environment was available. We continue to adapt and refine our online courses to ensure an efficient and quality delivery of training for our interventions.

We use our website and database to provide an efficient automated booking process; this enables Catch Up to continue to be a reasonably priced intervention and to be accessible to the widest possible audience. Our 'bundling' of training places continues to prove popular, offering good value to organisations taking up these offers and encouraging the creation of an optimal team of three trainees, including a Catch Up co-ordinator, to be embedded in a school. Incentives for whole school training are also offered to maximise the take-up of the Catch Up interventions in individual organisations.

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Our 2021 budget was set at the level of 928 trainees. This level reflected the uncertainty in respect of the educational sector as a result of the disruptive effects of the Covid-19 pandemic. The strong demand experienced during the final quarter of 2020 continued into 2021 and in the event, Catch Up trained 1,355 trainees in 2021, including 69 project trainees. The outlook for 2022 remains steady and a similar level of total trainees is expected for the year ahead.

In March 2020 Catch Up received the good news that it had been awarded a grant of £349,127 from The Charity of Sir Richard Whittington, of which The Mercers' Company is a trustee. This was to be used to undertake research over a three-year period for the creation of literacy and numeracy interventions for the early years foundation stage. Whilst the immediate start to the project was delayed as a result of the Covid-19 pandemic, the majority of milestones to date have been achieved and Catch Up is on track to deliver the project in line with the overall project timetable.

In November 2021 Catch Up entered into an agreement with Vinnai Works for Children's Social Care for a pilot project to train up to 50 foster carers in Catch Up Literacy. It is pleasing that Catch Up is looking to expand its reach to young people in care who will be able to benefit from this intervention.

The continued strong demand for online training coupled with the ongoing support of The Manor 2056 Trust and the Mercers' project has allowed the organisation to end the year on an improved financial footing.

On behalf of the Trustees, I thank our Chief Executive, Theresa Rogers, and her colleagues, for the commitment they have shown in responding to the high levels of demand experienced and in developing new areas to ensure Catch Up reaches as wide an audience as possible. The Catch Up team has showed outstanding enthusiasm and professionalism in the delivery of Catch Up training over many years and its use today is ever more relevant following the disruption to young people's education caused by the Covid-19 pandemic.

To find out more about Catch Up, visit our website www.catchup.org or telephone: 01842 821465.

Patrick Crawford CB
Chairman

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Report of the Trustees (including Directors' report)
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Our purpose and activities

Our charity's purpose, set out in the objects of the Trust in its governing documents, is the advancement of education. Our mission statement is to address literacy and numeracy difficulties that contribute to under-achievement.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. We look at the success of each key activity and the benefits brought to those groups of people we are set up to help. This process also helps us to ensure that our aim, objectives and activities remain focussed on our stated purposes. We have complied with the duty in the 2011 Charities Act and the Charities and Trustee Investment (Scotland) Act 2005 to have due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. The Trustees accordingly consider how planned activities will contribute to the aims and objectives they have set.

How our activities deliver public benefit

A significant proportion of primary and secondary school children in the UK have difficulties in attaining the levels of literacy and numeracy expected of them. Whilst these difficulties are often not severe enough to entitle those struggling learners to statutory additional learning support, they may still be sufficient to restrict the access to the curriculum. Without additional support, these children may fall further behind their peers. The adverse consequences are wide-ranging and well-documented: long-term poor academic achievement, low self-esteem, lower motivation to read, disengagement with the learning process, behavioural problems, reduced employment prospects and the possibility of social exclusion. It was with this in mind, that the Catch Up interventions were developed. By helping individuals experiencing learning difficulties to reach their full potential, it is hoped that their lives will be enriched and that they will be able to play a fuller part in society, so benefiting the communities in which they live.

Our main activities and those whom we try to help are described below. All our charitable activities focus on the advancement of literacy and numeracy skills of struggling learners and are undertaken to further our charitable purposes for the public benefit.

Catch Up, the working name of The Caxton Trust, is a not-for-profit charity that:

- offers comprehensive and integrated training and resource packages to support the management and delivery of the Catch Up interventions;
- provides ongoing support, through the Catch Up community, for those who deliver the Catch Up interventions; and
- undertakes research into the development and enhancement of the Catch Up interventions, and into extending the support it provides to struggling learners.

Catch Up Literacy and Catch Up Numeracy are:

- structured one-to-one interventions for struggling readers and for learners who struggle with numeracy respectively;
- centred on 15-minute sessions delivered twice a week, targeted to the needs of the individual;
- grounded in rigorous academic research and shown to be effective in schools (and other settings); and
- realistic, practical and inexpensive.

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Who used and benefited from our Services?

Those who use our services are initially teachers, teaching assistants, carers and other 'supporting adults'. The ultimate beneficiaries are struggling learners.

