

REGISTERED COMPANY NUMBER: 06777504 (England and Wales)
REGISTERED CHARITY NUMBER: 1138124

Report of the Trustees and
Financial Statements for the Year Ended 31 December 2020
for
Catzero Limited

Harris Lacey and Swain
Chartered Accountants and Statutory Auditors
Suite 1
The Riverside Building
Hessle
East Yorkshire
HU13 0DZ

Catzero Limited

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for the Year Ended 31 December 2020**

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Catzero Limited

**Report of the Trustees
for the Year Ended 31 December 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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) (effective 1 January 2019).

**Report of the Trustees
for the Year Ended 31 December 2020**

OBJECTIVES AND ACTIVITIES

CatZero: Delivering Lasting Personal Change

Summary

2020 was obviously a very difficult year, but despite the challenges face by everyone worldwide, we are pleased to report a small surplus for the year, which has been achieved as a result of innovative ways of working, the proactiveness and commitment of management and staff and the support of our funders and the Government.

The Charity was able to continue in operation throughout the year thanks to its reserves, prudent management of expenditure, the government furlough scheme and staff willingness to accept the salary sacrifice as well as the availability of the Bounceback loan. We are well placed to return to full operational activity post Covid-19.

The staff team has maintained support to our participants throughout the Covid-19 pandemic. This is an amazing tribute to our excellent staff team who come up with many innovative ways of supporting children, young people, families and Veterans while also adhering to the Covid-19 restrictions.

In addition, our Director of Sailing, Danny Watson, undertook a fundraising challenge where he ran 30 marathons over 30 consecutive days, raising over £100,000. These funds are being used to match fund further support our programmes across the Humber region.

Charitable Purpose

People of all ages, often with complex underlying issues, are supported to overcome the barriers that prevent them moving into education, training or employment. CatZero's uniqueness comes from how we do things, not just what we do. Our experienced and dedicated team builds trust and confidence in individuals, with programmes of self-analysis, development and challenge. The result is lasting personal change.

Our background

From our bases in Hull and Grimsby, our dedicated team - many who have been with us since inception - lead a variety of different programmes for all ages. Launched in December 2008 to work with NEETS (young people not in education, employment or training), we have now extended our reach to the long-term unemployed, older people with specific needs, service veterans and full families and look to continue this as we move into our 13th year.

Our work in some of the most deprived and challenging areas of East Yorkshire, Hull, North and North East Lincolnshire, supports people to overcome their own personal barriers, using a combination of academic training, teamwork and emotional and practical support. That support is long-term too, as our 'progressions' team engages participants over the months and years ahead: Once CatZero, Always CatZero', is our ethos.

Over the last twelve years, CatZero has provided intensive support to over 2,500 individuals with an average of 60 per cent moving into sustainable education, employment or training. Many more participants have also gone on to complete short term qualifications or into short training courses and / or carried out work experience and short and long-term volunteering. CatZero also helps with issues such as transition from primary to secondary school, school attendance and GCSE exam preparation and attendance and supports families to build positive lives.

It is significant that some of the largest private enterprises and charities locally and nationally support the work we do. We also attract grant-funding from leading organisations that understand how our bespoke programming, unique teambuilding and personal mentoring engages individuals who are willing to change.

Our programme 'sailing' experience, using the 72ft CatZero Challenge yacht, offers participants an intense journey. Held towards the end of our formal programmes, it pulls together everything that is learned - building confidence, teamwork and focus in an intense and challenging environment. There is nowhere to hide on these sails, which can only be truly appreciated if experienced.

It is worth noting too, that our health & safety, safeguarding and governance is outstanding and closely monitored.

**Report of the Trustees
for the Year Ended 31 December 2020**

OBJECTIVES AND ACTIVITIES

Significant Activities

Programmes

During 2020, CatZero ran a number of innovative and long-term development and support programmes to change the lives of individuals and families.

