

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

Report of the Trustees and
Financial Statements for the Year Ended 31 December 2021
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 2021**

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Catzero Limited
Report of the Trustees
for the Year Ended 31 December 2021

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 2021. 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).

Catzero Limited
Report of the Trustees
for the Year Ended 31 December 2021

OBJECTIVES AND ACTIVITIES

CatZero: Delivering Lasting Personal Change
Summary

As we entered 2021, the team at CatZero once more found themselves in the challenging environment of a full national lockdown which continued to impact participants who were already suffering. The team at CatZero continued the now tried and tested social distanced forms of contact with our participants, sending educational activities for children and providing ongoing telephone support to young people, veterans, adults and families. Once restrictions were eased, staff were able to organise safe local walks and other safe activities which proved invaluable for those who had endured difficult times and had received limited contact with other people and the outside world over the previous year.

Despite the continued challenges faced 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. Revenue and costs for 2021 are not comparable with 2020 due to the impact of COVID-19.

The Charity was able to continue in operation throughout the year thanks to its reserves, prudent management of expenditure, the government flexible furlough scheme and staff willingness to accept the salary sacrifice and work part-time. We were well placed to return to full operational activity mid-way through the year in line with restrictions.

Towards the end of the year, CatZero were proud to welcome HRH, The Princess Royal. The Princess, being a keen and highly experienced sailor herself, was interested to learn more about CatZero, meeting participants, staff and volunteers during her visit.

We are proud of the amazing work and resilience of the team, who work exceptionally hard at making the organisation a success, and equally so of the participants who, despite facing challenging conditions, have achieved many personal successes.

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.

Catzero Limited
Report of the Trustees
for the Year Ended 31 December 2021

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.

Catzero Limited

Report of the Trustees for the Year Ended 31 December 2021

OBJECTIVES AND ACTIVITIES

Significant Activities Programmes

During 2021, 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 recommissioning by the Big Lottery Reaching Communities Fund for a further three years of the rolling programme in North East Lincolnshire, working in partnership with CPO (Creating Positive Opportunities) supporting children, young people and their families. Additional financial support was also received from philanthropic funders, including the Fishmongers Company and the Hawerby Family Trust. This project commenced at the beginning of the year and works with families from the East Marsh, West Marsh and South Ward in Grimsby. CatZero engaged with 23 families throughout the year. Referrals continue to be taken with the families programme continuing until December 2023.

- The Hull Full Families programme - focussing on the Preston Road area of East Hull to work with 30 families / 100 individuals, targeting early intervention to deliver meaningful change to prevent them drifting to the point of crisis, funded through the Big Lottery Reaching Communities. Further funding is received from the ESF Community Led Local Development Fund to offer employability support to the 1-individuals. Match funding for the families and employability programmes was received 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 with 12 of these moving into a sustainable outcome.

- A bespoke programme supporting 25 ex-service veterans from across Humber, funded through the Armed Forces Covenant Trust Pathways programme and the JobCentre Plus (JCP).

- Youth Future Foundation - a programme supporting 61 young people from Hull and Grimsby, providing activities and qualifications to young people aged 14-14.

- A bespoke employability programme supporting up to 16 females from Hull and North Lincolnshire. This programme continues until May 2022.

The views of our 2021 participants

'It was amazing coming onto watch at 4.00 am and coming up on deck to see Tower Bridge all lit up from the middle of The Thames. I also liked being in the kitchen making bacon butties for everyone!'

'I am really proud of myself for sticking at it and completing the sail. I was a little unsure at first but once we got going it was amazing. It was great and a great experience and I have some memories and new friends that I will keep forever.'

'CatZero made such a big difference to me - I still feel I am part of it and can call for support whenever I need it, and that's comforting.'

'CatZero isn't just about courses and paperwork - it's about people's lives.'

'The team help find the barriers which are stopping people from succeeding and guide us in the right direction of what we want from our own futures.'

'CatZero helped me with my CV and supported me with an application to apply for paid work experience at The Sewell Group ... I really enjoyed being with Sewells and it has given me a good idea of work life.'

'The whole experience with CatZero has given me the confidence I need and pushed me onto the right path.'

Catzero Limited
Report of the Trustees
for the Year Ended 31 December 2021

OBJECTIVES AND ACTIVITIES

'Thank you ever so much again for helping me out I really, really appreciate it and all of the CatZero team I really do. They have helped me in ways well that don't really show they have also really helped with [my daughter] also with the opportunity with that work experience and getting a cv and a little sort of start to her become an adult and some experience in working environment. I'm ever so grateful to all of you for what you do, not only for me and my family but many, many you all help.'