Achievements and performance

OPERATIONAL

- Catch Up continues to develop its Key Performance indicators in order to manage and develop its work effectively. The number of struggling learners helped is the ultimate measure of the work of the charity. As trained supporting adults can assist many struggling learners over time, the ultimate number of beneficiaries is difficult to quantify. We feel accordingly that the best measure of the activity of the charity is the number of supporting adults trained. In 2021, there were a total of 1,355 trainees, compared to 969 in 2020.
- 2020 saw the suspension of Catch Up RTCs as a result of the Covid-19 restrictions. Upon resumption of training in September 2020 all training was delivered online. The offer of face-to-face training restarted in 2021 and 5 training courses were delivered to organisations at Covid secure venues during the autumn of 2021.
- The changing financial climate within the public sector, changes in local authority staffing in England, and the development of academies and free schools combine to provide a challenging environment for the delivery of Catch Up's operations.
- The effects of the Covid-19 pandemic in 2021 meant there was an even greater need for the Catch Up interventions following the reduction of face-to-face teaching and given that not all members of the school community can access online learning.
- To make our interventions more affordable and to encourage the ideal team size of a minimum of three Catch Up trainees in each school, a 'bundle of places' is offered to organisations booking training for each intervention. Whole school block bundles are also offered to provide incentives to widen Catch Up's reach.
- Accreditation continues to be offered for a one off cost of £100. The Catch Up qualification is administered by Gateway qualifications and is Ofqual recognised.
- Since 2000, we have trained in excess of 33,000 supporting adults to deliver the Catch Up interventions and we estimate that they have supported more than half a million struggling learners.

COMMUNICATIONS, MARKETING AND BUSINESS DEVELOPMENT

- Activities included direct mail, email advertising, publisher inserts, brochure mailings, email newsletters, Twitter, training campaigns, webinars, automated emails, and Excellence Awards.
- We recognised that, with the diminishing roles of English local authorities, we needed to find new ways of communicating and working with English schools directly, including exploring the use of new partnerships. Schools are keen to maximise their use of Targeted Pupil Funding/Pupil Premium, especially as this is scrutinised as part of school inspections. This aspect has been further heightened by the Government's catch-up premium allocated to schools for the 2020/21 academic year.
- A Pupil Reporting Tool enables users to benefit as much as they can from the Catch Up interventions and providing greater evidence of the benefits of using Catch Up.
- Following the growth of enquiries from Scotland, work to increase awareness of Catch Up continues to be pursued to encourage more opportunities therein.

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- An agreement was reached with the National Literacy Trust to promote Catch Up as a preferred option to help with literacy for struggling learners.
- Hodder Education now notes that its New Salford Sentence Reading Test is recommended by Catch Up; this has helped to raise the profile of the organisation to members of the education sector by being associated with this well-respected teaching tool.
- Our pilot programme with What Works for Children's Social Care has raised awareness of Catch Up in a new sector for us that includes many young people that would benefit from the Catch Up Literacy intervention.

BUILDING CAPACITY

- The use of our website and database provides an efficient booking and administration system, with trainees made fully aware of our on-line functionality.
- The automation of database-driven tasks has allowed efficient management of courses by our office team and the use of a third-party provider to deliver online connectivity for courses has allowed our office resources to be deployed to facilitate the growing number of courses being delivered.
- Using the knowledge, expertise, and commitment of the Catch Up team has been beneficial in developing and reviewing operational issues and resources, as well as in identifying potential new areas of development especially in refining online delivery.
- Trainers have been trained in delivering the training online which allows a more flexible delivery model. This was a necessity following the Covid-19 pandemic but also has advantages for those geographically remote or those wishing to access training at the earliest possible time.

RESEARCH AND GRANTS

- In March 2020, Catch Up was awarded a grant of £349,127 over a three-year period from the charity of Sir Richard Whittington, of which The Mercers' Company is a trustee. The grant is to undertake research to create early years' literacy and numeracy interventions for the foundation stage and is scheduled for completion during 2023. The grant, payable in instalments includes a contribution toward the associated overheads of the charity as well as income associated with training of participants. The profile of grant saw £80,427 received in 2020 and £134,983 in 2021 with £111,183 expected in 2022 and £22,534 in 2023. The expenditure on this grant in the year was £69,284, with a transfer to unrestricted funds of £31,167.
- In November 2021 Catch Up entered into an agreement with What Works for Children's Social Care for a pilot project to train up to 50 foster carers in Catch Up Literacy. The project has an expected grant value of £86,735 with completion expected by March 2023. £54,900 of the total grant value was received in 2021.
- The Manor 2056 Trust provided a financial donation of £30,000 which was used to support core costs during the year.

FUND-RAISING STANDARD INFORMATION

- Catch Up does not carry out fund raising activities. It relies upon the sale of the Catch Up training and resources for its operating costs and upon grants for its research projects.

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Financial review

- 2020 was hugely impacted by the Covid-19 pandemic whereas 2021 saw a level of activity similar to that experienced in 2019, the last full calendar year before the pandemic. As a result of the strong demand for training, the continued support of The Manor 2056 Trust and the continuing work in delivering the Mercers' project, a positive financial result for the year was achieved. Catch Up had a financial surplus of £97,034 for the year on unrestricted funds and at the year-end the balance on unrestricted reserves was £192,361.
- Total income for 2021 was £754,488, which represented a 44% increase on £525,562 in 2020. There was an 11% increase in grants and donations in 2021 to £222,883 from £201,086 in 2020. Income from the sale of Catch Up materials and training increased to £531,586 from £324,417.
- Total expenditure in 2021 was £584,610, up from £423,363, a 38% increase.
- The total net surplus for 2021 was £169,878 (2020 - surplus of £102,199).
- Total reserves at the end of 2021 were £259,291, comprising unrestricted reserves of £192,361 and restricted reserves of £66,930. The restricted reserves are in respect of funding received, which will be spent during 2021.