These programmes included:

- The Grimsby Full Families Programme - the continuance of our rolling programme in North East Lincolnshire, working in partnership with CPO (Creating Positive Opportunities) supporting children, young people and their families, funded by the Big Lottery Reaching communities and philanthropic funders, including the Fishmongers Company and the Hawerby Family Trust. This project commenced in September 2017 and works with families from the East Marsh, West Marsh and South Ward in Grimsby. Thirty-two families were referred late in 2019 and were supported throughout 2020. A further 12 new families commenced on the programme in 2020, bringing the total to 104 families over the last three years.

- The Hull Full Families programme - focussing on the Preston Road area of East Hull to work with 30 families / 100 individuals over two years, targeting early intervention to deliver meaningful change to prevent them drifting to the point of crisis, funded through the Big Lottery Reaching Communities and the ESF Community Led Local Development Fund, administer by the Humber Learning Consortium, with match funding from Marr Seafood and the JF Brignall Family Trust, among others.

- The continuation of our Scunthorpe Programmes for people living in specific postcode areas of North Lincolnshire, funded through the ESF Community Led Local Development Fund administered by North Lincolnshire Council. A total of 23 individuals took part in two programmes which ran pre and post lockdown.

- A further bespoke programme for ex-service veterans from across Humber, funded through the Armed Forces Covenant Trust Pathways programme and the JobCentre Plus (JCP).

Unfortunately, all of our programmes were interrupted in March 2020 by the Covid-19 pandemic and we were forced to cease all face to face delivery and some staff were placed on furlough. Other staff continued to provide support to individuals and families on all our current programmes as well as those most vulnerable past participants as part of our 'Once CatZero, Always CatZero' guarantee.

As the pandemic continued throughout May and June, all but four of our 16 strong staff team were eventually placed on furlough. The four remaining staff continued to ensure that welfare support was provided to each of our participants that needed it and family packs and challenges were issued in order to keep children, young people, parents and individuals engaged throughout the lockdown.

July saw restrictions ease slightly and staff started to return to work. Programmes were adapted to ensure the safety of staff and participants and to meet the ever-changing government guidelines. By September, all delivery staff had returned to work full time and Covid-19 safe delivery commenced in the form of 'walk and talks' and other small group activities outdoors.

The views of our 2020 participants

"I'm working for CCUK based in Hull and working on the South Bank University complex in Elephant and Castle in London. I love the job and must say my experiences with you guys has made me a much better person. My family in Droitwich are so chuffed with my recent achievements and I am so much better equipped to deal with working with others now. All in all you guys showed me the way forward and I'm not looking back. Thanks for everything CatZero offered me and, to be honest, I have a tear of happiness while I'm texting this message. You guys have got what you do spot on."

"CatZero never let me go, they continued to believe in me. I am lucky enough to have this second chance and have fully applied myself, it is a great opportunity and one I am not going to waste."

**Report of the Trustees
for the Year Ended 31 December 2020**

OBJECTIVES AND ACTIVITIES

"CatZero can help making negative thinking into positive ones."

"CatZero can adapt support needed to the individuals needs and requirements."

"I have joined the Cat Zero Veterans support programme, I have battled alcohol addiction for over forty years, and lost my way many times."

"The CatZero team have helped me understand what kind of help there is for veterans, whether ex full time service or reserve."

"The CatZero team have helped me understand what kind of help there is for veterans, whether ex full time, service or reserve (TA's). They are helping me with resolving my debt's and re-education, CV building, understanding myself and what is possible for the future."

"Absolutely loved doing this course with CatZero highly recommend, I would easy do this again, incredible."

"Do it... my son went and it was a life changing experience for him."

"Absolutely loved it was what I needed my life has just grown better since thankyou to all at CatZero for your amazing work."

"Thanks to CatZero I was able to actually get myself applied to university, where I've met amazing people there as well. I wouldn't change this for the world. Big steps have been made in my life thanks to all of you guys."

"The guys at CatZero are amazing people, and I can honestly say they all played a part in saving my sons life, you guys took him from a very dark place where I tried for years and now he is turning into a very positive young man. Anyone thinking about a CatZero program think no more, just do it. I can say from experience a worthwhile learning programme."