'The CatZero organisation has helped me a lot over the months they have been involved. Supporting me with parenting, mainly to do with behaviour. Thanks to them, my home has changed a lot and things are improving. I'm grateful to have the support from them and know they are always a phone call away if I need them.'

'Without CatZero we would have been stuck in a rut. They have helped with finding a school for my younger son. My older son flourished after CatZero supported him first into work experience and then into his apprenticeship. I know CatZero are there when I need them; for help filling in forms, a new CV or the best ways to move forward.'

Our 2021 supporters:

Thank you to all our supporters, the army of volunteers who give up their time, the many business offering in-kind support, financial help and employment or training opportunities to for our participants. We are grateful to the many charities and grant-making organisations that fund our delivery and our many partner organisations, services and statutory organisations that CatZero work alongside. Your continued support really does help to change people's lives.

During the year, we make particular thanks to the following, who were major funders of our programmes in 2021, ABF Soldiers Charity, Armed Forces Covenant Trust, Big Lottery Reaching Communities, Fishmongers Company & Charitable and Philanthropy Trust, Garfield Weston Foundation, Haverby Family Trust, HLC Community Grants 5, Hull and Scunthorpe Community Led Local Development Funds, J Marr Seafoods and Andrew Marr International, JF Brignall Charitable Trust, Sail Training International (Youth Development Fund), TK Foundation, Tribune Trust, Trusthouse Foundation, Youth Futures Foundation we thank them all along with CPO for our Full Families Partnership working.

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

We also thank the following who supported our programmes: Association of Sail Training (ASTO), Broome Family Trust, Big Lottery Awards for All, CG Gibson Charitable Trust, Chartered Accountants Livery Fund, Hesslewood Children's Trust, James Reckitt Trust, Joseph and Annie Cattle Trust, Joseph Rank Benevolent Fund, North East Lincolnshire Council, Lord Hanson Foundation, Rank Foundation, Royal Airforce Benevolent Fund, JR Rix & Sons, Souter Charitable Trust, UNITE along with many other funders, fundraisers and personal donors.

In addition, we have a range of partners that provide significant in-kind support or donations, including ABP, Andrew Jackson Solicitors, Aquavista, ARCO, Beal Homes, B. Cooke & Sons, Beerhouse Self-Drive, Enrolled Freeman of Grimsby, Harris Lacey and Swain Chartered Accountants, Humber Learning Consortium, Huttons Medical, IT@Spectrum, Marsh Insurance, North Lincolnshire Council, Jupiter IT Solutions, KCOM, Kildale Marine, Pipers Crisps, Point Engineering, SCMS, Sewell Group, 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 2021 activities, please go to our website www.catzero.org where you will find our 2021 end of year 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.

Catzero Limited
Report of the Trustees
for the Year Ended 31 December 2021

OBJECTIVES AND ACTIVITIES

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.

Our future

Both the Grimsby and Hull Full Families programmes continue to develop and go from strength to strength. We also continue our programmes dedicated to females who wish to find employment, funded through Community Grants 5 and our Hull based employment programme funded by the Community Led Local Development Fund.

A similar employability programme started in Grimsby at the start of the year funded through the Community Renewal Fund in partnership with CPO, supporting 100 individuals to find employment or enter further education or training.

Children in Need have commissioned CatZero to deliver a programme to young people aged 10-18 in Hull and Grimsby. This programme will work with 15 young people per year for three years.

We continue our fantastic partnership with The Fishmongers Company and the charity 'Beyond Food' also supported by the Fishmongers. The partnership sees groups from CatZero and Beyond Food deliver a replica of the Fishmongers Charter to the Grimsby Fishing Heritage Centre as well as holding a pop-up seafood restaurant at Grimsby Town Football Club in June.

Across the Humber we continue supporting service veterans with programme commissioned by the Armed Forces Covenant Trust, the Veterans Foundation and ABF Soldiers.

We plan to offer more employment support as part of our partnerships with employers with members of our team hand holding participants through full or part-time employment opportunities across the region.

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

Catzero Limited
Report of the Trustees
for the Year Ended 31 December 2021

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 2021

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 CBE (until 16.9.21), Deb Oxley OBE, DL

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

AUDIT COMMITTEE

David Bishop - Chairman
Charles Lewis
Terry Moran CBE (Chairman
until 16.9.21)

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

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.

The Board thanks Terry Moran for his hard work and commitment during his time as a trustee.