Pricing policy

Catch Up maintains a pricing policy that reflects the strategy of enabling its interventions to be available to as many beneficiaries as possible. Hence the Trustees and management seek to offer a price that provides a reasonably priced and cost-effective intervention that covers the core costs of the charity, enabling the charity to be sustainable. We give incentives for more trainees from the same organisation to encourage what Catch Up sees as the optimal number of trainees at each location to achieve the most successful outcomes for itself and for schools.

Reserves policy

The Trustees have established the level of unrestricted (freely available) reserves that the charity should aim to have. These reserves are needed to bridge the funding gaps between spending on Catch Up interventions and receipt of income. The seasonal nature of the training also requires the level of cash reserves to be sufficient to cover core costs and working capital requirements during periods when reduced income is experienced, typically during the first half of the year.

The aim of Trustees is to achieve a level of unrestricted reserves equivalent to between three to six months of core costs, currently estimated to be between £90,820 and £181,641. This target level of reserves was achieved in 2021 and it is hoped to consolidate this level further by the end of 2022.

Going concern

The occurrence of the Covid-19 pandemic during 2020 meant that all training ceased at the end of March 2020. When training resumed in September 2020 all training was moved online. The strong demand experienced upon the resumption of training continued into 2021 resulting in a surplus for the year. Indications are that another surplus for 2022 should be achievable.

A research grant from The Mercers' Company in March 2020 has provided further financial stability for the years 2021-23. In addition, the Trustees have negotiated a working capital line of credit, should it be required, to support the organisation for a 12-month period.

The level of reserves coupled with our forecasts of trading and cashflows for 2022 and 2023 in light of the demand experienced during 2021, cause the Trustees to be of the view that the charity is a going concern.

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Plans for future periods

Catch Up began offering on-line training courses during 2020. These have the advantage of reaching geographically remote groups or trainees that wish to access Catch Up training at the earliest opportunity without the need to incur travel time and costs. The incidence of Covid-19 in 2020 demonstrated how flexible these on-line courses are and how well-suited they are to remote delivery. The pandemic has made society more comfortable with remote learning and online delivery is now the preferred delivery method. Face-to face courses are offered to organisations that can provide Covid secure venue.

The dedication, commitment and professionalism of the Catch Up team, combined with an adaptable strategy, a refined delivery model, excellent value for money and proven effectiveness, allow the Trustees to be confident that continued take-up of Catch Up interventions will be achieved, thus helping many more children benefit from our interventions.

Reference and administrative details

Charity Numbers: 1072425
SC047557

Company Number: 3476510

Registered Office: Catch Up, Keystone Enterprise Factory, Brunel Way, Thetford, IP24 1HP

Auditors: Kevin J Rhind, Corner Cottages, Hempstead, Norwich NR12 0SH

Bankers: CAF Cash, Kings Hill, West Malling, Kent ME19 4TA

The charity is officially registered as The Caxton Trust but conducts its charitable work under the working name of Catch Up.

Directors and trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report they are collectively known as the Trustees. The Trustees and officers serving during the year and since the year-end were as follows:

Patrick Crawford CB - Chairman

Sioned Bowen

Gay Drysdale (resigned 14 September 2021)

Vanessa Emmett

Andrew Lane

Professor Ingrid Lunt

Jocelyn Stuart-Grumbar

Alan Warner

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The key staff members are:

| | |
|-----------------|--|
| Chief Executive | Theresa Rogers |
| Deputy Director | Dr Graham Sigley – with responsibility for research programmes |

Governing document and members

The Caxton Trust is a company limited by guarantee and a registered charity in England and Scotland. On 12th June 2017, the company adopted a new Memorandum and Articles of Association in substitution to its Memorandum and Articles of Association dated 4th December 1997 as amended on 22nd October 1998.

The members are the owners of the charity. Applications for membership require approval by the Trustees. Each of the members has agreed to contribute £1 in the event of the charity winding up. The current membership comprises the existing Trustees.

Appointment of trustees

The Trustees are responsible for governance, directing and overseeing the operation of the charity. Trustees are appointed by a recruitment process which includes an interview. The minimum number of trustees is three; there is no maximum number.

Trustee induction and training

All new trustees are given an induction meeting to brief them on their legal obligations under charity and company law, the contents of the Memorandum and Articles of Association, the decision-making process, the business plan, recent financial performance of the charity and a job description. They are also invited to meet key employees and members of staff.

Organisation

The board of trustees administers the charity. The board meets at least quarterly. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within the terms of delegation approved by the Trustees, for operational matters including finance, employment, the sale of Catch Up resources and training.

Related parties

The charity had a dormant wholly owned subsidiary, Catch Up Limited which was incorporated in Australia. This was deregistered on 23rd April 2021.