Our 2020 supporters:

Further support was given through a range of individuals, local businesses and grant making organisations, further details of which can be found with the accounts.

During the year, we make particular thanks to the following, who were major funders of our programmes in 2020, Armed Forces Covenant Trust, Big Lottery Reaching Communities, Fishmongers Company & Charitable and Philanthropy Trust, Haverby Family Trust, Hull and Scunthorpe Community Led Local Development Funds, J Marr Seafoods and Andrew Marr International, JF Brignall Charitable Trust, James Reckitt Trust, JobCentre Plus, JF Brignall Charitable Trust, JK Foundation, JR Rix & Sons, we thank them all along with CPO for our Full Families Partnership working.

We also thank the following who supported our programmes: ABF Soldiers Charity, Anna Maria Foundation, Association of Sail Training (ASTO), Bartlett Foundation, Broome Family Trust, CG Gibson Charitable Trust, Chartered Accountants Livery Fund, James Reckitt Trust, Joseph and Annie Cattle Trust, Joseph Rank Benevolent Fund, JS & EC Rymer Trust, Liz and Terry Bramall Foundation, North East Lincolnshire Council, Lord Hanson Foundation, Rank Foundation, Scarborough Foundation, Souter Charitable Trust, Sudborough Foundation, Youth Endowment Fund Capacity Grant along with many other funders, fundraisers and personal donors.

CatZero could not continue without this amazing support which is needed more than ever as we move forward post Covid-19.

**Report of the Trustees
for the Year Ended 31 December 2020**

OBJECTIVES AND ACTIVITIES

In addition, we have a range of partners that provide significant in-kind support or donations, including ABP, Adams & Green, Andrew Jackson Solicitors, ARCO, Beal Homes, B. Cooke & Sons, Beerhouse Self-Drive, BWML, Clipper Ventures, Enrolled Freeman of Grimsby, Harris Lacey and Swain Chartered Accountants, Hodgson Architects, Horncastle Group and Horncastle Charitable Trust, Huttons Medical, Informed Financial Planning, IT@Spectrum, JELF Insurance, Jupiter IT Solutions, KCOM, Kildale Marine, Linbrooke Services, Pipers Crisps, Sewell Group, Stuart Ward Solicitors, William Jackson Food Group and Wykeland.

Of course, we have many other in-kind partners and other supporters year-in-year-out and we thank them all. For a full list of our 'friends' and full details of our 2020 activities, please go to our website www.catzero.org where you will find the report.

The success of CatZero for over a decade is due, without doubt, to the dedicated team of staff, trustees and volunteers. They combine experience, professionalism and commitment to deliver true and effective change to participants. By building confidence and trust, they challenge and support individuals - allowing them to turn their lives around in the long-term. Many of the team have remained with CatZero since its inception, growing and developing along with the organisation and its participants.

Public benefit

As a charity principally working intensively with participants with the aim of moving them into employment, further education or vocational training, the trustees believe this meets the public benefit test as required under charity law.

STRATEGIC REPORT

Achievement and performance

Charitable activities

In addition to achieving the contractual agreements, referred to above, CatZero continues to secure donations and contributions through small grants applications, corporate support and fundraising events, which enable the organisation to meet its objectives.

Financial review

Financial position

The financial position of the charity is disclosed in the attached financial statements.

Reserves policy

The Trustees have established a reserves policy with the long-term objective to build and maintain a level of reserves of at least four months operating expenditure to cover funding uncertainties and unexpected or planned additional expenditure in order to ensure that the Charity is able to meet commitments and to continue as a going concern.

FIXED ASSETS

The Trustees are informed that the open market value of CatZero, its Challenge 72 yacht is around £500,000, which is above its net book value in the Financial Statements.

**Report of the Trustees
for the Year Ended 31 December 2020**

STRATEGIC REPORT

OUR FUTURE

During 2021 we continued to adapt our programmes in line with Government guidance to ensure all staff and participants were kept safe whilst still being able to offer effective programmes and provide the support necessary to enable our participants to change their lives.