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

Catzero Limited
Report of the Trustees
for the Year Ended 31 December 2021

Trustees

Mr J L Dick OBE
Mr E R C Lewis
Mr D Bishop
Mrs D J Oxley OBE, DL
Mr T Moran CBE (resigned 16.9.21)

Company Secretary

Mr E R C Lewis

Auditors

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

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.

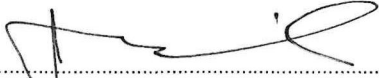
AUDITORS

The auditors, Harris Lacey and Swain, will be proposed for re-appointment at the 2022 Annual General Meeting.

Catzero Limited

**Report of the Trustees
for the Year Ended 31 December 2021**

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 21st July 2022 and signed on the board's behalf by:



.....
Mr 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 2021 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 2021 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: 27/7/22

Catzero Limited

**Statement of Financial Activities
for the Year Ended 31 December 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Grants, donations and legacies	2	74,518	546,038	620,556	563,182
Other trading activities	3	215,970	-	215,970	126,028
Investment income	4	31	-	31	128
Other income		<u>24,996</u>	<u>-</u>	<u>24,996</u>	<u>24,996</u>
Total		315,515	546,038	861,553	714,334
EXPENDITURE ON					
Charitable activities	5				
Charitable activities		<u>312,914</u>	<u>546,038</u>	<u>858,952</u>	<u>688,024</u>
NET INCOME		2,601	-	2,601	26,310
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>200,107</u>	<u>-</u>	<u>200,107</u>	<u>173,797</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>202,708</u></u>	<u><u>-</u></u>	<u><u>202,708</u></u>	<u><u>200,107</u></u>

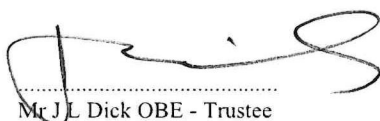
The notes form part of these financial statements

Catzero Limited

**Balance Sheet
31 December 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	11	256,732	-	256,732	281,288
CURRENT ASSETS					
Debtors	12	21,320	-	21,320	24,235
Cash at bank and in hand		<u>233,146</u>	<u>-</u>	<u>233,146</u>	<u>235,961</u>
		254,466	-	254,466	260,196
CREDITORS					
Amounts falling due within one year	13	(94,509)	-	(94,509)	(95,099)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>159,957</u>	<u>-</u>	<u>159,957</u>	<u>165,097</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		416,689	-	416,689	446,385
CREDITORS					
Amounts falling due after more than one year	14	(32,699)	-	(32,699)	(40,000)
LSP Vessel Grant	14	(181,282)	-	(181,282)	(206,278)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>202,708</u>	<u>-</u>	<u>202,708</u>	<u>200,107</u>
FUNDS	16				
Unrestricted funds				<u>202,708</u>	<u>200,107</u>
TOTAL FUNDS				<u>202,708</u>	<u>200,107</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21st July 2022 and were signed on its behalf by:


Mr J L Dick OBE - Trustee

The notes form part of these financial statements

Catzero Limited
Cash Flow Statement
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	12,057	103,569
Interest paid		<u>(1,639)</u>	<u>(966)</u>
Net cash provided by operating activities		<u>10,418</u>	<u>102,603</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(9,983)	-
Interest received		<u>31</u>	<u>128</u>
Net cash (used in)/provided by investing activities		<u>(9,952)</u>	<u>128</u>
Cash flows from financing activities			
Loan repayments in year		(2,333)	-
Bounce Back Loan		<u>-</u>	<u>40,000</u>
Net cash (used in)/provided by financing activities		<u>(2,333)</u>	<u>40,000</u>
Change in cash and cash equivalents in the reporting period			
		(1,867)	142,731
Cash and cash equivalents at the beginning of the reporting period	2	<u>235,013</u>	<u>92,282</u>
Cash and cash equivalents at the end of the reporting period	2	<u>233,146</u>	<u>235,013</u>

The notes form part of these financial statements

Catzero Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2021**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	2,601	26,310
Adjustments for:		
Depreciation charges	34,539	31,244
Interest received	(31)	(128)
Interest paid	1,639	966
Decrease in debtors	2,915	75,822
Decrease in creditors	<u>(29,606)</u>	<u>(30,645)</u>
Net cash provided by operations	<u><u>12,057</u></u>	<u><u>103,569</u></u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash in hand	163	82
Notice deposits (less than 3 months)	232,983	235,879
Overdrafts included in bank loans and overdrafts falling due within one year	<u>-</u>	<u>(948)</u>
Total cash and cash equivalents	<u><u>233,146</u></u>	<u><u>235,013</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank and in hand	235,961	(2,815)	233,146
Bank overdraft	<u>(948)</u>	<u>948</u>	<u>-</u>
	<u><u>235,013</u></u>	<u><u>(1,867)</u></u>	<u><u>233,146</u></u>
Debt			
Debts falling due within 1 year	-	(4,968)	(4,968)
Debts falling due after 1 year	<u>(40,000)</u>	<u>7,301</u>	<u>(32,699)</u>
	<u><u>(40,000)</u></u>	<u><u>2,333</u></u>	<u><u>(37,667)</u></u>
Total	<u><u>195,013</u></u>	<u><u>466</u></u>	<u><u>195,479</u></u>

The notes form part of these financial statements

Catzero Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

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 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.