Remuneration policy for trustees and senior staff

The Trustees, the Chief Executive and Deputy Director comprise the key management personnel of the charity. The Trustees give their time without compensation and no trustee received any remuneration in the year.

Details of the senior staff remuneration are disclosed in note 9 to the financial statements. The pay of senior staff is reviewed annually along with other members of the staff team and assessment given to the sustainability of the charity, local market rates and performance of both individuals and the organisation.

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Risk management

The Trustees have a risk management strategy, which comprises:

- an annual review of the risks and uncertainties the charity may face;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

This review has identified that financial sustainability is the major financial risk for the charity. A key element in the management of financial risk is a regular review of available liquid funds and the active management of trade debtors and creditors to ensure sufficient working capital is available to the charity. Operationally, the charity aims to ensure that training courses only take place where a positive financial contribution can be achieved.

Trustees' responsibility in relation to the financial statements

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP FRS102;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, The Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- the Trustees, having made such enquiries of fellow trustees and the charity's auditor that they ought to have individually taken, have each taken all steps that they are obliged to take as a trustee, in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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Auditor

A resolution proposing Kevin J. Rhind is re-appointed as auditor of the charity will be put to the Annual General Meeting.

Small company provisions

The report of the Trustees has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Signed on behalf of the Trustees by:

Patrick Crawford CB
Chairman

Dated: 14th June 2022

Independent Auditor's Report to the Trustees of The Caxton Trust

Opinion

We have audited the financial statements of The Caxton Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31st December 2021 which comprise Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Statement of Cash Flows and Consolidated Statement of Cash Flows 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 parent charitable company's affairs as at 31 December 2021, 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;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 group and parent 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 or 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 trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within 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 this gives rise to 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. \

Independent Auditor's Report to the Trustees of The Caxton Trust

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees report has been prepared in accordance with the 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 directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Trustees' responsibilities:

As explained more fully in the trustees' responsibilities statement set out on page 9 the trustees (who are also the directors of the parent 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 groups 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

We have been appointed auditor under section 44(1)(c) of the Charities and Investment (Scotland) Act 2005, under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Trustees of The Caxton Trust

Extent the audit was considered capable of detecting irregularities, including fraud

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those relating to the reporting framework (FRS 102, The Charities SORP FRS102, the Companies Act 2006, the Charities Act 2011, the Charities and Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006) and the relevant direct and indirect compliance tax regulations in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management and the trustees to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing documentation. We have also reviewed correspondence with relevant authorities.
- Reviewing minutes of meetings of trustees.
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of the controls, including testing of journal entries and other adjustments for appropriateness, evaluation of the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

On occasion where we may also have determined that certain matters relating to non-compliance with laws and regulations are key audit matters, we must still include the required explanation, in our report, as to what extent the audit was capable of detecting irregularities, including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis for 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 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 in respect to going concern are described in the relevant sections.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Independent Auditor's Report to the Trustees of The Caxton Trust

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 and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006.

Our audit work has been undertaken so that we might state to the charitable company's trustees those matters 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 anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin J. Rhind (Senior Statutory Auditor)
For and on behalf of
Kevin J. Rhind, Statutory Auditor

Corner Cottages,
Hempstead,
Norwich
NR12 0SH

Dated

8th July 2012

The Caxton Trust
Consolidated Statement of Financial Activities
(including Consolidated Income and Expenditure Account)
for the year ended 31st December 2021

| | Note | Unrestricted Funds £ | Restricted Funds £ | 2021 £ | 2020 £ |
|---|------|----------------------------|--------------------------|-----------------|----------------|
| Income | | | | | |
| Grants and donations | 3 | 33,000 | 189,883 | 222,883 | 201,086 |
| <i>Income from charitable activities:</i> | | | | | |
| Sales of Catch Up materials, training and conferences | 4 | 531,586 | - | 531,586 | 324,417 |
| Investment income | 5 | 19 | - | 19 | 59 |
| | | | | | |
| Total income | | 564,605 | 189,883 | 754,488 | 525,562 |
| | | | | | |
| Expenditure | | | | | |
| <i>Expenditure on charitable activities:</i> | | | | | |
| Development and sale of Catch Up materials, training and conferences | 6 | 467,571 | 117,039 | 584,610 | 423,342 |
| Interest payable | 7 | - | - | - | 21 |
| | | | | | |
| Total expenditure | | 467,571 | 117,039 | 584,610 | 423,363 |
| | | | | | |
| Net income/(expenditure) | 8 | 97,034 | 72,844 | 169,878 | 102,199 |
| | | | | | |
| Transfer between funds | | 41,127 | (41,127) | - | - |
| | | | | | |
| Net movement in funds for the year | | 138,161 | 31,717 | 169,878 | 102,199 |
| | | | | | |
| Reconciliation of funds | | | | | |
| Fund balances brought forward | | 54,200 | 35,213 | 89,413 | (12,786) |
| | | | | | |
| Fund balances carried forward | 18 | £192,361 | £66,930 | £259,291 | £89,413 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended are derived from continuing activities.