January 2021 saw us commence a new programme funded through the Youth Futures foundation, working with 50 14-24 years olds in Grimsby and Hull. We also continue to run our full families programmes in Hull and commenced a second contract with the Big Lottery to continue our Grimsby Full families programmes for a further three years.

Our Community Led Local Development Programmes continue in Scunthorpe and funding continues through the Armed Forces Covenant Trust and ABF Soldiers to support local Veterans with a programme for ex-service personal running throughout the year.

Support from partners and funding from small grant organisations continues alongside our fundraising, corporate, teambuilding and sailing projects.

There is so much we could tell you about as we make true inroads in helping to create new futures for our participants. You can find more on our website www.catzero.org

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

Trustees have identified a key set of skills and experience required in order to support the development and continued success of the organisation including Leadership, management, financial, health and strategic skills, with Trustees considered and appointed based upon experience and knowledge which would be beneficial to the organisation.

Organisational structure 2020

Trustees oversee, through regular meetings, the key elements of the charity including financial monitoring, health and safety reviews, budget allocation and cash flow forecasting, review of policies and procedures alongside interrogating the project outcomes and milestones in line with funding objectives.

TRUSTEES BOARD

Jim Dick OBE - Chairman

Charles Lewis, David Bishop, Terry Moran CB, Deb Oxley OBE

Strategic direction of the organisation and receiving, reviewing and approving committee reports.

AUDIT COMMITTEE

Terry Moran CB - Chairman
Charles Lewis, David Bishop

Financial Processes including; Internal Review, Risk Register, Review and approval of ICT and Financial Policies.

HEALTH AND SAFETY COMMITTEE

Jim Dick OBE - Chairman

Review and approval of H&S Policies. Review of all incidents - office(s), shore-based activity, and sailing. Monitoring of H&S processes, inspections and implementation.

REMUNERATION COMMITTEE

Charles Lewis - Chairman
Jim Dick OBE, Terry Moran CB

Review of pay and employment conditions. Subsequent review and approval of HR Policies. Determine and monitor pension arrangements.

Along with a number of other working groups including the Strategic Development Group.

Catzero Limited

**Report of the Trustees
for the Year Ended 31 December 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06777504 (England and Wales)

Registered Charity number

1138124

Registered office

2b Humber Street
Hull
East Yorkshire
HU1 1TG

Trustees

J L Dick OBE
E R C Lewis
D Bishop
Mrs D J Oxley OBE
T Moran CB

Company Secretary

E R C Lewis

Auditors

Harris Lacey and Swain
Chartered Accountants and Statutory Auditors
Suite 1
The Riverside Building
Hessle
East Yorkshire
HU13 0DZ

**Report of the Trustees
for the Year Ended 31 December 2020**

TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees (who are also the Directors of Catzero for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

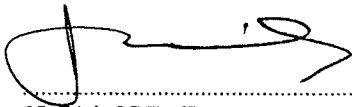
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Harris Lacey and Swain, will be proposed for re-appointment at the 2020 Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 29 July 2021 and signed on the board's behalf by:



J L Dick OBE - Trustee

**Report of the Independent Auditors to the Members of
Catzero Limited**

Opinion

We have audited the financial statements of Catzero Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its 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 Auditors' 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 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Catzero Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Catzero Limited

Our 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 a Report of the Independent Auditors 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.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

Audit response to risks identified

- the nature of the industry and sector, control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets
- results of our enquiries of management and their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the companies' documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - the matters discussed among the audit engagement team including regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue deferrals. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Corporate Governance Code and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

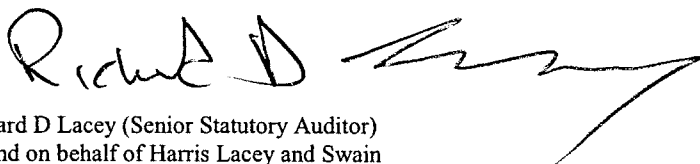
**Report of the Independent Auditors to the Members of
Catzero Limited**