Catzero Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

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 over £25,000, includes:

	£
Armed Forces Convent Trust	£35,000
Rank Foundation	£25,636
Big Lottery Fund	£91,967
CLLD EISF Funding Hull & Scunthorpe	£56,598
Fastnet (varying individuals)	£44,891
Fishmongers Company Charitable & Philanthropy Trust	£40,000
Garfield Weston	£30,000
Trusthouse Foundation	£30,000
Youth Future Fund	£169,000

3. OTHER TRADING ACTIVITIES

	2021 £	2020 £
Corporate and other income	<u>215,970</u>	<u>126,028</u>

4. INVESTMENT INCOME

	2021 £	2020 £
Deposit account interest	<u>31</u>	<u>128</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable activities	<u>692,069</u>	<u>166,883</u>	<u>858,952</u>

Catzero Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

6. SUPPORT COSTS

	Indirect costs £	Governance costs £	Totals £
Charitable activities	<u>163,383</u>	<u>3,500</u>	<u>166,883</u>

Some staff costs that would normally be allocated to programme delivery were unable to be re-allocated in 2020 and 2021 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:

	2021 £	2020 £
Wages	108,675	121,228
Rent, rates, water and refuse	19,482	16,566
Insurance	16,652	13,176
Light and heat	2,742	2,536
Telephone	4,060	3,460
Post stationery and printing	1,483	822
Information technology	6,932	4,513
Repairs and renewals	1,718	454
Interest payable and similar charges	1,639	966
Auditors' remuneration	<u>3,500</u>	<u>3,500</u>
	<u>166,883</u>	<u>167,221</u>

7. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Auditors' remuneration	3,500	3,500
Depreciation - owned assets	<u>34,539</u>	<u>31,244</u>

Catzero Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

9. STAFF COSTS

The staff costs for the year are as follows:

	2021	2020
Gross Wages	544,696	437,876
Employers NIC costs	50,406	40,728
Employers Pension costs	<u>12,152</u>	<u>9,833</u>
	<u>607,254</u>	<u>488,437</u>

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

	2021	2020
Management & Administration	4	3
Sailing	2	2
Programme Delivery	<u>17</u>	<u>13</u>
	<u>23</u>	<u>18</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	<u>1</u>	<u>-</u>

Staff costs have increased this year due to a delay in employing staff due to Covid-19. In addition the work of the Charity is supported by approximately 40 unpaid volunteers.

Catzero Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Grants, donations and legacies	309,728	253,454	563,182
Other trading activities	126,028	-	126,028
Investment income	128	-	128
Other income	<u>24,996</u>	<u>-</u>	<u>24,996</u>
Total	460,880	253,454	714,334
EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>434,570</u>	<u>253,454</u>	<u>688,024</u>
NET INCOME	26,310	-	26,310
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>173,797</u>	<u>-</u>	<u>173,797</u>
TOTAL FUNDS CARRIED FORWARD	<u>200,107</u>	<u>-</u>	<u>200,107</u>

11. TANGIBLE FIXED ASSETS

	Vessel £	Computer equipment £	Totals £
COST			
At 1 January 2021	624,878	12,737	637,615
Additions	<u>-</u>	<u>9,983</u>	<u>9,983</u>
At 31 December 2021	<u>624,878</u>	<u>22,720</u>	<u>647,598</u>
DEPRECIATION			
At 1 January 2021	343,590	12,737	356,327
Charge for year	<u>31,244</u>	<u>3,295</u>	<u>34,539</u>
At 31 December 2021	<u>374,834</u>	<u>16,032</u>	<u>390,866</u>
NET BOOK VALUE			
At 31 December 2021	<u>250,044</u>	<u>6,688</u>	<u>256,732</u>
At 31 December 2020	<u>281,288</u>	<u>-</u>	<u>281,288</u>

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.