The notes on page 18 to 29 form part of these financial statements

The Caxton Trust
Consolidated Balance Sheet
as at 31st December 2021

| | Note | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|------|--------------------|--------------------|----------------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | 615 | 1,230 | 615 | 1,230 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Current assets | | | | | |
| Stocks | 14 | 9,948 | 6,190 | 9,948 | 6,190 |
| Debtors | 15 | 62,231 | 69,768 | 62,231 | 69,813 |
| Cash at bank and in hand | | 280,146 | 108,996 | 280,146 | 108,951 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total current assets | | 352,325 | 184,954 | 352,325 | 184,954 |
| Creditors: amounts falling due within one year | 16 | 93,649 | 96,771 | 93,649 | 96,771 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net current assets/(liabilities) | | 258,676 | 88,183 | 258,676 | 88,183 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Net assets/(liabilities) | | £259,291 | £89,413 | £259,291 | £89,413 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| The funds of the charity | | | | | |
| Restricted income funds | 18 | 66,930 | 35,213 | 66,930 | 35,213 |
| Unrestricted income funds | 18 | 192,361 | 54,200 | 192,361 | 54,200 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total charity funds | 19 | £259,291 | £89,413 | £259,291 | £89,413 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the board of Trustees on 14th June 2022 and signed on its behalf by:

Patrick Crawford CB
Trustee

Company registration number: 3476510
Charity Number: 1072425

The notes on pages 18 to 29 form part of these financial statements

The Caxton Trust
Statement of Cash Flows and Consolidated Statement of Cash Flows
for the year ended 31st December 2021

| | | Group | | Charity | |
|---|-------------|-----------------|-----------------|-----------------|-----------------|
| | Note | 2021 | 2020 | 2021 | 2020 |
| | | £ | £ | £ | £ |
| Cash provided by/(used in) operating activities | 20 | 171,131 | 54,069 | 171,176 | 54,066 |
| <hr/> | | | | | |
| Cash flows from investing activities | | | | | |
| Investment income | | 19 | 59 | 19 | 59 |
| Purchase of tangible fixed assets | | - | (1,845) | - | (1,845) |
| <hr/> | | | | | |
| Cash provided by/(used in) investing activities | | 19 | (1,786) | 19 | (1,786) |
| <hr/> | | | | | |
| Cash flows from financing activities | | | | | |
| Interest payable | | - | (21) | - | (21) |
| <hr/> | | | | | |
| Cash used in financing activities | | - | (21) | - | (21) |
| <hr/> | | | | | |
| Increase/(decrease) in cash and cash equivalents in the year | | 171,150 | 52,262 | 171,195 | 52,259 |
| <hr/> | | | | | |
| Cash and cash equivalents at the beginning of the year | | 108,996 | 56,734 | 108,951 | 56,692 |
| <hr/> | | | | | |
| Total cash and cash equivalents at the end of the year | | £280,146 | £108,996 | £280,146 | £108,951 |
| <hr/> | | | | | |

The notes on pages 18 to 29 form part of these financial statements

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) including the provisions of Section 1A applicable to Small Entities - (Charities' SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The financial statements are presented in sterling, rounded to the nearest whole £1.

The Caxton Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

b. Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The strong demand for training experienced in the autumn of 2020 continued through 2021 and is expected to continue into 2022 with the result that a further surplus is expected for 2022.

In March 2021, Catch Up was awarded a grant of £349,127 over a three-year period from the charity of Sir Richard Whittington, of which The Mercers' Company is a trustee. The grant is to undertake research to create literacy and numeracy interventions for the early years' foundation stage and is scheduled for completion during 2023. The grant, payable in instalments includes a contribution toward the associated overheads of the charity as well as income associated with training of participants. The income profile of grant saw £80,427 received in 2020 and £134,983 in 2021. Further receipts of, £111,183 in 2022 and £22,534 in 2023 are expected. This income provides extra financial stability for the charity during the medium term.

The charity has renewed its working capital line of credit which is enough to meet the expected shortfall of cash that might occur if budgeted training numbers are not met. The budgeted level of income and expenditure combined with the level of reserves for the charity are sufficient for it to be able to continue as a going concern.

c. Company status

The charity is a private company limited by guarantee incorporated in England within the United Kingdom. The guarantors are the members. The liability in respect of the guarantee, as set out in the memorandum and articles, is limited to £1 per member of the charity.

The charity is also a registered charity in Scotland.

The address of the registered office is given in the information on page 7 of these financial statements.

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

d. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received, and the amount can be measured reliably. Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from the sale of Catch Up training and materials is recognised on a receivable basis when due. Income received in advance of training is deferred until the criteria for income recognition are met (see note 16 below).

Donated professional services are recognised as income when the charity has control over them, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably. On receipt, donated professional services are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have had to pay to obtain services of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period.

e. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

f. Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of the donation. The purpose and use of the restricted funds are set out in the notes to the financial statements.

g. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes the costs of delivering the Catch Up training, training staff, delivering conferences, development and marketing, and other activities undertaken to further the purposes of the charity and their associated support costs.