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard D Lacey (Senior Statutory Auditor)
for and on behalf of Harris Lacey and Swain
Chartered Accountants and Statutory Auditors
Suite 1
The Riverside Building
Hessle
East Yorkshire
HU13 0DZ

Date: 30/7/21

Catzero Limited

**Statement of Financial Activities
for the Year Ended 31 December 2020**

		Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	309,728	253,454	563,182	532,324
Other trading activities	3	126,028	-	126,028	163,247
Investment income	4	128	-	128	216
Other income		24,996	-	24,996	24,996
Total		460,880	253,454	714,334	720,783
EXPENDITURE ON					
Raising funds	5	-	-	-	2,252
Charitable activities	6				
Charitable activities		434,570	253,454	688,024	803,496
Total		434,570	253,454	688,024	805,748
NET INCOME/(EXPENDITURE)		26,310	-	26,310	(84,965)
RECONCILIATION OF FUNDS					
Total funds brought forward		173,797	-	173,797	258,762
TOTAL FUNDS CARRIED FORWARD		200,107	-	200,107	173,797


The notes form part of these financial statements

Catzero Limited

**Balance Sheet
31 December 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	12	281,288	-	281,288	312,532
CURRENT ASSETS					
Debtors	13	24,235	-	24,235	100,057
Cash at bank and in hand		235,961	-	235,961	92,282
		<u>260,196</u>	<u>-</u>	<u>260,196</u>	<u>192,339</u>
CREDITORS					
Amounts falling due within one year	14	(95,099)	-	(95,099)	(99,800)
NET CURRENT ASSETS		<u>165,097</u>	<u>-</u>	<u>165,097</u>	<u>92,539</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		446,385	-	446,385	405,071
CREDITORS					
Amounts falling due after more than one year	15	(246,278)	-	(246,278)	(231,274)
NET ASSETS		<u>200,107</u>	<u>-</u>	<u>200,107</u>	<u>173,797</u>
FUNDS	17				
Unrestricted funds				200,107	173,797
TOTAL FUNDS				<u>200,107</u>	<u>173,797</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 29 July 2021 and were signed on its behalf by:


J L Dick OBE - Trustee

The notes form part of these financial statements

Catzero Limited

**Cash Flow Statement
for the Year Ended 31 December 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	103,569	(45,619)
Interest paid		(966)	(1,130)
Net cash provided by/(used in) operating activities		<u>102,603</u>	<u>(46,749)</u>
Cash flows from investing activities			
Interest received		<u>128</u>	<u>216</u>
Net cash provided by investing activities		<u>128</u>	<u>216</u>
Cash flows from financing activities			
Bounce Back Loan		<u>40,000</u>	<u>-</u>
Net cash provided by financing activities		<u>40,000</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period			
		<u>142,731</u>	<u>(46,533)</u>
Cash and cash equivalents at the beginning of the reporting period			
	2	<u>92,282</u>	<u>138,815</u>
Cash and cash equivalents at the end of the reporting period			
	2	<u><u>235,013</u></u>	<u><u>92,282</u></u>

The notes form part of these financial statements

Catzero Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2020**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	26,310	(84,965)
Adjustments for:		
Depreciation charges	31,244	32,694
Interest received	(128)	(216)
Interest paid	966	1,130
Decrease in debtors	75,822	5,388
(Decrease)/increase in creditors	(30,645)	350
Net cash provided by/(used in) operations	<u>103,569</u>	<u>(45,619)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	82	108
Notice deposits (less than 3 months)	235,879	92,174
Overdrafts included in bank loans and overdrafts falling due within one year	(948)	-
Total cash and cash equivalents	<u>235,013</u>	<u>92,282</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	92,282	143,679	235,961
Bank overdraft	-	(948)	(948)
	<u>92,282</u>	<u>142,731</u>	<u>235,013</u>
Debt			
Debts falling due after 1 year	-	(40,000)	(40,000)
	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>
Total	<u>92,282</u>	<u>102,731</u>	<u>195,013</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on the basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Vessel	- Straight line over 20 years
Computer equipment	- 33% on cost

It was deemed appropriate to revalue regularly the yacht CatZero to ensure the carrying amount reported reflected the market value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

1. ACCOUNTING POLICIES - continued**Financial instruments**

Trade and other debtors are recognised initially at transaction price less attributable transactions costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less impairment losses in the case of trade debtors.