Catzero Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	10,875	11,588
VAT	-	3,236
Prepayments	<u>10,445</u>	<u>9,411</u>
	<u>21,320</u>	<u>24,235</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 15)	-	948
Other loans (see note 15)	4,968	-
Trade creditors	10,957	7,687
Social security and other taxes	16,288	13,768
VAT	420	-
Deferred income	52,236	65,479
Accrued expenses	<u>9,640</u>	<u>7,217</u>
	<u>94,509</u>	<u>95,099</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other loans (see note 15)	32,699	40,000
LSP Vessel Grant	<u>181,282</u>	<u>206,278</u>
	<u>213,981</u>	<u>246,278</u>

	2021	2020
Vessel Grant at 1 January	206,278	231,274
Less: Amortisation of Grant	<u>24,996</u>	<u>24,996</u>
Vessel Grant at 31 December	<u>181,282</u>	<u>206,278</u>

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

Catzero Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

15. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Bank overdrafts	-	948
Other loans	<u>4,968</u>	<u>-</u>
	<u>4,968</u>	<u>948</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>4,968</u>	<u>-</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>19,871</u>	<u>40,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs	7,860	-

Catzero Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

16. MOVEMENT IN FUNDS

	Incoming Resources	Resources Expanded	Movement
Unrestricted Funds			
General Fund	315,515	(312,914)	2,601
Total	315,515	(312,914)	2,601
Restricted Funds			
The Rank Foundation	24,971	(24,971)	-
Big Lottery Fund	91,967	(91,967)	-
Garfield Weston Foundation	30,000	(30,000)	-
Job Centre Plus	6,072	(6,072)	-
Trusthouse Foundation	30,000	(30,000)	-
ASTO	1,284	(1,284)	-
Humber Learning Consortium	7,076	(7,076)	-
Hull CLLD	26,064	(26,064)	-
Scunthorpe CLLD	30,534	(30,534)	-
ABF Soldiers	10,500	(10,500)	-
Tribune Trust	4,000	(4,000)	-
Armed Forces Covenant Trust	35,000	(35,000)	-
Youth Future Fund	169,000	(169,000)	-
Joseph and Annie Cattle Trust	5,000	(5,000)	-
Sail Training youth Development Fund	6,000	(6,000)	-
SSE	3,679	(3,679)	-
Joseph Rank	750	(750)	-
Hesslewood Children's Trust	2,000	(2,000)	-
Fastnet	44,891	(44,891)	-
Hymers School	11,250	(11,250)	-
Larsons/SCMS	6,000	(6,000)	-
Total	546,038	(546,038)	-
Total Fund Movements	861,553	(858,952)	2,601

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

18. TRUSTEES INDEMNITY INSURANCE

The company has Indemnity Insurance for Officers and Trustees of the Company. The premium amounted to £1,813 for the year (2020 - £1,464).

Catzero Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 December 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	26,128	70,196
Grants for delivery of programmes	<u>594,428</u>	<u>492,986</u>
	620,556	563,182
Other trading activities		
Corporate and other income	215,970	126,028
Investment income		
Deposit account interest	31	128
Other income		
Amortisation of Vessel Grant	<u>24,996</u>	<u>24,996</u>
Total incoming resources	861,553	714,334
EXPENDITURE		
Charitable activities		
30in30	-	31,266
Off shore sailing	57,848	49,408
Vessel maintenance	16,984	24,082
Programme delivery	36,360	47,447
On shore staff costs	432,503	249,857
Off shore staff costs	78,962	66,791
Programme delivery expenses	5,140	3,041
Vehicle hire	5,192	1,492
Depreciation of tangible and heritage assets	34,539	31,244
Employer pension cost	12,152	9,833
Insurance	2,935	6,342
Office marketing	<u>9,454</u>	<u>-</u>
	692,069	520,803
Support costs		
Indirect costs		
Wages	108,675	121,228
Rent, rates, water and refuse	19,482	16,566
Insurance	16,652	13,176
Light and heat	2,742	2,536
Telephone	4,060	3,460
Post stationery and printing	1,483	822
Information technology	6,932	4,513
Carried forward	160,026	162,301

This page does not form part of the statutory financial statements

Catzero Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 December 2021**

	2021 £	2020 £
Indirect costs		
Brought forward	160,026	162,301
Repairs and renewals	1,718	454
Bank loan interest	565	-
Bank charges	<u>1,074</u>	<u>966</u>
	163,383	163,721
Governance costs		
Auditors' remuneration	<u>3,500</u>	<u>3,500</u>
Total resources expended	<u>858,952</u>	<u>688,024</u>
Net income	<u><u>2,601</u></u>	<u><u>26,310</u></u>

This page does not form part of the statutory financial statements