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

h. Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the charity's activities. The bases on which such support costs have been allocated are set out in note 6 below.

i. Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged as incurred.

j. Tangible fixed assets

Individual assets costing £1,000 or more are capitalised at cost.

Assets in the course of development are capitalised although not depreciated until the asset is brought into use.

Depreciation is provided on all tangible fixed assets in order to write off their cost, less estimated residual value, over their expected useful lives on the following basis:

| | | |
|-------------------------------|-----|---------------------|
| Office equipment and fixtures | 33% | straight line basis |
| Website and software | 25% | straight line basis |

k. Stock

Stocks are stated at the lower of cost and net realisable value on a FIFO basis after making allowance for slow moving and obsolete stock.

l. Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m. Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n. Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution stakeholder pension scheme which is administered by Prudential plc. The scheme is open to all employees and is funded by contributions from the employee and employer. A separate National Employment Savings Trust defined contribution stakeholder pension scheme became operational on 1st January 2019, the charity's staging date for auto-enrolment. The pension cost charge represents contributions payable by the charity to the funds in respect of the year.

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

o. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

p. Redundancy costs

Redundancy costs are provided for once the decision for termination has been made. These are quantified in accordance with the employee's right to redundancy payments based on years of service. In addition, any pay in lieu of notice due is calculated in accordance with the relevant employment contract.

2. Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

The estimates and assumptions with a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are:

Costs of completing the work funded by restricted grant funding, where judgement is made to estimate the amount of grant funded earned on the particular projects based on the milestones reached and the estimated costs of completing the project. This in turn allows the trustees to estimate what amounts if any may be transferred from restricted reserves to unrestricted reserves.

3. Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary Catch Up Limited, which was incorporated in Australia this was deregistered on 23 April 2021.

The summary financial performance of the UK charity alone is:

| | 2021 | 2020 |
|---|-----------------|-----------------|
| | £ | £ |
| Net income/(expenditure) and net movement in funds for the year | £169,878 | £102,199 |

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

3. Grants and donations

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Unrestricted donations | | |
| The Manor 2056 Trust | 30,000 | 30,000 |
| Covid-19 discretionary grant | - | 10,000 |
| Other | 3,000 | 2,500 |
| | <hr/> | <hr/> |
| | £33,000 | £42,500 |
| | <hr/> | <hr/> |
| Restricted grants and donations | | |
| Charity of Sir Richard Whittington | 134,983 | 80,427 |
| What Works for Children's Social Care | 54,900 | - |
| Coronavirus Job Retention Scheme | - | 64,159 |
| The Manor 2056 Trust | - | 14,000 |
| | <hr/> | <hr/> |
| | £189,883 | £158,586 |
| | <hr/> | <hr/> |
| Total grants and donations | £222,883 | £201,086 |
| | <hr/> | <hr/> |

4. Income from charitable activities

| | 2021 £ | 2020 £ |
|--------------------------------|-----------|-----------|
| Sales of Catch Up products | 323,796 | 197,952 |
| Training and associated income | 207,790 | 126,465 |
| | <hr/> | <hr/> |
| | £531,586 | £324,417 |
| | <hr/> | <hr/> |

The percentage of income attributable to markets outside the United Kingdom is 3.1%
(2020 - 2.4%)

5. Investment income

| | 2021 £ | 2020 £ |
|---------------|-----------|-----------|
| Bank interest | £19 | £59 |
| | <hr/> | <hr/> |

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

6. Analysis of expenditure on charitable activities

| | Staff costs | Direct costs | Office and support costs | Total 2021 | Total 2020 |
|--|--------------------|---------------------|---------------------------------|-------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Costs of Catch Up materials and training | 103,826 | 27,887 | 66,157 | 197,870 | 139,952 |
| Training and conferences | 37,852 | 148,804 | 823 | 187,479 | 100,514 |
| Development and marketing | 59,630 | 15,567 | - | 75,197 | 61,012 |
| Project and grant costs | 37,809 | 79,230 | - | 117,039 | 110,455 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 239,117 | 271,488 | 66,980 | 577,585 | 411,933 |
| Governance costs: | | | | | |
| Audit fees | - | - | 4,750 | 4,750 | 4,700 |
| Legal fees | - | - | 2,275 | 2,275 | 6,717 |
| Exchange rate movements | - | - | - | - | (8) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | - | - | 7,025 | 7,025 | 11,409 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | £239,117 | £271,488 | £74,005 | £584,610 | £423,342 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

For the year ended 31 December 2020

| | Restricted | Unrestricted | Total |
|--------------------------------------|-------------------|---------------------|--------------|
| | £ | £ | £ |
| Expenditure on charitable activities | £110,455 | £312,887 | £423,342 |
| | <hr/> | <hr/> | <hr/> |

Staff costs are apportioned on a time basis. Office and support costs are apportioned to the activity to which they relate.