2. DONATIONS AND LEGACIES

Donations which amount over £30,000 given in the year are:

	£
Big Lottery Reaching Communities	£80,781
The Hawerby Family Trust	£62,000
CLLD EISF Funding Hull & Scunthorpe	£45,451
Fishmongers Company Charitable & Philanthropy Trust	£40,000
Armed Forces Covenant Trust Pathways Programme	£33,250
Youth Endowment Fund	£31,051

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Corporate and Sailing Training Income	126,028	163,247
	<u> </u>	<u> </u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	128	216
	<u> </u>	<u> </u>

5. RAISING FUNDS**Raising donations and legacies**

	2020	2019
	£	£
Sundries	-	2,252
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**6. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 7) £	Totals £
Charitable activities	520,803	167,221	688,024

7. SUPPORT COSTS

	Indirect costs £	Governance costs £	Totals £
Charitable activities	163,721	3,500	167,221

Some Administrative staff costs that would normally be allocated to programme delivery were unable to be re-allocated in 2020 due to the suspension of face-to-face programme delivery during the Covid-19 pandemic. These posts were still required, with one being retained on furlough and two to keep the organisation operational, managing remote delivery and submitting funding applications. We also took the opportunity to address our systems and processes in readiness for our return to full operational activity. We anticipate these levels to fall back to normal levels.

Support costs, included in the above, are as follows:

	2020 Charitable activities £	2019 Total activities £
Administration Wages	121,228	82,586
Rent, rates, water and refuse	16,566	15,474
Insurance	13,176	8,874
Light and heat	2,536	3,100
Telephone	3,460	3,489
Post stationery and printing	822	1,546
Information Technology	4,513	10,000
Repairs and Renewals	454	-
Interest payable and similar charges	966	1,130
Auditors' remuneration	3,500	3,500
	<u>167,221</u>	<u>129,699</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	3,500	3,500
Depreciation - owned assets	<u>31,244</u>	<u>32,694</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

10. STAFF COSTS

The staff costs for the year are as follows:

	2020	2019
Gross Wages	437,876	446,862
Employers NIC costs	40,728	42,168
Employers Pension costs	9,833	9,146
	<u>488,437</u>	<u>498,176</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Management & Administration	3	3
Sailing	2	1
Programme Delivery	13	13
	<u>18</u>	<u>17</u>

No employees received emoluments in excess of £60,000.

In addition the work of the Charity is supported by approximately 40 unpaid volunteers.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	265,043	267,281	532,324
Other trading activities	163,247	-	163,247
Investment income	216	-	216
Other income	24,996	-	24,996
Total	<u>453,502</u>	<u>267,281</u>	<u>720,783</u>
EXPENDITURE ON			
Raising funds	2,252	-	2,252
Charitable activities			
Charitable activities	536,215	267,281	803,496

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Total	538,467	267,281	805,748
NET INCOME/(EXPENDITURE)	(84,965)	-	(84,965)
RECONCILIATION OF FUNDS			
Total funds brought forward	258,762	-	258,762
TOTAL FUNDS CARRIED FORWARD	173,797	-	173,797

12. TANGIBLE FIXED ASSETS

	Vessel £	Computer equipment £	Totals £
COST			
At 1 January 2020 and 31 December 2020	624,878	12,737	637,615
DEPRECIATION			
At 1 January 2020	312,346	12,737	325,083
Charge for year	31,244	-	31,244
At 31 December 2020	343,590	12,737	356,327
NET BOOK VALUE			
At 31 December 2020	281,288	-	281,288
At 31 December 2019	312,532	-	312,532