7. Interest payable

| | 2021 | 2020 |
|---|-------------|-------------|
| | £ | £ |
| Interest payable on deferred taxation and social security | £- | £21 |
| | <hr/> | <hr/> |

8. Net income/(expenditure) for the year

| | 2021 | 2020 |
|--|--------------|-------------|
| | £ | £ |
| This is stated after charging/(crediting): | | |
| Depreciation of own assets | 615 | 615 |
| Auditors' remuneration: | | |
| Audit services | 4,750 | 4,700 |
| Exchange rate movements | - | (8) |
| | <hr/> | <hr/> |

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

9. Employee information

| | 2021 Number | 2020 Number |
|---|----------------|----------------|
| The average number of persons employed was: | | |
| Support and administration | 9.3 | 9.4 |
| The full time equivalent average number of persons was: | | |
| Support and administration | 5.9 | 5.9 |

Staff costs (for the above staff)

| | 2021 £ | 2020 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 212,899 | 216,544 |
| Social security costs | 15,408 | 11,721 |
| Pension costs | 10,810 | 9,677 |
| | <hr/> | <hr/> |
| Total staff costs | £239,117 | £237,942 |
| | <hr/> | <hr/> |

During 2020 one employee was made redundant. Redundancy and notice payments totalling £3,909 were paid in respect of this employee and are shown within the wages and salaries noted above.

During the year, retirement benefits were accruing to 9 employees (2020 - 9) in respect of money purchase schemes.

No employees received emoluments (excluding pension contributions) in excess of £60,000 (2020: none).

Trustees

No trustee received any remuneration for services during the year (2020 - £Nil). Directly incurred expenses are reimbursed when claimed and in 2021 a total of £Nil was claimed (2020 - £Nil).

10. Pensions

The charity operates a defined contribution pension scheme and a separate National Employment Savings Trust defined contribution stakeholder pension scheme which became operational on 1st January 2019. The assets of the schemes are held separately to those of the charity in independently administered funds. The pension cost charge represents the contributions payable by the charity to the funds for the year and these costs are included within staff costs and allocated to the activity for the relevant employee. The pension charge for 2021 was £10,810 (2020 - £9,677). At the year-end, there were no amounts payable in respect of outstanding contributions (2020 - £Nil).

11. Taxation

The Caxton Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and on surpluses on any activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

12. Tangible Fixed Assets – Group and Charity

| | Computer equipment £ | Website & database £ | Total £ |
|-----------------------------------|----------------------------|----------------------------|-------------|
| Cost | | | |
| At 1 st January 2021 | 13,857 | 121,885 | 135,742 |
| Additions | - | - | - |
| | ----- | ----- | ----- |
| At 31 st December 2021 | 13,857 | 121,885 | 135,742 |
| | ----- | ----- | ----- |
| Depreciation | | | |
| At 1 st January 2021 | 12,627 | 121,885 | 134,512 |
| Charge for the year | 615 | - | 615 |
| | ----- | ----- | ----- |
| At 31 st December 2021 | 13,242 | 121,885 | 135,127 |
| | ----- | ----- | ----- |
| Net Book Value | | | |
| At 31 st December 2021 | £615 | £- | £615 |
| | ----- | ----- | ----- |
| At 31 st December 2020 | £1,230 | £- | £1,230 |
| | ----- | ----- | ----- |

13. Investments

The charity had a wholly-owned subsidiary Catch Up Limited, a company limited by guarantee incorporated in Australia (ACN 154644498). The liability of each member was limited to Aus\$10 each. The company provided educational training and resource material in Australia and neighbouring countries and has not traded since 2017. It was deregistered on 23rd April 2021.

The subsidiary was exempt from having an audit in Australia and has claimed exemption from having an audit of its individual accounts under section 479A of the Companies Act 2006.

The summary financial performance of the subsidiary alone is:

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Turnover | - | - |
| Cost of sales and administration costs | - | - |
| | ----- | ----- |
| Net profit/(loss) | £- | £- |
| | ----- | ----- |

The assets and liabilities of the subsidiary were:

| | 2021 £ | 2020 £ |
|--------------------------------------|-----------|-----------|
| Current assets | - | 45 |
| Current liabilities | - | (45) |
| | ----- | ----- |
| Aggregate Share Capital and Reserves | £- | £- |
| | ----- | ----- |

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

14. Stock

| | Group | | Charity | |
|-----------------------------|---------------|---------------|----------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Stock of Catch Up materials | £9,948 | £6,190 | £9,948 | £6,190 |

15. Debtors

| | Group | | Charity | |
|----------------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade debtors | 51,037 | 65,323 | 51,037 | 65,323 |
| Prepayments | 11,194 | 4,445 | 11,194 | 4,445 |
| Amount due from subsidiary | - | - | - | 45 |
| | £62,231 | £69,768 | £62,231 | £69,813 |

The amount owed by the subsidiary was interest free, unsecured and with no fixed repayment terms.