The boat was revalued by Nigel Ling Marine Surveyor (I.Eng FCMS MCI Arb MRINA) as at 31 December 2013 at the market value of £500,000.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2020	2019
	£	£
Trade debtors	11,588	89,166
VAT	3,236	-
Prepayments	9,411	10,891
	<u>24,235</u>	<u>100,057</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2020	2019
	£	£
Bank loans and overdrafts (see note 16)	948	-
Trade creditors	7,687	8,817
Social security and other taxes	13,768	13,263
VAT	-	5,253
Deferred income	65,479	64,171
Accrued expenses	7,217	8,296
	<u>95,099</u>	<u>99,800</u>
15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2020	2019
	£	£
Other loans (see note 16)	40,000	-
LSP Vessel Grant	206,278	231,274
	<u>246,278</u>	<u>231,274</u>
	2020	2019
Vessel Grant at 1 January	231,274	256,270
Less: Amortisation of Grant	24,996	24,996
	<u>206,278</u>	<u>231,274</u>
Vessel Grant at 31 December	<u>206,278</u>	<u>231,274</u>

The grant is being released over the useful life of the vessel of 20 years. The grant is not repayable.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

16. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year on demand:		
Bank overdrafts	948	-
	<u> </u>	<u> </u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	40,000	-
	<u> </u>	<u> </u>

17. MOVEMENT IN FUNDS

	Incoming Resources	Resources Expanded	Movement
Unrestricted Funds - General Fund	460,080	(433,770)	26,310
Restricted Funds			
Big Lottery Fund	90,081	(90,081)	-
Hull CLLD	33,993	(33,993)	-
Armed Forces Covenant Trust	33,250	(33,250)	-
Youth Future Fund	31,051	(31,051)	-
	<u> </u>	<u> </u>	<u> </u>
Total	648,455	(622,145)	26,310
	<u> </u>	<u> </u>	<u> </u>

18. RELATED PARTY DISCLOSURES

A donation was received during the year from Mr J L Dick, a trustee, of £nil (2019 - £20,000).

19. TRUSTEES INDEMNITY INSURANCE

The company has Indemnity Insurance for Officers and Trustees of the Company. The premium amounted to £1,464 for the year (2019 - £1,464).

Catzero Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 December 2020**

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	70,196	141,744
Grants for delivery of programmes	492,986	390,580
	<u>563,182</u>	<u>532,324</u>
Other trading activities		
Corporate and Sailing Training Income	126,028	163,247
Investment income		
Deposit account interest	128	216
Other income		
Amortisation of Vessel Grant	24,996	24,996
Total incoming resources	<u>714,334</u>	<u>720,783</u>
EXPENDITURE		
Raising donations and legacies		
Sundries	-	2,252
Charitable activities		
30in30	31,266	266
Off shore sailing	49,408	34,695
Vessel maintenance	24,082	40,304
Programme delivery	47,447	58,646
On shore Staff Costs	249,857	389,670
Off shore Staff Costs	66,791	70,886
Irrecoverable VAT and Repairs	-	8,362
Programme delivery expenses	3,041	11,188
Vehicle hire	1,492	5,707
Depreciation of tangible and heritage assets	31,244	32,694
Employer pension cost	9,833	9,146
Insurance	6,342	12,233
	<u>520,803</u>	<u>673,797</u>
Support costs		
Indirect costs		
Administration Wages	121,228	82,586
Rent, rates, water and refuse	16,566	15,474
Insurance	13,176	8,874
Light and heat	2,536	3,100
Carried forward	153,506	110,034

This page does not form part of the statutory financial statements

Catzero Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 December 2020**

	2020 £	2019 £
Indirect costs		
Brought forward	153,506	110,034
Telephone	3,460	3,489
Post stationery and printing	822	1,546
Information Technology	4,513	10,000
Repairs and Renewals	454	-
Bank charges	966	1,130
	<u>163,721</u>	<u>126,199</u>
Governance costs		
Auditors' remuneration	3,500	3,500
	<u>688,024</u>	<u>805,748</u>
Total resources expended		
	<u>688,024</u>	<u>805,748</u>
Net income/(expenditure)	<u>26,310</u>	<u>(84,965)</u>

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