16. Creditors: falling due within one year

| | Group | | Charity | |
|------------------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade creditors | 25,321 | 36,945 | 25,321 | 36,945 |
| Income in advance | 28,205 | 21,157 | 28,205 | 21,157 |
| Other creditors | - | - | - | - |
| Accruals | 32,847 | 30,604 | 32,847 | 30,604 |
| Taxation and social security | 5,169 | 5,142 | 5,169 | 5,142 |
| VAT payable | 2,107 | 2,923 | 2,107 | 2,923 |
| | £93,649 | £96,771 | £93,649 | £96,771 |

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

Income in advance relates to training income invoiced in advance.

| | Group & Charity 2021 £ | Group & Charity 2020 £ |
|--|---|---|
| Balance at 1 st January 2021 | 21,157 | 51,167 |
| Amount released to income from charitable activities | (9,432) | (51,167) |
| Amount deferred in year | 16,480 | 21,157 |
| | <hr/> | <hr/> |
| Balance at 31 st December 2021 | £28,205 | £21,157 |
| | <hr/> | <hr/> |

17. Other Commitments

A three-year lease was entered into on 1st October 2021 with break clauses after 12 and 24 months. The annual rent and service charge for the property was £11,778.

At 31st December 2021, the charity had future minimum lease payments and service charge obligations under non-cancellable operating leases in respect of land and buildings of:

| | 2021 £ | 2020 £ |
|------------------------|-------------------|-------------------|
| Amounts payable | | |
| Within one year | £8,834 | £8,834 |
| | <hr/> | <hr/> |

The amounts recognised as an expense for the period in respect of rent and service charge obligations for land and buildings was £11,778 (2020 - £14,814).

18. Funds

| | At 1st January 2021 £ | Incoming resources £ | Outgoing resources £ | Transfers £ | At 31st December 2021 £ |
|--|---|-------------------------------------|-------------------------------------|------------------------|---|
| Restricted funds | | | | | |
| Charity of Sir Richard Whittington | 35,213 | 134,983 | (69,284) | (31,167) | 69,745 |
| What Works for Children's Social Care | - | 54,900 | (47,755) | (9,960) | (2,815) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 35,213 | 189,883 | (117,039) | (41,127) | 66,930 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Unrestricted funds | | | | | |
| General reserve | 54,200 | 564,605 | (467,571) | 41,127 | 192,361 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total funds | £89,413 | £754,488 | £(584,610) | £- | £259,291 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

Charity of Sir Richard Whittington In March 2020, Catch Up was awarded a grant of £349,127 over a three-year period from the charity of Sir Richard Whittington, of which The Mercers' Company is a trustee. The grant is to undertake research to create literacy and numeracy interventions at the early years' foundation stage and is scheduled for completion during 2023. The grant, payable in instalments, includes a contribution toward the associated overheads of the charity as well as income associated with training of participants. The income profile of grant saw £80,427 received in 2020 and £134,983 in 2021, to be followed by £111,183 in 2022 and £22,534 in 2023.

What Works for Children's Social Care In November 2021, Catch Up entered into a pilot programme with What Works for Children's Social Care to deliver Catch Up Literacy training to carers of looked after children along with the provision of appropriate reading materials. The project allows for training of up to 50 carers and has a value of £86,735 with a completion date of March 2023.

Projects are priced to generate a surplus over the direct costs attributable to delivering the projects in order to cover the associated overheads of the charity. In addition, surpluses arise where the income allowed is in excess of the direct costs of delivering the various elements of the project expenditure. These total surpluses over direct costs incurred are shown as a transfer between funds. Where projects incur costs that were not associated with the original funding bid, these extra costs are borne by Catch Up and allocated to the period incurred.

As shown above, there is a transfer between restricted and unrestricted reserves of £41,127 (2020: £12,786), this is represented by the value at normal selling price of the number of people trained as part of the grant funded project, plus the estimated surplus earned on the project to date, based on the milestones reached on each project and the estimated costs to complete the project. There were 69 project trainees in the current year and 16 in 2020.

19. Analysis of group net assets/(liabilities) between funds

| | Tangible fixed assets | Net current assets | Total |
|--------------------|----------------------------------|-------------------------------|-----------------|
| | £ | £ | £ |
| Restricted funds | - | 66,930 | 66,930 |
| Unrestricted funds | 615 | 191,746 | 192,361 |
| | <hr/> | <hr/> | <hr/> |
| | £615 | £258,676 | £259,291 |
| | <hr/> | <hr/> | <hr/> |

The Caxton Trust
Notes to the Financial Statements
for the year ended 31st December 2021

20. Reconciliation of net movement in funds to net cash flow from operating activities

| | Group | | Charity | |
|---|-----------------|-------------|-----------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Net movement in funds | 169,878 | 102,199 | 169,878 | 102,199 |
| Add back depreciation charges | 615 | 615 | 615 | 615 |
| Deduct interest income shown in investing activities | (19) | (59) | (19) | (59) |
| Add interest payable shown in financing activities | - | 21 | - | 21 |
| (Increase)/decrease in stock | (3,758) | 7,566 | (3,758) | 7,566 |
| (Increase)/decrease in debtors | 7,537 | (13,238) | 7,582 | (13,241) |
| Increase/(decrease) in creditors | (3,122) | (43,035) | (3,122) | (43,035) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net cash provided by/(used in) operating activities | £171,131 | £54,069 | £171,176 | £54,066 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

21. Related party transactions

During the year Catch Up received donations of £30,000 from The Manor 2056 Trust, which is a charity controlled by Andrew Lane who is a trustee of The Caxton Trust (2020 - £44,000).

22. Post balance sheet events

There were no post balance sheet events to note.